

Independent Auditor's Report

To the Shareholders and the Board of Directors of BuilderSmart Public Company Limited:

Opinion

I have audited the consolidated and separate financial statements of BuilderSmart Public Company Limited and its subsidiaries, and of BuilderSmart Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2017, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the BuilderSmart Public Company Limited and its subsidiaries, and of BuilderSmart Public Company Limited, respectively, as at December 31, 2017, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Fair value of investment properties - Senior Living Project

Risk

As discussed in Note to Financial Statements No. 12, a subsidiary measures investment properties - Senior Living Project according to the fair value approach. I focused on this area because of the valuation model is a market comparison approach that was evaluated by an independent appraiser engaged by the subsidiary. In determining the fair value of investment properties, Management had to exercise judgment to determine the appropriate market prices of comparative properties and key assumptions for adjusting market prices comparable to the subject properties.

Auditor's response

I have verified the fair value of the investment property appraised by the subsidiary's independent appraiser by reviewing the independent appraiser's competency, capabilities, independency and objectivity and considering the appropriateness of the key assumptions of the valuation by:

- Determining the similarity of the comparative properties based on their characteristics, environment and utilization with the investment properties of the subsidiary;
- Assessing the appropriateness of market prices based on observable information; and
- Determining the appropriateness of methodologies used to adjust market prices to the fair value of the investment properties of the subsidiary, i.e. differences in characteristics, size and environment, to comparative properties.

In addition, I reviewed the appropriateness of related transactions recorded in the financial statements and information disclosed for their compliance with relevant accounting standards.

Other Matter

The consolidated and separate financial statements of BuilderSmart Public Company Limited and its subsidiaries for the year ended December 31, 2016, which have been presented herewith for comparative information were audited by another auditor of our firm, whose report dated February 23, 2017, expressed an unqualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty

exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

Sathien Vongsnan

Certified Public Accountant

Registration Number 3495

ANS Audit Company Limited

Bangkok, February 21, 2018

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
BUILDERSMART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

Unit: Baht					
		Consolidated financial statements		Separate financial statements	
Notes	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	
Assets					
Current assets					
Cash and cash equivalents	5	81,173,746.96	172,230,283.02	57,439,285.83	149,912,914.10
Trade and other receivables - net	4, 6	87,194,522.36	91,036,222.78	69,723,562.76	78,472,333.07
Short-term loan to related parties	4	-	-	100,500,000.00	44,210,000.00
Inventories - net	7	101,375,697.42	99,817,042.52	51,992,529.29	61,233,728.87
Other current assets		5,575,572.29	7,283,226.37	1,276,725.40	1,518,417.13
Total current assets		275,319,539.03	370,366,774.69	280,932,103.28	335,347,393.17
Non-current assets					
Restricted deposits with financial institutions	8	32,750,000.00	40,250,000.00	29,750,000.00	38,750,000.00
Investment in subsidiaries company - net	9	-	-	168,024,746.81	170,754,310.00
Investment in debt securities held to maturity - net	10	11,188,800.00	-	11,188,800.00	-
Senior living project under development	3, 11	139,263,662.19	125,780,322.74	-	-
Investment properties - net	3, 12	62,500,000.00	-	-	-
Building improvements and equipment - net	3, 13	29,327,637.98	25,917,641.36	10,944,239.76	14,218,044.58
Intangible assets - net	14	13,063,844.07	10,806,052.51	5,324,149.34	4,146,878.57
Deferred tax assets - net	20	4,774,970.12	4,774,785.00	3,896,136.76	3,595,141.42
Other non-current assets		5,105,923.29	4,438,425.79	743,770.17	1,239,601.85
Total non-current assets		297,974,837.65	211,967,227.40	229,871,842.84	232,703,976.42
Total assets		573,294,376.68	582,334,002.09	510,803,946.12	568,051,369.59

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

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

Unit: Baht					
		Consolidated financial statements		Separate financial statements	
Notes	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	5,202,318.83	710,961.50	4,176,083.97	-
Trade and other payables	4, 16	104,928,898.67	101,495,553.74	85,282,840.70	85,736,741.81
Customer deposits		23,533,942.52	28,186,413.45	2,227,256.79	4,049,168.07
Income tax payable		5,504,664.47	3,349,294.01	5,504,664.47	2,867,623.13
Short-term debentures	17	-	100,000,000.00	-	100,000,000.00
Current portion of long-term liabilities under finance leases	18	1,534,751.17	1,815,446.45	1,429,806.51	1,441,806.22
Other current liabilities		2,230,213.92	2,107,435.35	2,194,345.89	2,082,387.05
Total current liabilities		142,934,789.58	237,665,104.50	100,814,998.33	196,177,726.28
Non-current liabilities					
Long-term liabilities under finance leases - net	18	1,540,335.82	3,075,086.98	1,531,280.10	2,961,086.60
Liability for guarantee refund to lessee		43,368,000.00	-	-	-
Employee benefit obligations	19	6,977,986.00	7,074,285.02	5,365,323.00	5,306,595.00
Retentions		1,723,847.47	-	-	-
Deferred tax liabilities - net	20	5,235,357.74	-	-	-
Total non-current liabilities		58,845,527.03	10,149,372.00	6,896,603.10	8,267,681.60
Total liabilities		201,780,316.61	247,814,476.50	107,711,601.43	204,445,407.88
Shareholders' equity					
Share capital					
Authorised share capital					
2,047,361,510 ordinary shares, Baht 0.10 par value	22	204,736,151.00	204,736,151.00	204,736,151.00	204,736,151.00
Issued and paid-up share capital					
1,695,980,676 ordinary shares, Baht 0.10 par value	22	169,598,067.60	169,598,067.60	169,598,067.60	169,598,067.60
Premium on share capital	22	142,273,285.93	142,273,285.93	142,273,285.93	142,273,285.93
Retained earnings					
Appropriated to legal reserve	24	8,145,278.78	6,201,957.15	8,145,278.78	6,201,957.15
Unappropriated		49,497,401.44	14,576,915.58	83,075,712.38	45,532,651.03
Other component of shareholders' equity		1,969,644.51	1,688,852.46	-	-
Total shareholders' equity of the Company		371,483,678.26	334,339,078.72	403,092,344.69	363,605,961.71
Non-controlling interests		30,381.81	180,446.87	-	-
Total shareholders' equity		371,514,060.07	334,519,525.59	403,092,344.69	363,605,961.71
Total liabilities and shareholders' equity		573,294,376.68	582,334,002.09	510,803,946.12	568,051,369.59

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

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
	4, 28				
	Revenue from sales and services	562,697,900.17	521,152,229.96	453,120,212.16	429,171,899.61
	Cost of sales and services	(394,785,616.86)	(382,633,578.42)	(304,326,843.00)	(303,167,451.82)
	Gross profit	167,912,283.31	138,518,651.54	148,793,369.16	126,004,447.79
	Other income	10,142,154.59	7,249,765.66	8,777,494.07	6,454,878.50
	Gain on fair value adjustment of investment properties	27,003,444.71	-	-	-
	Selling expenses	(65,494,298.90)	(57,984,357.32)	(40,248,665.88)	(36,948,838.20)
	Administrative expenses	(86,902,959.53)	(88,633,448.41)	(60,218,161.83)	(63,348,515.89)
	Loss on impairment of investment in subsidiary	-	-	(2,729,563.19)	-
	Finance costs	(1,575,922.98)	(5,210,801.64)	(5,184,228.52)	(4,416,777.20)
	Profit (loss) before income tax expense	51,084,701.20	(6,060,190.17)	49,190,243.81	27,745,195.00
	Income tax expenses	(15,696,811.99)	(4,640,036.55)	(10,323,811.23)	(4,972,316.20)
	Profit (loss) for the year	35,387,889.21	(10,700,226.72)	38,866,432.58	22,772,878.80
	Other comprehensive income (loss)				
	<i>Items that will not be reclassified to profit or loss</i>				
	Actuarial gain (loss) on defined employee benefit plans - net income tax	1,325,853.22	(543,813.38)	619,950.40	(382,994.42)
	<i>Items that may be reclassified subsequently to profit or loss</i>				
	Exchange differences on translating financial statements				
	of foreign operation	280,792.05	1,292,801.72	-	-
	Other comprehensive income (loss) for the year	1,606,645.27	748,988.34	619,950.40	(382,994.42)
	Total comprehensive income (loss) for the year	36,994,534.48	(9,951,238.38)	39,486,382.98	22,389,884.38
	Profit (loss) attributable to:				
	Equity holders of the Company	35,537,954.27	(10,634,983.59)	38,866,432.58	22,772,878.80
	Non-controlling interests	(150,065.06)	(65,243.13)	-	-
		35,387,889.21	(10,700,226.72)	38,866,432.58	22,772,878.80
	Total comprehensive income (loss) attributable to:				
	Equity holders of the Company	37,144,599.54	(9,885,995.25)	39,486,382.98	22,389,884.38
	Non-controlling interests	(150,065.06)	(65,243.13)	-	-
		36,994,534.48	(9,951,238.38)	39,486,382.98	22,389,884.38
	Earnings (loss) per share				
	23				
	Basic earnings (loss) per share (Baht)	0.021	(0.007)	0.023	0.015
	Weighted average number of ordinary shares (Thousands shares)	1,695,981	1,565,826	1,695,981	1,565,826

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

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit: Baht										
Consolidated financial statements										
Equity attributable to shareholders' equity of the Company										
Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of shareholders' equity			Total	Non-controlling interests	Total shareholders' equity
			Appropriated for legal reserve	Unappropriated	Actuarial gain (loss) on defined employee benefit plans	Translating financial statements	Total other components of shareholder's equity			
	169,598,067.60	142,273,285.93	6,201,957.15	14,576,915.58	-	1,688,852.46	1,688,852.46	334,339,078.72	180,446.87	334,519,525.59
Changes in equity for the year :										
	-	-	-	35,537,954.27	1,325,853.22	280,792.05	1,606,645.27	37,144,599.54	(150,065.06)	36,994,534.48
	-	-	-	1,325,853.22	(1,325,853.22)	-	(1,325,853.22)	-	-	-
24	-	-	1,943,321.63	(1,943,321.63)	-	-	-	-	-	-
	169,598,067.60	142,273,285.93	8,145,278.78	49,497,401.44	-	1,969,644.51	1,969,644.51	371,483,678.26	30,381.81	371,514,060.07
	141,740,412.20	33,218,201.33	5,063,313.21	31,569,768.02	-	396,050.74	396,050.74	211,987,745.50	600.00	211,988,345.50
Changes in equity for the year :										
22	27,857,655.40	109,055,084.60	-	-	-	-	-	136,912,740.00	-	136,912,740.00
27	-	-	-	(4,675,411.53)	-	-	-	(4,675,411.53)	-	(4,675,411.53)
	-	-	-	(10,634,983.59)	(543,813.38)	1,292,801.72	748,988.34	(9,885,995.25)	(65,243.13)	(9,951,238.38)
	-	-	-	(543,813.38)	543,813.38	-	543,813.38	-	-	-
	-	-	-	-	-	-	-	-	245,090.00	245,090.00
24	-	-	1,138,643.94	(1,138,643.94)	-	-	-	-	-	-
	169,598,067.60	142,273,285.93	6,201,957.15	14,576,915.58	-	1,688,852.46	1,688,852.46	334,339,078.72	180,446.87	334,519,525.59

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

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit: Baht

Separate financial statements							
Notes	Retained earnings				Other component of shareholders' equity		Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Appropriated for legal reserve	Unappropriated	Other comprehensive income (loss) -		
					Actuarial gain (loss) on defined employee benefit plans	Total other components of shareholder's equity	
Balance as at January 1, 2017	169,598,067.60	142,273,285.93	6,201,957.15	45,532,651.03	-	-	363,605,961.71
Changes in equity for the year :							
Total comprehensive income for the year	-	-	-	38,866,432.58	619,950.40	619,950.40	39,486,382.98
Transferred to retained earnings	-	-	-	619,950.40	(619,950.40)	(619,950.40)	-
Appropriated to legal reserve	-	-	1,943,321.63	(1,943,321.63)	-	-	-
Balance as at December 31, 2017	169,598,067.60	142,273,285.93	8,145,278.78	83,075,712.38	-	-	403,092,344.69
Balance as at January 1, 2016	141,740,412.20	33,218,201.33	5,063,313.21	28,956,822.12	-	-	208,978,748.86
Changes in equity for the year :							
Increase in share capital	27,857,655.40	109,055,084.60	-	-	-	-	136,912,740.00
Dividend payment	-	-	-	(4,675,411.53)	-	-	(4,675,411.53)
Total comprehensive income for the year	-	-	-	22,772,878.80	(382,994.42)	(382,994.42)	22,389,884.38
Transferred to retained earnings	-	-	-	(382,994.42)	382,994.42	382,994.42	-
Appropriated to legal reserve	-	-	1,138,643.94	(1,138,643.94)	-	-	-
Balance as at December 31, 2016	169,598,067.60	142,273,285.93	6,201,957.15	45,532,651.03	-	-	363,605,961.71

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

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities:				
Profit (loss) before income tax expense	51,084,701.20	(6,060,190.17)	49,190,243.81	27,745,195.00
Adjustment to reconcile profit to net cash by (used in) operating activities				
Allowance for doubtful accounts (reversal)	(548,681.95)	2,237,877.55	60,268.48	1,201,429.21
Allowance for obsolete inventory	2,080,952.83	666,864.44	834,693.98	277,152.18
Allowance for impairment loss of investment in subsidiary	-	-	2,729,563.19	-
(Gain) loss on disposal of assets	822,466.60	(4,448.17)	(9,344.79)	(4,448.17)
Depreciation and amortization	10,845,676.95	8,624,073.16	5,384,895.46	4,856,647.57
Gain on fair value adjustment of investment properties	(27,003,444.71)	-	-	-
Unrealized (gain) loss on exchange rate - net	(1,241,052.99)	756,512.48	(1,282,000.48)	(96,557.34)
Employee benefit expenses	1,547,709.00	1,201,430.02	833,666.00	771,568.00
Interest income	(2,047,966.57)	-	(7,487,452.71)	-
Finance costs	1,575,922.98	5,210,801.64	5,184,228.52	4,416,777.20
Profit from operations before changes in operating assets and liabilities	37,116,283.34	12,632,920.95	55,438,761.46	39,167,763.65
Operating assets (increase) decrease				
Trade and other receivables	4,395,978.88	(14,464,358.87)	9,003,248.90	(9,321,836.58)
Inventories	(3,639,607.73)	7,793,866.59	8,406,505.60	5,295,698.47
Other current assets	1,707,654.08	3,318,041.95	241,691.73	1,801,209.08
Other non-current assets	(667,497.50)	(1,170,881.39)	495,831.68	(516,510.96)
Operating liabilities increase (decrease)				
Trade and other payables	10,232,665.11	14,273,019.41	2,012,234.64	21,442,936.73
Customer deposits	(4,652,470.93)	6,917,317.15	(1,821,911.28)	333,189.75
Other current liabilities	122,778.57	(1,215,180.15)	111,958.84	(1,220,753.21)
Liability for guarantee refund to lessee	43,368,000.00	-	-	-
Retentions	1,723,847.47	-	-	-
Cash receipt from operating activities	89,707,631.29	28,084,745.64	73,888,321.57	56,981,696.93
Cash payment for corporate income tax	(8,624,423.71)	(3,156,585.81)	(8,142,752.83)	(3,156,585.81)
Net cash flow provided by operating activities	81,083,207.58	24,928,159.83	65,745,568.74	53,825,111.12

BUILDERSMART PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
(Increase) decrease restricted deposits with financial institutions	7,500,000.00	(6,000,000.00)	9,000,000.00	(6,000,000.00)
Cash payment for short-term loan to related parties	-	-	(56,290,000.00)	(71,210,000.00)
Cash receipt from short-term loan to related party	-	-	-	32,000,000.00
Cash payment for senior living project under development	(48,979,894.74)	(124,761,160.59)	-	-
Cash payment for purchase of fixed assets	(13,662,181.72)	(7,136,916.55)	(1,623,409.01)	(3,723,674.30)
Cash receipt from sales of fixed assets	9,345.79	105,190.16	9,345.79	96,058.87
Cash payment for purchase of computer software	(3,683,095.80)	(10,411,578.82)	(1,664,953.40)	(3,867,655.56)
Cash payment for purchase of investment in debt securities held	(11,255,362.40)	-	(11,255,362.40)	-
Cash payment for investment in subsidiaries	-	-	-	(130,499,960.00)
Cash receipt from decreasing of shares capital in subsidiary	-	-	-	1,500,000.00
Cash receipt from disposal of investment in subsidiary	-	245,090.00	-	245,000.00
Cash receipt from interest income	2,070,979.73	-	7,209,200.80	-
Net cash flows used in investing activities	(68,000,209.14)	(147,959,375.80)	(54,615,178.22)	(181,460,230.99)
Cash flows from financing activities				
Cash receipt (cash payment) from short-term debentures	(100,000,000.00)	100,000,000.00	(100,000,000.00)	100,000,000.00
Increase (decrease) in short-term loans from financial institution	4,491,357.33	(50,341,263.18)	4,176,083.97	(49,108,688.02)
Cash payment for long-term liabilities under finance leases	(2,024,733.66)	(1,718,980.10)	(1,636,132.62)	(995,366.95)
Cash receipt from capital increase	-	136,912,740.00	-	136,912,740.00
Dividend payment	-	(4,675,411.53)	-	(4,675,411.53)
Cash payment for finance costs	(6,886,950.22)	(4,526,746.61)	(6,143,970.14)	(3,732,722.17)
Net cash flows provided by (used in) financing activities	(104,420,326.55)	175,650,338.58	(103,604,018.79)	178,400,551.33
Net increase (decrease) in cash and cash equivalent	(91,337,328.11)	52,619,122.61	(92,473,628.27)	50,765,431.46
Exchange differences on translating financial statements				
of foreign operation	280,792.05	1,292,801.72	-	-
Cash and cash equivalents at beginning of year	172,230,283.02	118,318,358.69	149,912,914.10	99,147,482.64
Cash and cash equivalents at ending of year	81,173,746.96	172,230,283.02	57,439,285.83	149,912,914.10
Supplemental cash flows information				
Non-cash transactions				
Increase of assets under finance lease agreement	-	3,203,271.02	-	3,203,271.02
Purchases of investment properties recorded as trade and other payables	1,255,600.03	2,165,063.91	-	-
Capitalised borrowing costs relating to the acquisition of				
senior living project under development	4,109,552.54	-	-	-

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

BUILDERSMART PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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 has a branch located at 636/11-12 Moo 3, Puttharaksa Rd, Praksa, Muang, Samutprakarn.

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 FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Thai Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E. 2543.

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

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) 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, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of the consolidated financial statements

a) The consolidated financial statements, related to the Company and subsidiaries (together referred to as “the Group”).

The Company holds shares at the following percentages as at December 31, 2017 and 2016.

Name of subsidiaries	Country of incorporation	Nature of business	Percentage of shareholding	
			2017	2016
1. Install Direct Company Limited.	Thailand	Provide aluminum installation services	100.00	100.00
2. D&W (Asia) Limited	Thailand	Sales of doors, windows, architectural systems and services under the brand “Fletcher”	100.00	100.00
3. BuilderSmart Construction Systems Private Limited.	India	Sales of construction materials and after-sale services (Stop operations in the second quarter of year 2015)	99.70	99.70
4. Building Bling Company Limited	Thailand	Sales and installing of aluminium louvre windows*	50.99	50.99
5. Sansara Development Company Limited	Thailand	Property development and leasing of the Senior Living Project*	100.00	100.00
6. Sansara Lifestyle Service Company Limited	Thailand	Accommodation services for the Senior Living Project*	100.00	100.00

*Not yet operated

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

New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade, other receivables and allowance for doubtful accounts

Trade and other receivables are carried at anticipated realizable value. The Group provides a allowance for doubtful accounts from reviewing of the receivables balance. The estimation of allowance for doubtful accounts are based on the percentage of the past uncollectable experiences from customer.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Work-in progress included material and labour.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Impairment of assets

The Group will, at each reporting date, assess whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statements of profit or loss. (An asset's recoverable amount is the higher of fair value less costs to sell or value in use).

Investments

Investments in subsidiaries

The investments in subsidiaries presented in the separate financial statements are carried at cost, net of allowance for impairment (if any.)

Investment in debt securities held to maturity

Investment in debt securities, due within expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to interest income.

Senior Living Project under development

The Senior Living Project under development is stated at cost, consisting of land costs, design and consultant fees, utilities costs, construction costs, and directly related interest and expenses.

The subsidiary develops the senior living residence as follows:

- 1) Villas type which will be leased under a lease agreement - guaranteed refund (operating lease).
- 2) Apartment units type which will be leased under lease agreement - guaranteed refund (operating lease) or under a lease agreement - shared capital gain/loss on the price difference between the original agreement and the new agreement (finance lease).

Costs of Villas which have been completely developed for the purpose of lease under the operating lease agreement will be transferred as Investment Properties.

Cost of Apartment units which have been completely developed and registered the lease agreement under the operating lease will be transferred as Investment Properties.

Cost of Apartment units which have been completely developed and registered the lease agreement under the finance lease will be transferred as Cost of Sales.

Costs of the land and club house and common assets upon which service fees are charged separate from the lease agreement will be transferred as property, plant and equipment when completed.

The subsidiary attributed the anticipated total development costs (taking into account actual costs incurred to date) to Villas, Apartment units, club house and common assets, on the basis of area.

During the Second quarter of 2017, the Management of a subsidiary considered the appropriateness of classification of the accounts related to Senior Living Project. As a result, the construction of the Senior Living Project in progress, originally presented as investment properties stated at cost, has been changed to the Senior Living Project under development which is stated at cost. Therefore, the consolidated statement of financial position as at December 31, 2016, presented for comparative purposes, has been reclassified as follows:

	<u>Unit: Baht</u>
Increase in Senior Living Project under development	125,780,322.74
Decrease in investment property - net	(125,780,322.74)

Investment properties

Retirement sector investment properties include land and buildings, equipment and furnishings relating to projects development for the active lifestyle and retirement sector, including units and facilities held under development. These units are intended to be held for the long term for capital appreciation. Investment properties are initially measured according to cost transferred from the Senior Living Project under development. Subsequent to initial recognition investment properties are revalued on a regular basis and restated to fair value as determined by an independent registered appraiser. Any change in fair value is taken to profit or loss.

Borrowing costs

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

The interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the year.

Building improvement and equipment

Building improvement and equipment is shown at historical cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation is calculated on the straight line method to write off the cost or the revalued amount of each asset as follows:

	<u>Useful life (years)</u>
Sales gallery building	5
Building improvements	5
Machinery and factory equipment	3, 5
Warehouse equipment	5
Furniture and office equipment	3, 5
Furniture and office equipment for show-unit and sales gallery	5
Motor vehicles	5

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Intangible assets

Intangible assets consist of:

Computer software

The specific computer software licenses is capitalized on the basis of the costs incurred to acquire and bring the software for its intended use. These costs are amortised over their estimated useful lives not over 5 years.

Other intangible assets consist of expenditures for acquiring the following:

	<u>Useful life (years)</u>
Patent and trademark for the sale of aluminum product under the name "ALLOY"	10
Manufacturer certification of Australian standard	3

Other intangible assets are amortized using the straight line method.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing cost and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and and allowance for loss on impairment of assets (if any).

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

	<u>Useful life (years)</u>
Development expenditure for design of new product	10

Long term leases

Long term leases (lessee)

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Long-term lease agreements (lessor) - Senior Living Project

(A) Operating lease

The lease fee has received as date of entered into the agreement equal to the refund amount to lessee are recognized in liability for guarantee refund to lessee, presented in statement of financial position.

(B) Finance lease

A lump sum lease fee received on the date of the agreement is recognised as revenue on a sale for the Senior Living Project.

Revenue and expenses recognition

Sales of goods

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

Services revenue

Other service revenue is recognised when services have been rendered.

Interest income and other income

Interest income and other income are recognised on an accrual basis.

Expenses

Expense is recognised in profit or loss on accrual basis.

Income tax expenses

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) for the year attributable to common shareholders by the weighted average number of ordinary shares during the year.

Diluted earnings (loss) per share are calculated by dividing the profit (loss) for the year by the number of weighted average ordinary shares held by outsiders during the year plus the weighted average number of ordinary shares which have to be issued for the conversion of all the dilutive potential ordinary shares to be common stocks as no such adjustment is made to the profit (loss) for the year.

Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments.

Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group and the Company that gives them significant influence over the Group and the Company, key management personnel, directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents and trade accounts receivable and other receivable. Financial liabilities carried on the statement of financial position include trade accounts payable, other payable and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The Group manages the fluctuation of foreign currency through the use of forward currency contracts as and when it considers appropriate. The Group did not adopt any derivative strategies to manage the interest rate risk.

Foreign currencies

Functional and presentation currency

The financial statements of each entity within the Group are presented in the functional currency which is the currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in the presentation currency as Thai Baht in accordance with the regulatory requirements in Thailand. The functional currencies of the Company, Install Direct Company Limited., D&W (Asia) Limited, Building Bling Company Limited, Sansara Development Company Limited and Sansara Lifestyle Service Company Limited., is Thai Baht and of BuilderSmart Construction Systems Private Limited., is Indian Rupee.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or loss on translating is recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translating into the functional currency using the exchange rate at the date of transaction.

Translation of the Group's financial statements

The financial statements of the Group are translated into the presentation currency using the following exchange rate:

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Group's revenues and expenses are translated at the average exchange rates during the periods which are approximate the exchange rates at the dates of transactions.
- Share capital is translated at historical rates.

Exchange differences on translating financial information are recognized in the other comprehensive income (loss) and presented in the exchange differences as a separate component of shareholders' equity until the disposal of the foreign operation.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonuses and social security contribution as expenses on an accrual basis.

Post-employment benefits

Defined contribution plans

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

Defined benefit plan

The employee benefit obligations in relation to severance payment pursuant to the labor law and other defined benefits are recognised as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in other comprehensive income in the period in which they arise.

Fair value measurement

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

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

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

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

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

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

Significant accounting judgements and estimates

Significant judgements and estimates are as follows:

Allowance for doubtful accounts

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

Allowance for diminution in value of inventory

Allowances for diminution in the value of inventory accounts are intended to adjust the value of inventory for probable credit losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, taking into account the current situation with respect to sales of inventory items, on a specific basis. However, the use of different estimates and assumptions could affect the amounts of allowance for diminution in value of inventory in the future.

Impairment of investments

Management assesses the impairment of investments in subsidiary companies by considering the operating results and the future business plan of the subsidiaries. Such consideration is based on management's judgement.

Allowances for impairment of assets

The Group considers an asset as impaired when there is an indication that the asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Group makes an estimate of the asset recoverable amount. The determination of the recoverable amount is requires judgement. An impairment loss is recognized as an expense in the statement of profit or loss.

Building improvement, equipment and intangible assets

In determining depreciation of building improvement, equipment and intangible asset, the management is required to make estimates of the useful lives and residual values of the equipment and intangible asset and to review estimated useful lives and residual values when there are any changes.

Leases

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

Post-employment benefits under defined benefit plans

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

Provisions

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

4. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices or at a price that is based on commercial terms and at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

4.1 Related parties consist of:

Name	Relationship	Country
<u>Subsidiaries</u>		
Install Direct Company Limited	100% shareholding	Thailand
Builder Smart Construction Systems Private Limited	99.70% shareholding	India
D&W (Asia) Limited	100% shareholding	Thailand
Building Bling Company Limited	50.99% shareholding	Thailand
Sansara Development Company Limited	100% shareholding	Thailand
Sansara Lifestyle Service Company Limited	100% shareholding	Thailand
<u>Related person</u>		
Suresh Subramaniam	Shareholder and director	Thailand
Sunchai Nuengsit	Shareholder and director	Thailand
Sobreuk (Group of persons)	Owned by close relative of director	Thailand

4.2 Significant transactions with related parties for the years ended December 31, 2017 and 2016 are as follows:

	Unit: Baht				Transfer pricing policy
	Consolidated financial		Separate financial		
	statements	statements	statements	statements	
	2017	2016	2017	2016	
Revenues from sales and services					
<u>Subsidiaries</u>					
Install Direct Company Limited	-	-	652,866.00	6,902,474.21	Cost plus margin
D&W (Asia) Limited	-	-	596,542.48	592,413.25	Cost plus margin
Sansara Development Company Limited	-	-	33,264.64	124,959.00	Cost plus margin
<u>Related person</u>					
Director	21,012.00	21,488.15	-	14,077.15	Carried out on commercial terms and conditions

Unit: Baht					
	Consolidated financial		Separate financial		Transfer pricing policy
	statements		statements		
	2017	2016	2017	2016	
Cost of sales and services					
<u>Subsidiaries</u>					
D&W (Asia) Limited	-	-	350,052.28	3,519,527.00	Carried out on commercial terms and conditions
Install Direct Company Limited	-	-	413,022.00	-	Carried out on commercial terms and conditions
Purchases of fixed assets					
<u>Subsidiary</u>					
D&W (Asia) Limited	-	-	-	5,784.00	Contract price
Rental income					
<u>Subsidiaries</u>					
Install Direct Company Limited	-	-	35,000.00	42,000.00	Carried out on commercial terms and conditions
D&W (Asia) Limited	-	-	610,800.00	101,800.00	Carried out on commercial terms and conditions
Interest income					
<u>Subsidiaries</u>					
D&W (Asia) Limited	-	-	-	1,000,958.87	Interest rate of 6.5% per annum
Sansara Development Company Limited	-	-	5,322,482.34	278,139.73	Interest rate of 5-5.5% per annum
Building Bling Limited	-	-	16,609.58	-	Interest rate of 6.25% per annum
Disposal of fixed asset					
<u>Subsidiary</u>					
D&W (Asia) Limited	-	-	-	93,411.54	Contract price
Other income					
<u>Subsidiary</u>					
Sansara Development Company Limited	-	-	152,585.94	-	Cost plus margin
Rental expenses					
<u>Group of persons - related party</u>					
Sobreuk (Group of persons)	3,301,800.00	3,301,800.00	3,301,800.00	3,301,800.00	Based on a rental agreement which is not in excess of market-value

4.3 Significant balances between the Company and those related companies as at December 31, 2017 and 2016 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade and other receivables - net				
Trade receivables				
<u>Subsidiaries</u>				
Install Direct Company Limited	-	-	-	9,279,018.98
D&W (Asia) Limited	-	-	210,201.50	342.40
Sansara Development Limited	-	-	163,266.96	-
Total trade receivables	-	-	373,468.46	9,279,361.38
Other receivables				
Other receivables				
<u>Subsidiaries</u>				
Install Direct Company Limited	-	-	-	3,745.00
D&W (Asia) Limited	-	-	54,463.00	82,696.30
Total	-	-	54,463.00	86,441.30
Advances to related parties				
<u>Subsidiaries</u>				
Install Direct Company Limited	-	-	-	208,586.76
D&W (Asia) Limited	-	-	19,754.31	71,196.94
Building Bling Limited	-	-	-	3,666.00
Sansara Development Limited	-	-	14,680.21	84,024.53
Sansara Lifestyle Services Company Limited	-	-	-	51,100.00
BuilderSmart Construction Systems Private Limited	-	-	3,420,674.93	3,420,674.93
<u>Less</u> Allowance for doubtful accounts	-	-	(3,420,674.93)	(3,420,674.93)
Total	-	-	34,434.52	418,574.23
Accrued interest income				
<u>Subsidiaries</u>				
Sansara Development Limited	-	-	442,105.48	143,494.52
Building Bling Limited	-	-	2,654.11	-
Total	-	-	444,759.59	143,494.52
Total other receivables	-	-	533,657.11	648,510.05
Total trade and other receivables - net	-	-	907,125.57	9,927,871.43

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term loans to				
<u>Subsidiaries</u>				
Sansara Development Limited	-	-	100,000,000.00	44,210,000.00
Building Bling Limited	-	-	500,000.00	-
Total short-term loans to	-	-	100,500,000.00	44,210,000.00
Trade and other payables				
Trade payables				
<u>Subsidiary</u>				
D&W (Asia) Limited	-	-	-	3,049.50
Total trade payable	-	-	-	3,049.50
Other payables				
Other payable				
<u>Subsidiary</u>				
D&W (Asia) Limited	-	-	-	1,187,729.73
Total	-	-	-	1,187,729.73
Advances from related parties				
<u>Related persons</u>				
Directors	253,446.00	1,244,307.39	19,850.00	43,100.00
Total	253,446.00	1,244,307.39	19,850.00	43,100.00
Total other payables	253,446.00	1,244,307.39	19,850.00	1,230,829.73
Total trade and other payables	253,446.00	1,244,307.39	19,850.00	1,233,879.23

4.4 During the year ended December 31, 2017, movements of short-term loans to related parties were as follows:

	Unit: Baht			
	Separate financial statement			
	As at January	Movement during the period		As at December
	1, 2017	Increase	Decrease	31,2017
Short-term loans to related parties				
<u>Subsidiaries</u>				
Sansara Development Limited	44,210,000.00	55,790,000.00	-	100,000,000.00
Building Bling Limited	-	500,000.00	-	500,000.00
Total	44,210,000.00	56,290,000.00	-	100,500,000.00

The Company provided short-term loans to its subsidiary company, Sansara Development Limited, in term of loan agreement for the purpose of development and construction of a Senior Living Project. The loans bear interest at the rate of 5 - 5.5% per annum and is due at call.

The Company provided a short-term loan to its subsidiary company, Building Bling Co., Ltd, in term of loan agreement for the purpose for development of louvre system with Louvre Systems Ltd. The loans bear interest at the rate of 6.25% per annum and is due at call.

4.5 Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term benefits	35,468,534.88	36,409,016.02	24,554,806.00	24,920,296.02
Post-employment benefits	1,541,980.29	1,438,968.73	1,068,362.15	864,258.45
Total key management personnel compensation	37,010,515.17	37,847,984.75	25,623,168.15	25,784,554.47

4.6 Operating leases and service agreements

As at December 31, 2017, the Group entered into a long-term lease of land and building with Sobreuk (Group of persons) for periods of 1 year to 5 years. The future minimum lease payments are summarized as follows:

Year	Unit: Baht
Within 1 year	330,300.00
Over 1 year but not over 5 years	-

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	242,006.09	241,486.16	77,000.00	65,000.00
Cash at banks - saving accounts	22,502,653.29	52,454,849.35	14,547,759.61	31,416,763.03
Cash at banks - current accounts	3,192,035.11	4,454,910.45	2,617,377.24	3,352,114.01
High liquidity short-term investments	55,237,052.47	115,079,037.06	40,197,148.98	115,079,037.06
Total	81,173,746.96	172,230,283.02	57,439,285.83	149,912,914.10

6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables - net as at December 31, 2017 and 2016 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivables - other parties	86,389,966.64	83,970,308.89	77,270,219.45	76,677,142.02
Trade receivables - related parties	-	-	373,468.46	9,279,361.38
<u>Less</u> Allowance for doubtful accounts	(14,259,884.16)	(13,711,202.21)	(9,863,036.38)	(9,802,767.90)
Total trade receivables - net	72,130,082.48	70,259,106.68	67,780,651.53	76,153,735.50
Other receivables				
Other receivables - related parties	-	-	54,463.00	86,441.30
Advances to subsidiaries	-	-	3,455,109.45	3,839,249.16
Accrued interest income - related parties	-	-	444,759.59	143,494.52
Accrued income	808,111.42	10,431,319.48	280,999.92	995,397.04
Unbilled receivables	3,999,059.24	-	-	-
Prepaid expenses	1,436,862.98	2,710,354.04	877,888.83	479,146.24
Revenue Department receivable	7,027,486.46	7,474,098.50	82,709.19	88,307.30
Others	1,792,919.78	161,344.08	167,656.18	107,236.94
<u>Less</u> Allowance for doubtful accounts	-	-	(3,420,674.93)	(3,420,674.93)
Total other receivables - net	15,064,439.88	20,777,116.10	1,942,911.23	2,318,597.57
Total trade and other receivables - net	87,194,522.36	91,036,222.78	69,723,562.76	78,472,333.07

As at December 31, 2017 and 2016, aging of trade receivables were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - other parties				
Within credit term	49,403,124.92	49,536,330.79	49,403,124.92	48,671,998.70
Over credit term				
Up to 3 months	21,803,956.74	18,837,778.41	18,349,803.87	17,633,518.48
3-6 months	645,304.42	2,331,984.84	156,226.64	1,465,736.27
6-12 months	1,882,433.83	1,921,349.90	1,455,603.44	512,200.47
Over 12 months	12,655,146.73	11,342,864.95	7,905,460.58	8,393,688.10
Total trade receivables - other parties	86,389,966.64	83,970,308.89	77,270,219.45	76,677,142.02
<u>Less</u> Allowance for doubtful accounts	(14,259,884.16)	(13,711,202.21)	(9,863,036.38)	(9,802,767.90)
Total trade receivables - other parties - net	72,130,082.48	70,259,106.68	67,407,183.07	66,874,374.12

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - related parties				
Within credit term	-	-	256,029.55	979,452.32
Over credit term				
Up to 3 months	-	-	117,438.91	1,411,481.94
3-6 months	-	-	-	1,614,530.49
6-12 months	-	-	-	4,947,871.75
Over 12 months	-	-	-	326,024.88
Total trade receivables - related parties	-	-	373,468.46	9,279,361.38
Total trade receivables - net	72,130,082.48	70,259,106.68	67,780,651.53	76,153,735.50

7. INVENTORIES - NET

Inventories - net as at December 31, 2017 and 2016 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finished goods	55,912,035.20	63,009,780.52	55,323,173.53	63,009,780.52
Raw materials	31,188,516.72	26,799,394.33	-	-
Work-in-progress	20,117,914.14	13,769,683.48	409,394.02	1,129,292.63
<u>Less</u> Allowance for obsolete inventory	(5,842,768.64)	(3,761,815.81)	(3,740,038.26)	(2,905,344.28)
Net	101,375,697.42	99,817,042.52	51,992,529.29	61,233,728.87

8. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

As at December 31, 2017, the Group held time deposits with two commercial banks in the total amount of Baht 32.75 million (December 31, 2016: Baht 40.25 million). The deposits were pledged as collateral short-term trade financing facilities (Note 30.3).

9. INVESTMENTS IN SUBSIDIARIES - NET

The details of investments in subsidiaries presented in the separate financial statements as at December 31, 2017 and 2016 consisted of:

Company	Issued and paid-up capital		Shareholding proportion (%)		Unit: Thousand Baht	
	At cost					
	Unit: Thousands Baht	Unit: Thousands Rupee	2017	2016	2017	2016
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 Limited	500.00	-	50.99	50.99	254.95	254.95
Sansara Development Company Limited	100,000.00	-	100.00	100.00	99,999.98	99,999.98
Sansara Lifestyle Service Company Limited	500.00	-	100.00	100.00	499.98	499.98
Total					171,438.11	171,438.11
<u>Less</u> Allowance for impairment loss of investments					(3,413.36)	(683.80)
Net					168,024.75	170,754.31

The Extraordinary Meeting of Shareholders of Building Bling Company Limited held on December 8, 2015 passed a resolution to decrease its capital from Baht 2.00 million to Baht 0.50 million by reduce par value from Baht 100 per share to Baht 25 per share. The decrease of share capital was registered with the Ministry of Commerce on January 15, 2016.

During the first quarter of the year 2016, the Company disposed of investment in ordinary shares of Building Bling Company Limited, totaling of 9,799 shares at par value of Baht 25 per share totaling of Baht 244,975.00 to Louvre systems Australia Limited. As a result, the Company's investment represents 51 percent of the registered capital of such company.

During the second quarter of the year 2016, the Company invested 199,996 ordinary shares in Sansara Development Company Limited at Baht 5 each, a total of Baht 999,980.00, which registered its incorporation with Ministry of Commerce on May 10, 2016.

During the third quarter of the year 2016, the Extraordinary General Shareholders' Meeting No.1/2559 of Sansara Development Company Limited, held on July 15, 2016, passed the resolutions to increase share capital of 19.80 million shares at par value of Baht 5 per share totaling Baht 99.00 million. The Company invested in all increased share. The subsidiary has registered the change with the Ministry of Commerce on July 26, 2016.

During the third quarter of the year 2016, the Company invested 99,996 ordinary shares in Sansara Lifestyle Service Company Limited at Baht 5 each, a total of Baht 499,980.00, which was registered its incorporation with Ministry of Commerce on July 27, 2016.

During the fourth quarter of the year 2016, the Extraordinary General Shareholders' Meeting No.2/2559 of D&W (Asia) Limited, held on November 24, 2016, passed the resolutions to increase share capital of 6 million shares at par value of Baht 5 per share totaling Baht 30.00 million. The Company invested in all increased share. The subsidiary has registered the change with the Ministry of Commerce on December 2, 2016.

10. INVESTMENT IN DEBT SECURITIES HELD TO MATURITY - NET

Movements of the investment in debt securities held to maturity - net account during the year ended December 31, 2017 is summarized below:

	Unit: Baht
	Consolidated and separate financial statements
Net book value as at January 1, 2017	-
Acquisition	11,255,362.40
Accumulated amortization	(66,562.40)
Net book value as at December 31, 2017	11,188,800.00

Such investment is investment in government bond with maturity date on December 12, 2025 and receive interest by twice per year at an interest rate of 3.85%.

As at December 31, 2017, the government bond were pledged as collateral short-term trade financing facilities (Note 30.3).

11. SENIOR LIVING PROJECT UNDER DEVELOPMENT

Movements of the senior living project under development account during the year ended December 31, 2017 is summarized below:

	Unit: Baht					
	Consolidated financial statement					
	Project				Capitalization	
	Land	Consultant	Construction	Utility expenses	of interest	Total
Project accumulated cost						
as at January 1, 2017	89,163,149.33	22,531,648.44	12,378,288.85	617,755.51	1,089,480.61	125,780,322.74
Acquisition	-	8,957,435.81	29,505,051.16	6,407,855.23	4,109,552.54	48,979,894.74
Total	89,163,149.33	31,489,084.25	41,883,340.01	7,025,610.74	5,199,033.15	174,760,217.48
Transfer to investment						
properties - accumulated	(5,813,657.00)	(2,612,466.00)	(26,740,973.29)	-	(329,459.00)	(35,496,555.29)
Project accumulated cost						
as at December 31, 2017	83,349,492.33	28,876,618.25	15,142,366.72	7,025,610.74	4,869,574.15	139,263,662.19

For the year ended December 31, 2017, interest expenses of loans for the construction of the Senior Living Project, in the amount of Baht 4.11 million, have been capitalized as part of the cost of the Senior Living Project under development.

As at December 31, 2017, the estimated expense to the subsidiary for development and construction of opened projects to completion (excluding the costs of land and construction already recorded) is Baht 343.68 million.

12. INVESTMENT PROPERTIES - NET

Movements of the investment properties - net account during the year ended December 31, 2017 is summarized below:

	Unit: Baht
	Consolidated financial statement
	Senior Living Project - Villas
As at January 1, 2017	-
Transfer from Senior Living Project under development	35,496,555.29
Gain on fair value adjustment (Level 2)	27,003,444.71
As at December 31, 2017	62,500,000.00
Cost	35,496,555.29
Accumulated gain on fair value adjustment	27,003,444.71
Fair value - net	62,500,000.00

The fair values of investment properties - net of the subsidiary, were assessed by the independent appraiser, KTAC Appraisal and Services Co., Ltd., according to the appraisal report dated as at January 11, 2018. The appraisal values, determined according to the Market Comparison Approach, are categorised as Fair Value - Level 2 based on the inputs to the valuation technique used.

During the year ended of 2017, lessee entered into Villa Rental two contracts Agreements. The subsidiary entered into a lease agreement to lease back a residential Villa from a lessee for a 3-year for use as a project show-unit. The quarterly rental fee is total Baht 738,871.02.

13. BUILDING IMPROVEMENT AND EQUIPMENT - NET

Movements of the building improvement and equipment - net account during the year ended December 31, 2017 is summarized below:

	Unit: Baht			
	Consolidated financial statements			
	As at January	Movement during the year		As at December
	1, 2017	Increase/transfer in	Decrease/transfer out	31, 2017
Cost:				
Sales gallery building	-	8,843,806.91	-	8,843,806.91
Building improvements	24,410,202.64	544,149.19	-	24,954,351.83
Machinery and factory equipment	16,366,589.11	179,334.87	-	16,545,923.98
Warehouse equipment	5,710,547.93	71,663.55	-	5,782,211.48
Furniture and office equipment	20,020,637.57	1,403,894.20	(1,088,823.39)	20,335,708.38
Furniture and office equipment for show-unit and sales gallery	-	3,741,065.30	-	3,741,065.30
Motor vehicles	20,232,026.25	9,000.00	(406,523.37)	19,834,502.88

Unit: Baht

Consolidated financial statements				
As at January	Movement during the year		As at December	
1, 2017	Increase/transfer in	Decrease/transfer out	31, 2017	
Construction in progress	1,547,285.76	11,454,139.91	(12,584,872.21)	416,553.46
Total cost	88,287,289.26	26,247,053.93	(14,080,218.97)	100,454,124.22
Accumulated depreciation:				
Sales gallery building	-	920,725.11	-	920,725.11
Building improvements	18,722,610.57	2,159,724.00	-	20,882,334.57
Machinery and factory equipment	12,236,150.82	1,542,153.69	-	13,778,304.51
Warehouse equipment	5,165,031.88	253,967.00	-	5,418,998.88
Furniture and office equipment	14,469,800.57	1,947,008.25	(410,777.95)	16,006,030.87
Furniture and office equipment for show-unit and sales gallery	-	384,550.30	-	384,550.30
Motor vehicles	11,374,670.06	2,366,010.31	(406,522.37)	13,334,158.00
Total accumulated depreciation	61,968,263.90	9,574,138.66	(817,300.32)	70,725,102.24
<u>Less</u> Allowance for impairment	(401,384.00)	-	-	(401,384.00)
Net	25,917,641.36			29,327,637.98

Unit: Baht

Separate financial statement				
As at January	Movement during the year		As at December	
1, 2017	Increase/transfer in	Decrease/transfer out	31, 2017	
Cost:				
Building improvements	20,127,361.65	544,149.19	-	20,671,510.84
Machinery and factory equipment	6,504,500.00	-	-	6,504,500.00
Warehouse equipment	5,513,276.70	71,663.55	-	5,584,940.25
Furniture and office equipment	16,146,441.75	983,426.81	-	17,129,868.56
Motor vehicles	17,297,484.19	9,000.00	(406,523.37)	16,899,960.82
Construction in progress	401,384.00	15,169.46	-	416,553.46
Total cost	65,990,448.29	1,623,409.01	(406,523.37)	67,207,333.93
Accumulated depreciation:				
Building improvements	16,240,098.96	1,350,908.21	-	17,591,007.17
Machinery and factory equipment	6,360,124.05	117,258.81	-	6,477,382.86
Warehouse equipment	4,986,046.58	253,967.00	-	5,240,013.58
Furniture and office equipment	12,876,207.58	1,395,977.01	-	14,272,184.59
Motor vehicles	10,908,542.54	1,779,101.80	(406,522.37)	12,281,121.97
Total accumulated depreciation	51,371,019.71	4,897,212.83	(406,522.37)	55,861,710.17
<u>Less</u> Allowance for impairment	(401,384.00)	-	-	(401,384.00)
Net	14,218,044.58			10,944,239.76

Depreciations for the years ended December 31, 2017 and 2016, have been charged to profit or loss of consolidated financial statements amounting to Baht 9.58 million and Baht 7.81 million, respectively, and have been charged to profit or loss of separate financial statements amounting to Baht 4.90 million and Baht 4.42 million, respectively.

The gross carrying amount of fully depreciated assets of the Group that were still in use as at December 31, 2017 amounted to Baht 46.55 million (December 31, 2016: Baht 43.36 million).

As at December 31, 2017, the Group has vehicles under financial lease agreements with a net book value of Baht 4.48 million. (December 31, 2016: Baht 7.53 million).

14. INTANGIBLE ASSET - NET

Movements of the intangible asset - net account during the year ended December 31, 2017 is summarized below:

	Unit: Baht			
	Consolidated financial statements			
	As at January	Movement during the year		As at December
	1, 2017	Increase/ transfer in	Decrease/ transfer out	31, 2017
Cost:				
Computer software	5,567,933.31	168,241.89	-	5,736,175.20
Patent and trademark	1,500,000.00	-	-	1,500,000.00
Development expenditure for design of new products	5,716,171.81	1,996,484.31	(160,856.12)	7,551,800.00
Work-in-progress computer software	2,788,228.82	2,182,347.79	-	4,970,576.61
Development expenditure for design of new products in progress	663,978.19	-	(663,978.19)	-
Total cost	16,236,312.13	4,347,073.99	(824,834.31)	19,758,551.81
Accumulated amortization:				
Computer software	3,724,684.34	603,440.06	-	4,328,124.40
Patent and trademark	1,499,995.00	-	-	1,499,995.00
Development expenditure for design of new products	205,580.28	668,098.23	(7,090.17)	866,588.34
Total accumulated amortization	5,430,259.62	1,271,538.29	(7,090.17)	6,694,707.74
Net	10,806,052.51			13,063,844.07

	Unit: Baht			
	Separate financial statement			
	As at January	Movement during the year		As at December
	1, 2017	Increase/ transfer in	Decrease/ transfer out	31, 2017
Cost:				
Computer software	4,752,374.25	168,241.89	-	4,920,616.14
Patent and trademark	1,500,000.00	-	-	1,500,000.00
Development expenditure for design of new products	172,000.00	296,000.00	-	468,000.00
Work-in-progress computer software	2,488,455.56	1,200,711.51	-	3,689,167.07
Total cost	8,912,829.81	1,664,953.40	-	10,577,783.21

	Unit: Baht			
	Separate financial statement			
	As at January	Movement during the year		As at December
	1, 2017	Increase/ transfer in	Decrease/ transfer out	31, 2017
Accumulated amortization:				
Computer software	3,262,837.34	465,928.21	-	3,728,765.55
Patent and trademark	1,499,995.00	-	-	1,499,995.00
Development expenditure for design of new products	3,118.90	21,754.42	-	24,873.32
Total accumulated amortization	4,765,951.24	487,682.63	-	5,253,633.87
Net	4,146,878.57			5,324,149.34

Amortization for the years ended December 31, 2017 and 2016, have been charged to profit or loss of consolidated financial statements amounting to Baht 1.27 million and Baht 0.82 million, respectively, and have been charged to profit or loss of separate financial statements amounting to Baht 0.49 million and Baht 0.44 million, respectively.

The gross carrying amount of fully amortization intangible assets of the Group that were still in use as at December 31, 2017 amounted to Baht 4.47 million (December 31, 2016: Baht 3.84 million).

15. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at December 31, 2017 and 2016 comprised:

	Interest rate (%)		Unit: Baht			
	As at	As at	Consolidated financial		Separate financial	
	December 31,	December 31,	statements		statements	
	2017	2016	2017	2016	2017	2016
Trust receipt	MLR-1.00%, 9.25%	MLR-1.00%	5,202,318.83	710,961.50	4,176,083.97	-
Total			5,202,318.83	710,961.50	4,176,083.97	-

As at December 31, 2017, the Group has short-term trade financing facilities from financial institutions according to loan agreements with a total maximum credit limit of Baht 331.00 million and in foreign currency in the amount of US Dollars 2.37 million (December 31, 2016: Baht 315.00 million and US Dollars 2.37 million).

16. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - other parties	66,123,332.06	64,616,427.33	57,539,304.04	57,084,162.04
Trade payables - related party	-	-	-	3,049.50
Total trade payables	66,123,332.06	64,616,427.33	57,539,304.04	57,087,211.54
Other payables				
Other payables - related party	-	-	-	1,187,729.73
Advances from related parties	253,446.00	1,244,307.39	19,850.00	43,100.00
Other payables	7,721,829.62	7,079,892.18	4,933,489.05	3,760,790.86
Commission payables	16,266,046.15	19,379,891.75	15,353,458.22	17,763,573.83
Accrued interest expenses	-	925,397.26	-	925,397.26
Accrued expenses	3,842,418.45	4,783,760.83	1,592,715.51	3,683,563.49
Accrued bonus expenses	5,912,524.34	-	4,507,303.60	-
Revenue Department payable	205,722.54	172,145.89	-	-
Withholding tax	1,851,225.45	2,093,641.86	1,336,720.28	1,285,375.10
Deposit from lessee	2,394,260.00	-	-	-
Retentions	358,094.06	1,200,089.25	-	-
Total other payables	38,805,566.61	36,879,126.41	27,743,536.66	28,649,530.27
Total trade and other payables	104,928,898.67	101,495,553.74	85,282,840.70	85,736,741.81

17. SHORT-TERM DEBENTURES

The Ordinary General Meeting of Shareholders, held on April 28, 2016, approved to issue and offer debentures to investors that bear a 12-month maturity term., and that are name-registered certificate and unsubordinated, unsecured, amortized or bullet payment, with or without a debenture holders' representative, whose maximum value is Baht 200.00 million or the equivalent in other currencies.

As at December 31, 2017, the Company has debentures in the amount of Baht 100.00 million, that is name-registered certificate, unsubordinated and unsecured, bullet payment and without debenture holders' representative as follows:

Consolidated and separate financial statements				
December 31, 2016				
	Interest rate		Number of debenture	Amount
No.	(% per annum)	Maturity date	(Shares)	(Baht)
No. 1/2016	5.40	October 27, 2017	50,000.00	50,000,000.00
No. 2/2016	5.00	October 27, 2017	30,000.00	30,000,000.00
No. 3/2016	5.70	October 27, 2017	10,000.00	10,000,000.00
No. 4/2016	5.70	October 27, 2017	10,000.00	10,000,000.00
Total			100,000.00	100,000,000.00

In October 2017, the Company redeemed above debentures in the entire amount.

18. LONG-TERM LIABILITIES UNDER FINANCE LEASES

Long-term liabilities under finance lease as at December 31, 2017 and 2016 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Long-term liabilities under finance leases				
- Within 1 year	1,661,113.92	2,024,733.66	1,551,857.88	1,636,132.62
- Over 1 year but not over 5 years	1,611,965.26	3,273,079.18	1,602,860.59	3,154,718.47
<u>Less</u> Deferred interest expenses	(197,992.19)	(407,279.41)	(193,631.86)	(387,958.27)
Present value of long-term liabilities under finance leases	3,075,086.99	4,890,533.43	2,961,086.61	4,402,892.82
<u>Less</u> Current portion of long-term liabilities under finance leases	(1,534,751.17)	(1,815,446.45)	(1,429,806.51)	(1,441,806.22)
Net	1,540,335.82	3,075,086.98	1,531,280.10	2,961,086.60

As at December 31, 2017, The Company and a subsidiary entered into financial lease agreements to rent vehicles. The rental fee is payable on a monthly basis in the total amount of Baht 138,426.16 for 48 periods ending November 15, 2020.

19. EMPLOYEE BENEFIT LIABILITIES

Movements of the present value of employee benefit obligations for the years ended December 31, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Employee benefit obligations as at January 1,	7,074,285.02	5,196,308.44	5,306,595.00	4,056,283.97
Included in profit or loss:				
Current service cost	782,383.00	1,004,367.04	674,567.00	622,368.00
Interest cost	765,326.00	197,062.98	159,099.00	149,200.00
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	(382,114.00)	(1,496,027.00)	(447,082.00)	(1,162,410.00)
Experience adjustments	(1,261,894.02)	2,172,573.56	(327,856.00)	1,641,153.03
Benefit paid during the year	-	-	-	-
Employee benefit obligations as at December 31,	6,977,986.00	7,074,285.02	5,365,323.00	5,306,595.00

Employee benefit obligations for the years ended December 31, 2017 and 2016, have been charged to profit or loss of consolidated financial statements amounting to Baht 1.55 million and Baht 1.20 million, respectively, and have been charged to profit or loss of separate financial statements amounting to Baht 0.83 million and Baht 0.77 million, respectively.

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

Principal actuarial assumptions as at December 31, 2017 and 2016 (represented by the weighted-average) consisted of:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	3.08, 3.03, 2.81	2.63, 2.66, 2.74	3.08	2.66
Future monthly salary increase rate	7.96	7.78	7.96	7.78
Mortality rate	100% of Thai	100% of Thai	100% of Thai	100% of Thai
	Mortality Ordinary	Mortality Ordinary	Mortality Ordinary	Mortality Ordinary
	Tables of 2017	Tables of 2008	Tables of 2017	Tables of 2008

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2017 are summarized below:

Unit: Million Baht

	Change of the present value of the employee benefit obligations			
	Consolidated financial statement		Separate financial statement	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
	Discount rate	(6.62)	7.36	(5.09)
Salary increase rate	7.34	(6.64)	5.64	(5.11)
Turnover rate	(6.57)	7.42	(5.05)	5.70

As at December 31, 2017, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Million Baht	
	Consolidated	Separate
	financial statement	financial statement
Within 1 year	-	-
Over 1 and up to 5 years	5.42	5.04
Over 5 years	10.02	5.97

20. DEFERRED INCOME TAX

Deferred income tax as at December 31, 2017 and 2016 were consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets - net	4,774,970.12	4,774,785.00	3,896,136.76	3,595,141.42
Deferred tax liabilities - net	5,235,357.74	-	-	-

Movements in deferred tax assets during year ended December 31, 2017 and 2016 were as follows:

	Unit: Baht							
	Consolidated financial statements				Separate financial statements			
	As at	Other	As at	As at	Other	As at	As at	
	January	Profit	December	January	Profit	December	December	
1, 2017	(loss)	31, 2017	1, 2017	(loss)	31, 2017	31, 2017		
Deferred tax assets - net								
Allowance for doubtful accounts	2,653,569.79	(409,895.63)	2,243,674.16	1,952,753.56	19,853.71	-	1,972,607.27	
Allowance for obsolete of inventories	729,439.61	613,032.79	1,342,472.40	581,068.86	166,938.79	-	748,007.65	
Employee benefit obligations	1,391,775.60	272,734.40	1,165,434.60	1,061,319.00	166,733.20	(154,987.60)	1,073,064.60	
Difference of depreciation	-	23,388.96	23,388.96	-	102,457.24	-	102,457.24	
Total	4,774,785.00	499,260.52	4,774,970.12	3,595,141.42	455,982.94	(154,987.60)	3,896,136.76	
Deferred tax liabilities - net								
Employee benefit obligations	-	49,242.00	230,162.60	-	-	-	-	
Tax depreciation - investment	-	(179,914.03)	(179,914.03)	-	-	-	-	

Unit: Baht							
Consolidated financial statements				Separate financial statements			
As at		Other	As at	As at		Other	As at
January	Profit	comprehensive	December	January	Profit	comprehensive	December
1, 2017	(loss)	income	31, 2017	1, 2017	(loss)	income	31, 2017
properties							
Gain on fair value adjustment							
of investment properties	-	(5,400,688.94)	-	(5,400,688.94)	-	-	-
Liability for guarantee refund							
to lessee	-	115,082.63	-	115,082.63	-	-	-
Total	-	(5,416,278.34)	180,920.60	(5,235,357.74)	-	-	-

Unit: Baht							
Consolidated financial statements				Separate financial statements			
As at		Other	As at	As at		Other	As at
January	Profit	comprehensive	December	January	Profit	comprehensive	December
1, 2016	(loss)	income	31, 2016	1, 2016	(loss)	income	31, 2016
Deferred tax assets - net							
Allowance for							
doubtful accounts	2,247,699.76	405,870.03	-	2,653,569.79	1,720,267.73	232,485.83	1,952,753.56
Allowance for							
obsolete Inventories	596,066.72	133,372.89	-	729,439.61	525,638.42	55,430.44	581,068.86
Employee benefit							
obligations	1,023,775.82	235,266.60	132,733.18	1,391,775.60	811,256.79	154,313.60	95,748.61
			132,733.18				95,748.61
Total	3,867,542.30	774,509.52	4,774,785.00	3,057,162.94	442,229.87		3,595,141.42

All subsidiaries have unutilized tax loss carried forward as at December 31, 2017 and 2016. As such subsidiaries will not have sufficient taxable profit to utilize unused tax loss as a tax credit, Management, therefore, will not account for the deferred tax on these unutilized tax losses carried forward in the financial statements.

The deferred tax asset is not recognized in the statement of financial position consisted of:

Unit: Baht			
Consolidated financial statements		Separate financial statements	
2017	2016	2017	2016
Unused tax losses			
Expire in next 1 year	-	-	-
Expire in 2 - 5 years	10,541,416.88	5,752,357.29	-
Temporary differences	665,131.70	-	-
Total	11,206,548.58	5,752,357.29	-

21. INCOME TAX EXPENSE

Income tax expenses for the years ended December 31, 2017 and 2016 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax expense				
Current period	10,779,794.17	5,414,546.08	10,779,794.17	5,414,546.08
Deferred tax expense				
Movements in temporary differences				
- Deferred tax assets - net	(499,260.52)	(774,509.53)	(455,982.94)	(442,229.88)
- Deferred tax liabilities - net	5,416,278.34	-	-	-
Income tax expenses	15,696,811.99	4,640,036.55	10,323,811.23	4,972,316.20

Reconciliation of effective tax rate for the years ended December 31, 2017 and 2016 as follows:

	Unit: Baht			
	Consolidated financial statements			
	2017		2016	
	Tax rate (%)	Unit: Baht	Tax rate (%)	Unit: Baht
Profit (loss) before income tax		51,084,701.20		(6,060,190.17)
Income tax using the corporate tax rate	20.00	10,216,940.24	20.00	(1,212,038.03)
Expenses not deductible for tax purposes	2.40	1,228,796.25	(6.06)	367,535.96
Expenses that are deductible at a greater amount from actual expenses	(0.15)	(78,876.10)	13.95	(845,275.62)
Current year losses for which no deferred tax assets was recognized	12.96	6,618,189.13	(92.36)	5,597,269.66
Prior year losses which no deferred tax assets was recognized but used to reduce current tax expenses	(3.58)	(1,829,129.54)	-	-
Prior year temporary differences which no deferred tax assets was recognized	1.03	527,432.03	-	-
Effect from eliminate transactions	(1.93)	(986,540.02)	(12.10)	732,544.58
Income tax expenses	30.73	15,696,811.99	(76.57)	4,640,036.55

	Unit: Baht			
	Separate financial statements			
	2017		2016	
	Tax rate		Tax rate	
(%)	Unit: Baht	(%)	Unit: Baht	
Profit before income tax		49,190,243.81		27,745,195.00
Income tax using the corporate tax rate	20.00	9,838,048.76	20.00	5,549,039.00
Expenses not deductible for tax purposes	1.36	667,902.06	0.97	268,552.82
Expenses that are deductible at a greater amount				
from actual expenses	(0.37)	(182,139.59)	(3.05)	(845,275.62)
Income tax expenses	20.99	10,323,811.23	17.92	4,972,316.20

22. SHARE CAPITAL

On April 28, 2016, the Annual General Shareholders' Meeting resolved to:

- Decrease the registered capital from 1,424,999,875 shares at Baht 0.10 per share totaling of Baht 142,499,987.50, to the newly registered capital of 1,417,404,122 shares at Baht 0.10 per share totaling of Baht 141,740,412.20 for cancelling remaining unsubscribed shares reserved for the exercise of rights under the previous warrant issue. The Company registered the capital decrease with the Ministry of Commerce on May 11, 2016.
- Increase the registered capital from 1,417,404,122 shares at Baht 0.10 per share totaling of Baht 141,740,412.20, to the newly registered capital of 2,047,361,510 shares at Baht 0.10 per share totaling of Baht 204,736,151.00 in order to invest in a Senior Living Project, increase the Company's liquidity and working capital, and to strengthen the Company's capital basis in preparation for raising capital for future investment and as a reserve for the exercise of warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2). The Company registered the capital increase with the Ministry of Commerce on May 12, 2016. The allotments of the capital increase are as follows:
 - 1) A maximum of 314,978,694 ordinary shares, at Baht 0.10 per share, to the Company's existing shareholders in proportion to their shareholding at the subscription ratio of 4.50 existing share to 1.00 new ordinary share, whereby the shareholders shall have the right to subscribe for shares in excess of their entitlement at an offer price of Baht 0.50 per share.

During the second quarter of 2016, existing shareholders exercised rights to subscribe 278,576,554 shares, at Baht 0.10 per share. As a result, the registered capital totaled 1,695,980,676 shares at Baht 0.10 per share totaling Baht 169,598,067.60, and the share capital premium totaled Baht 109,055,084.60. The Company registered the capital increase with the Ministry of Commerce on June 20, 2016.

- 2) A maximum of 314,978,694 shares as a reserve for the exercise of warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2) which will be allotted to the Company's existing shareholders who subscribe for the capital increase of ordinary share in proportion to their shareholding and in excess of their entitlement.

Features of Warrants allotted to existing shareholders

Type:	Registered and transferable warrants for the purchase of ordinary shares
Offering units:	278,576,554 units
Offer price per unit:	Baht 0.00 (Baht Zero)
The date of issue and offering:	July 1, 2016
Term:	2 years 6 months from the date of issue and offering
Exercise ratio:	1 warrant: 1 ordinary share
Exercise price:	One warrant unit is entitled to purchase one ordinary share at Baht 0.50 per share.
Exercise of Warrants:	Warrant holders may exercise their warrants on the last business day of each quarter.

Market for Alternative Investment of Thailand (mai) has granted a listing of certificates representing the rights to purchase shares (warrants) of the Company from July 12, 2016. As at December 31, 2017, there has been no exercise of such warrants.

23. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue and paid-up during the year.

For the years ended December 31, 2017 and 2016, there are no diluting effects from warrant conversions because the exercise price equals the fair value of the ordinary shares. As such, there is no dilution of earnings per share.

24. 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.

25. PROVIDENT FUND

The Company established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund was approved by the Ministry of Finance. Under the plan, employees must contribute 3 percent of their basic salary, with 3 percent to be matched by the Company. The Company appointed an authorized fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

During the year ended December 31, 2017, the Group's contributions to the provident fund are Baht 1.70 million. (2016: Baht 1.99 million)

26. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in inventories of finished goods				
and work-in-process	749,514.66	21,950,767.74	8,406,505.60	6,160,554.74
Raw materials used	63,845,157.65	69,192,071.68	15,864,992.77	11,146,801.18
Purchases finished goods	263,616,766.51	268,737,705.50	263,616,766.51	268,373,705.50
Depreciation and amortization	10,845,676.95	8,588,456.72	5,384,895.46	4,856,647.57
Staff costs	107,870,019.67	106,070,439.82	71,432,636.28	68,385,509.41
Commission, advertising and sale				
promotion	36,181,773.75	32,609,017.68	15,682,382.52	14,543,413.31
Transport and distribution	6,231,952.30	6,687,005.18	5,120,608.41	6,368,630.60
Rental expenses	9,188,366.49	8,707,294.68	4,614,100.00	4,523,400.00
Consultant and professional service fee	5,727,086.13	6,570,964.99	2,872,792.02	5,244,308.00

27. DIVIDENDS PAID

The Annual General Shareholders' Meeting of the Company, held on April 28, 2016, passed resolutions approving the payment of a dividend from the operating results for the year 2015 of Baht 0.0033 per share totaling of Baht 4.68 million. The dividend payment was made on May 25, 2016.

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 years ended December 31, 2017 and 2016 was as follows:

	Unit: Thousand Baht											
	Sales of construction								Elimination of inter-		Consolidated financial	
	materials		Selling and installing		Senior Living Project		Unallocated assets		segment revenue		statements	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from sales and services	439,116.72	413,640.61	123,581.18	107,511.62	-	-	-	-	-	-	562,697.90	521,152.23
Inter-segment revenue	1,282.67	7,619.85	409.66	3,445.39	-	-	-	-	(1,692.33)	(11,065.24)	-	-
Cost of sales and services	(296,035.05)	(298,449.99)	(103,379.72)	(93,571.89)	-	-	-	-	4,629.15	9,388.30	(394,785.62)	(382,633.58)
Segment gross profit	144,364.34	122,810.47	20,611.12	17,385.12	-	-	-	-	2,936.82	(1,676.94)	167,912.28	138,518.65
Other income					22.42	8.17	16,446.03	9,055.26	(6,326.29)	(1,813.66)	10,142.16	7,249.77
Gain on fair value adjustment of investment properties					27,003.44	-	-	-	-	-	27,003.44	-
Selling expenses					(14,836.78)	(4,881.30)	(51,263.40)	(53,103.06)	605.88	-	(65,494.30)	(57,984.36)
Administrative expenses					(16,274.82)	(4,972.49)	(71,223.85)	(82,487.88)	595.71	(1,173.08)	(86,902.96)	(88,633.45)
Loss on impairment of investment in subsidiary					-	-	(2,729.56)	-	2,729.56	-	-	-
Finance costs					(25.81)	(16.87)	(5,941.13)	(6,194.89)	4,391.02	1,000.96	(1,575.92)	(5,210.80)
Profit (loss) before income tax expenses					(4,111.55)	(9,862.49)	(114,711.91)	(132,730.57)	4,932.70	(3,662.72)	51,084.70	(6,060.19)
Income tax expenses					(5,416.28)	-	(10,280.53)	(4,640.04)	-	-	(15,696.81)	(4,640.04)
Net profit (loss) for the period year					(9,527.83)	(9,862.49)	(124,992.44)	(137,370.61)	4,932.70	(3,662.72)	35,387.89	(10,700.23)

The reconciliations of each segment total assets to the Group's assets and other material items as at December 31, 2017 and 2016 were as follows:

	Unit: Thousand Baht											
	Sale of construction materials		Selling and installing		Senior Living Project		Unallocated assets		Elimination of inter-segment revenue		Consolidated financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Non-current assets												
Restricted deposits with financial institutions	29,750.00	38,750.00	3,000.00	1,500.00	-	-	-	-	-	-	32,750.00	40,250.00
Investment in debt securities held to maturity - net	11,188.80	-	-	-	-	-	-	-	-	-	11,188.80	-
Senior living project under development	-	-	-	-	140,371.51	126,183.42	-	-	(1,107.85)	(403.10)	139,263.66	125,780.32
Investment properties - net	-	-	-	-	62,500.00	-	-	-	-	-	62,500.00	-
Building improvement and equipment - net	10,944.24	14,218.04	5,408.34	8,411.51	12,956.41	2,994.82	18.65	707.94	-	(414.67)	29,327.64	25,917.64
Intangible asset - net	5,324.15	4,146.88	7,044.02	6,504.21	695.67	154.96	-	-	-	-	13,063.84	10,806.05
Deferred tax assets - net	3,896.14	3,595.15	878.83	1,179.64	-	-	-	-	-	-	4,774.97	4,774.79
Other non-current assets	743.77	1,239.60	3,509.36	3,100.11	852.79	-	-	98.72	-	-	5,105.92	4,438.43
Total non-current assets	61,847.10	61,949.67	19,840.55	20,695.47	217,376.38	129,333.20	18.65	806.66	(1,107.85)	(817.77)	297,974.83	211,967.23

For the year ended December 31, 2017 and 2016, the Group has a major customer accounting for sales of construction material in the amounts of Baht 51.73 million and Baht 50.76 million, respectively.

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 segment information for the years ended December 31, 2017 and 2016 was as follows:

	Unit: Thousand Baht							
	Thailand		Foreign countries		Elimination of		Consolidated	
	2017	2016	2017	2016	inter-segment revenue		financial statements	
				2017	2016	2017	2016	
For the year ended December 31,								
Revenue from sales and services	468,776.11	428,814.77	95,614.12	103,402.70	(1,692.33)	(11,065.24)	562,697.90	521,152.23

29. FINANCIAL INSTRUMENTS

A) FINANCIAL RISK MANAGEMENT POLICIES

The principal financial risks faced by the Group are interest rate risk, foreign currency risks and credit risks. The Group borrows at floating rates of interest to finance its operations. Some sales and purchases of goods are entered into in foreign currencies. Credit risk arises when sales are made on deferred credit terms.

The Group uses derivative instruments, when it considers appropriate, to manage such risks.

The Group did not intend to engage in trading derivative instruments for speculative purposes.

B) INTEREST RATE RISK

The Group was exposed to interest risks because it held deposits in financial institutions, highly liquid short-term investment, borrowings from financial institutions and debentures. However, as such financial assets and liabilities are short-term, the Group believes that future market interest rate fluctuations would not significantly affect their operation and cash flows. Therefore, no financial derivative was adopted to manage such risks.

As at December 31, 2017 and 2016, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Unit: Thousand Baht						
	Consolidated financial statements						
	As at December 31, 2017						
	Fixed interest rates			Floating			Effective
	Within			interest	Non-interest		interest rate
	At call	1 year	1 - 5 years	rate	bearing	Total	(% p.a.)
Financial assets							
Cash and cash equivalents	-	50.20	-	27.54	3.43	81.17	0.13 - 3.30
Trade and other receivables-net	-	-	-	-	87.19	87.19	-
Restricted deposits with financial institutions	-	-	32.75	-	-	32.75	0.37 - 1.50
Investment in debt securities held to maturity-net	-	-	11.19	-	-	11.19	2.22
Financial liabilities							
Short-term loans from financial institutions	-	-	-	5.20	-	5.20	5.25 - 9.25
Trade and other payables	-	-	-	-	104.93	104.93	-
Liabilities under financial lease agreement	-	1.54	1.54	-	-	3.08	3.99 - 6.49

Unit: Thousand Baht							
Consolidated financial statements							
As at December 31, 2016							
	Fixed interest rates			Floating		Total	Effective interest rate (% p.a.)
	At call	Within 1 year	1 - 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	110.07	-	57.46	4.70	172.23	0.13 - 4.20
Trade and other receivables-net	-	-	-	-	91.04	91.04	-
Restricted deposits with financial institutions	-	-	40.25	-	-	40.25	0.80 - 1.50
Financial liabilities							
Short-term loans from financial institutions	-	-	-	0.71	-	0.71	5.25 - 9.25
Trade and other payables	-	-	-	-	101.50	101.50	-
Short-term debentures	-	100.00	-	-	-	100.00	5.00 - 5.70
Liabilities under financial lease agreement	-	1.81	3.08	-	-	4.89	3.99 - 6.49

C) FOREIGN CURRENCY RISK

The Group exposed to foreign currency related primarily to its accounts payables and anticipated purchases denominated in foreign currencies. During the year end December 31, 2017, the Group unhedged the foreign currency on accounts payable and part of its anticipated purchases.

However, the balances of financial assets and liabilities denominated in foreign currencies as at December 31, 2017 and 2016 are summarised below.

Unit: Baht						
As at December 31, 2017						
	Consolidated financial statements		Separate financial statements		Exchange rate as at December 31, 2017	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	(Baht per foreign currency unit) Buying rate Selling rate	
US Dollars	16,304,676.07	15,658,456.34	15,009,737.25	16,198,527.40	32.51	32.85
New Zealand Dollars	-	1,377,272.94	-	-	22.89	23.49
Australian Dollars	-	183,598.91	-	-	25.08	25.87
Chinese Yuan	3,793,954.87	3,793,954.87	3,793,954.87	3,793,954.87	4.95	5.08

Unit: Baht						
As at December 31, 2016						
Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at December 31, 2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	(Baht per foreign currency unit)	
					Buying rate	Selling rate
Euro	522,970.99	-	522,970.99	-	37.38	38.14
US Dollars	33,741,921.29	35,033,790.82	33,432,088.04	21,344,026.33	35.66	36.00
New Zealand Dollars	-	713,545.66	-	-	24.64	25.26
Australian Dollars	-	365,226.01	-	-	25.55	26.33

D) CREDIT RISK

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

E) FAIR VALUE

Fair value means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

- Financial assets and liabilities held for the short-term maturities, such as cash on hand and deposits at financial institutions, account receivable and payable, short-term loans to and borrowing, the carrying amounts in the statements of financial position approximate at their fair value.
- Leases, which fair values calculated by the present value of the contractually determined stream of future cash flow discounted at the rate of interest applied at that time by the market to instruments, presented as at the statements of financial position.

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Operating leases commitments

As at December 31, 2017, the Group entered into long-term rental agreements with third parties for land, building, cars 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	9,869,218.68
Over 1 year but not over 5 years	15,636,881.68

30.2 Capital expenditure commitments

As at December 31, 2017, a subsidiary company has several construction contracts. The subsidiary company has commitment under these contracts totaling amount of Baht 25.26 million. (December 31, 2016: Baht 28.64 million).

30.3 Commitments and contingent liabilities with financial institutions

As at December 31, 2017 the Group has outstanding commitments and contingent liabilities with financial institutions as follows:

	Consolidated financial statements					
	Unit: Million Baht			Unit: Million US Dollars		
	Credit limit	Used	Unused	Credit limit	Used	Unused
1) Bank overdrafts	21.00	-	21.00	-	-	-
2) Short-term loan - trust receipts, letters of credit and promissory notes	159.38*	(5.20)	154.18	1.14	-	1.14
3) Forward contract	45.00*	-	45.00	1.23	-	1.23
4) Letter of guarantee	105.62*	(43.73)	61.89	-	-	-
	331.00	(48.93)	282.07	2.37	-	2.37

* Joint credit limit of the Company and a subsidiary

As at December 31, 2017, the Group had letters of guarantee issued by financial institutions for payment of goods to certain suppliers amounting to Baht 48.93 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 8 and 10).

31. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2017, the Group and the Company's debt-to-equity ratio were 0.54:1.00 and 0.27:1.00 respectively (as at December 31, 2016: 0.74:1.00 and 0.56:1.00)

32. EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

Minutes of the Extraordinary General Meeting of Shareholders No. 1/2018, held on January 10, 2018, resolved to:

1. Approval to issue and offer, for Private Placement, 200,000,000 new ordinary shares with a par value of Baht 0.10 per share. The Company is offering the Private Placement shares at the price of Baht 0.65 per share, totaling Baht 130.00 million, to Mr. Warut Panupattanapong and three other persons as mentioned in the MOU between the Company and Mr. Warut Panupattanapong, dated September 25, 2017. The Company will use proceeds from such transaction to invest in the subsidiary to purchase the Project. The Private Placement offer date is January 18, 2018. (According to the Board of Directors' Meeting No. 4/2017, held on November 13, 2017, resolved to invest in Teak Sukhumvit 39 project ("the Project")),

an 8 storey low-rise condominium, by acquiring the Project from LKH Development Company Limited at the price of Baht 145.00 million. Said price comprises both land costs and preliminary expenses. The Company will acquire land ownership rights, licensing rights, and booking contracts and resolved to establish “Teak Development Company Limited (“TDev”),” a new subsidiary to operate the Project and a future real estate project. TDev will have a registered capital of Baht 1.00 million comprising 10,000 ordinary shares, with a par value of Baht 100 per share, with BSM holding 99.99 percent of registered capital of such subsidiary. The Company registered the incorporation with the Ministry of Commerce on January 22, 2018)

2. Approval to decrease the registered capital by cancelling 72,804,280 unsold ordinary shares with a par value of Baht 0.10 per share, equivalent to Baht 7,280,428.00, from the registered capital of Baht 204,736,151.00, by way of a decrease of the reserve of 36,402,140 ordinary shares for subscription by the Company’s existing shareholders in proportion to their shareholding (Right Offering) and a decrease of the reserve of 36,402,140 ordinary shares for the exercise of warrant rights to purchase the Company’s Ordinary Shares No.2 (BSM-W2) where, after said capital decrease, the Company will have a registered capital of Baht 197,455,723.00. After the date of the financial statements, the Company registered the decrease with the Ministry of Commerce on January 19, 2018
3. Approval to increase of the registered capital by issuing 210,585,910 new ordinary shares with a par value of Baht 0.10 per share, equivalent to Baht 21,058,591.00, from the registered capital of Baht 197,455,723.00 to yield Baht 218,514,314.00 to accommodate the Private Placement offer and to accommodate the adjusted warrant rights to purchase the Company’s Ordinary Shares No.2 (BSM-W2). After the date of the financial statements, the Company registered the increase with the Ministry of Commerce on January 19, 2018.
4. Allocate the newly issued shares for the Private Placement offer and to accommodate the warrant rights to purchase the Company’s Ordinary Shares No.2 (BSM-W2) as follows:
 - 4.1 200,000,000 newly issued shares with a par value of Baht 0.10 per share for the Private Placement at the offer price of Baht 0.65.
 - 4.2 10,585,910 newly issued shares with a par value of Baht 0.10 per share to accommodate the adjusted warrant rights to purchase the Company’s Ordinary Shares No.2 (BSM-W2) of 278,576,554 units that have not been exercised. However, due to the (BSM-W2) right adjustment in case the Company issues Private Placement in lower price criteria, the Company will inform the right adjustment calculation prior effective date. Subsequent to the notification letter, dated January 17, 2018, informed the adjusted warrant rights to purchase the Company’s Ordinary Shares No.2 (BSM-W2) as follows:

Where the Private Placement offer price

is lower than 90% of market price	Original	Adjustment
Exercise price	Baht 0.50 per share	Baht 0.489 per share
Exercise ratio	One warrant unit has the right to purchase one ordinary share	One warrant unit has the right to purchase 1.021 ordinary shares

However, the right adjustment will be effective on the Private Placement’s first subscription date on January 18, 2018.

Minutes of the Board of Directors' Meeting No. 1/2018, held on February 21, 2018, resolved to proposed agenda to the Annual General Meeting of Shareholders for the Year 2018 to consider and approve the following:

1. Issuance and offering Debentures not exceeding Baht 200 million with maturities of less than 10 years and Bills of Exchange not exceeding Baht 100 million with maturities of less than 270 days to investors to support operation of the subsidiary, Teak Development Co., Ltd. and for working capital of the Company.
2. Dividend payment from the operating results of the year 2017 at Baht 0.01 per share, totaling Baht 18.96 million.

33. RECLASSIFICATION

The Group has reclassified certain accounts in the statement of financial position as at December 31, 2016, and the statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended December 31, 2016, 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			Separate financial statements		
	As previously reported	Reclassified amount	As reclassified	As previously reported	Reclassified amount	As reclassified
Statement of financial position						
Investment properties - net	126,926,224.50	(1,145,901.76)	125,780,322.74	-	-	-
Building and equipment - net	24,771,739.60	1,145,901.76	25,917,641.36	-	-	-
Statement of profit or loss and other comprehensive income						
Other income	7,210,765.66	39,000.00	7,249,765.66	6,415,878.50	39,000.00	6,454,878.00
Bad debt recoverable	39,000.00	(39,000.00)	-	39,000.00	(39,000.00)	-

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of directors on February 21, 2018.