

BUILDERSMART PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 (UNAUDITED)
(REVIEWED)**

1. GENERAL INFORMATION

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

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018), Interim Financial Reporting.

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

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

The interim financial statements have been prepared to provide information in addition to that included in the financial statements for the year ended December 31, 2018. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2018.

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

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

Basis for preparation of the consolidated interim financial statements

The consolidated interim financial statements related to the Company and its subsidiaries (together referred to as the “the Group”) are prepared using the same basis as were used for the consolidated financial statements for the year ended December 31, 2018.

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

New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

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

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

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

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers. However, such change in accounting policy has no material impacts on the financial statements.

4. RELATED PARTY TRANSACTIONS AND BALANCES

4.1 Significant transactions with related parties for the three-month periods ended September 30, 2019 and 2018 are as follows:

	Unit: Baht				Transfer pricing policy
	Consolidated financial		Separate financial		
	statements		statements		
	2019	2018	2019	2018	
Subsidiaries					
Revenues from sales and services	-	-	342,760.00	135,519.70	Cost plus margin
Cost of sales and services	-	-	15,942.00	5,422,379.95	Cost plus margin / carrying amount
Rental income	-	-	76,200.00	152,700.00	Carried out on commercial terms and conditions
Interest income	-	-	6,221,799.04	1,520,810.12	Interest rate of 2.5% - 7.7% per annum according to the loan agreement
Finance costs	-	-	14,079.82	10,100.71	Interest rate of 2.8% per annum according to the loan agreement
Related parties					
Revenues from sales and services					
Ruamchokchai Engineering Company Limited	9,093,438.25	1,208,229.00	9,093,438.25	1,208,229.00	Cost plus margin
Cost of real estate development project					
Ruamchokchai Engineering Company Limited	30,307,179.41	14,435,749.77	-	-	Contract price
Cost of a Senior Living Project					
Ruamchokchai Engineering Company Limited	30,319,046.14	9,331,834.02	-	-	Contract price
Interest income					
LKH Development Company Limited	92,061.27	-	-	-	Interest rate of 6.0% per annum according to the loan agreement
Rental expenses					
LKH Trading Company Limited	48,150.00	48,150.00	-	-	Contract price
Sobreuk (Group of persons)	904,995.00	904,995.00	904,995.00	904,995.00	Contract price
Related person - Director	723,609.45	150,000.00	-	-	Contract price

Significant transactions with related parties for the nine-month periods ended September 30, 2019 and 2018 are as follows:

	Unit: Baht				Transfer pricing policy
	Consolidated financial		Separate financial		
	statements		statements		
	2019	2018	2019	2018	
Subsidiaries					
Revenues from sales and services	-	-	1,236,196.95	274,830.70	Cost plus margin
Cost of sales and services	-	-	41,012.00	5,479,630.40	Cost plus margin / carrying amount
Rental income	-	-	305,100.00	458,100.00	Carried out on commercial terms and conditions
Interest income	-	-	14,467,194.43	3,343,370.51	Interest rate of 2.5% - 7.7% per annum according to the loan agreement
Finance costs	-	-	41,780.24	10,100.71	Interest rate of 2.8% per annum according to the loan agreement
Related parties					
Revenues from sales and services					
Ruamchokchai Engineering Company Limited	14,537,089.17	1,491,869.00	13,748,048.17	1,491,869.00	Cost plus margin
Cost of real estate development project					
Ruamchokchai Engineering Company Limited	95,304,681.17	28,440,962.95	-	-	Contract price
Cost of a Senior Living Project					
Ruamchokchai Engineering Company Limited	83,177,560.93	16,565,242.27		-	Contract price
Interest income					
LKH Development Company Limited	440,730.06	-	-	-	Interest rate of 6.0% per annum according to the loan agreement
Rental expenses					
LKH Trading Company Limited	144,450.00	128,400.00	-	-	Contract price
Sobreuk (Group of persons)	2,714,985.00	2,681,955.00	2,714,985.00	2,681,955.00	Contract price
Related person - Director	2,170,828.41	400,000.00	-	-	Contract price

4.2 Significant balances between the Company and those related companies as at September 30, 2019 and December 31, 2018 are as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade and other current receivables				
Trade receivables				
Subsidiaries	-	-	2,169,564.08	629,920.31
Related company				
Ruamchokchai Engineering Company Limited	12,185,873.84	2,968,617.11	12,071,397.75	2,968,617.11
Total trade receivables	12,185,873.84	2,968,617.11	14,240,961.83	3,598,537.42
Other current receivables				
Other receivable				
Subsidiaries	-	-	11,470,430.73	2,271,460.31
Related company				
LKH Development Company Limited (Notes 4.3)	436,791.60	29,970,398.38	-	-
Total	436,791.60	29,970,398.38	11,470,430.73	2,271,460.31
Advances to related parties - net				
Subsidiaries	-	-	4,684,981.13	3,795,775.34
<u>Less</u> Allowance for doubtful accounts	-	-	(3,442,258.93)	(3,442,258.93)
Total	-	-	1,242,722.20	353,516.41
Accrued interest income				
Subsidiaries	-	-	18,899,115.48	4,431,921.05
Related company				
LKH Development Company Limited (Notes 4.3)	92,061.27	-	-	-
Total	92,061.27	-	18,899,115.48	4,431,921.05
Total other current receivables	528,852.87	29,970,398.38	31,612,268.41	7,056,897.77
Total trade and other current receivables	12,714,726.71	32,939,015.49	45,853,230.24	10,655,435.19
Short-term loans - net				
Subsidiaries	-	-	458,060,740.59	208,660,740.59
<u>Less</u> Allowance for doubtful accounts	-	-	(60,740.59)	(60,740.59)
Total short-term loans - net	-	-	458,000,000.00	208,600,000.00
Other current assets				
Related company				
Deposit for construction cost				
Ruamchokchai Engineering Company Limited	32,551,026.59	15,955,520.42	-	-
Total other current assets	32,551,026.59	15,955,520.42	-	-

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade and other current payables				
Trade payables				
Subsidiary	-	-	17,057.94	6,160.53
Related company				
Ruamchokchai Engineering Company Limited	-	14,284,595.43	-	-
Total trade payable	-	14,284,595.43	17,057.94	6,160.53
Other current payables				
Advances from related parties				
Related persons - Directors	141,248.44	327,723.12	-	29,673.00
Total	141,248.44	327,723.12	-	29,673.00
Other payable				
Related company				
LKH Development Company Limited	56,670.00	56,670.00	-	-
Ruamchokchai Engineering Company Limited	1,315,323.49	-	-	-
Related persons - Directors	20,000.00	85,659.50	-	-
Total	1,391,993.49	142,329.50	-	-
Accrued interest expenses				
Subsidiary	-	-	4,591.23	9,335.50
Related persons - Directors	143,780.82	-	143,780.82	-
Total	143,780.82	-	148,372.05	9,335.50
Reservation fee for lease				
Related persons - Directors	-	6,100,000.00	-	-
Total	-	6,100,000.00	-	-
Total other current payables	1,677,022.75	6,570,052.62	148,372.05	39,008.50
Total trade and other current payables	1,677,022.75	20,854,648.05	165,429.99	45,169.03
Short-term loans to				
Subsidiary	-	-	1,995,000.00	1,995,000.00
Total short-term loans - net	-	-	1,995,000.00	1,995,000.00
Customer deposits				
Subsidiary	-	-	216,700.00	293,700.00
Total customer deposits	-	-	216,700.00	293,700.00
Retentions				
Related company				
Ruamchokchai Engineering Company Limited	12,916,186.58	4,107,642.16	-	-
Total retentions	12,916,186.58	4,107,642.16	-	-

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liability for guarantee refund to lessee				
Related persons - Directors	41,792,900.00	9,552,900.00	-	-
Total liability for guarantee refund to lessee	41,792,900.00	9,552,900.00	-	-

During the nine-month period ended September 30, 2019, the related party, who is a close relative of the director, entered into two lease agreements - guaranteed refund for two residential villas (a lease agreement is jointly made with third party), in the amount of Baht 32.24 million and also paid reservation fees, in the amount of Baht 9.55 million, for the lease of an apartment unit at the Senior Living Project, currently under development, totaling Baht 47.19 million. This amount is presented as the “Liability for guarantee refund to lessee” account in the statement of financial position.

- 4.3 During the nine-month period ended September 30, 2019, movements of short-term loans to related parties were as follows:

	Unit: Baht				
	Consolidated financial statements				
	As at	Movement during the period			As at
	January 1, 2019	Convert	Increase	Decrease	September 30, 2019
<u>Short-term loans to related company</u>					
Related company					
LKH Development Company Limited	-	20,263,987.93	109,141.00	(20,373,128.93)	-
Total	-				-

A subsidiary, Teak Development Limited, has not yet received, from LKH Development Company Limited (“the Seller”), deposits and advances for purchases of condominium units in “The Teak Sukhumvit 39” project, for 38 condominium units, in the amount of Baht 20.26 million since the rights and obligations under the sales and purchase agreements are being novated to the subsidiary. However, such deposits and advances received were recorded as “Other receivables - LKH Development Company Limited” and “Deposits and advances received for the purchase of condominium units”.

On May 13, 2019, such subsidiary entered into a loan agreement with LKH Development Company Limited to convert the balance of the deposits and advances received for the purchase of condominium units, recorded as “Other receivables - LKH Development Company Limited” as at March 1, 2019, in the amount of Baht 20.26 million, to “Short-term loan from related party”. This loan bears interest at the rate of 6.0% per annum and is due within August 2019.

Subsequently, the subsidiary converted the deposits and advances, for purchases of condominium units from the customer, who continued to make installment payments for the purchase through the Seller’s account from March 1, 2019 to June 30, 2019, by way of an annex to the agreement. The terms of the additional loans are the same as specified in the loan agreement.

As at September 30, 2019, the subsidiary has received the payment of such loan in the entire amount.

Unit: Baht				
Separate financial statements				
	As at	Movement during the period		As at
	January 1, 2019	Increase	Decrease	September 30, 2019
Short-term loans to related parties				
<u>Subsidiaries</u>				
Sansara Development Limited	116,000,000.00	182,000,000.00	-	298,000,000.00
Building Bling Limited	60,740.59	-	-	60,740.59
Teak Development Limited	92,600,000.00	67,400,000.00	-	160,000,000.00
Total	208,660,740.59	249,400,000.00	-	458,060,740.59
<u>Less</u> Allowance for doubtful account	(60,740.59)	-	-	(60,740.59)
Net	208,600,000.00			458,000,000.00

As at September 30, 2019, 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 bear interest at the rate of 4.5% - 7.7% per annum and is due at call.

As at September 30, 2019, a short-term loan to its subsidiary company, Building Bling Limited, in term of loan agreement for the purpose for development of louvre system with Louvre Systems Ltd bears interest at the rate of 6.25% per annum and is due at call.

As at September 30, 2019, a short-term loan to its subsidiary company, Teak Development Limited, in term of loan agreement for the purpose for support operations of Teak Development Limited bears interest at the rate of 4.5% - 7.7% per annum and is due at call.

- 4.4 During the nine-month period ended September 30, 2019, movements of short-term loan from related parties were as follows:

Unit: Baht				
Consolidated financial statements				
	As at	Movement during the period		As at
	January 1, 2019	Increase	Decrease	September 30, 2019
Short-term loan				
Related person - Director	-	10,000,000.00	-	10,000,000.00
Total	-			10,000,000.00

Unit: Baht				
	Separate financial statements			
	As at	Movement during the period		As at
	January 1, 2019	Increase	Decrease	September 30, 2019
Short-term loan				
Install Direct Company Limited	1,995,000.00	-	-	1,995,000.00
Related person - Director	-	10,000,000.00	-	10,000,000.00
Total	1,995,000.00			11,995,000.00

As at September 30, 2019, a short-term loan from director, in term of short-term debentures with debenture holders' representatives in the amount of Baht 10.00 million that are name-registered certificates, unsubordinated, unsecured and due on a bullet payment. The maturity date of such debentures is March 31, 2020.

As at September 30, 2019, a short-term loan from Install Direct Company Limited, in term of loan agreement for the purpose for its working capital bears interest at the rate of 2.8% per annum and is due at call.

4.5 Key management personnel compensation

Key management personnel compensation for the three-month periods ended September 30, 2019 and 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term benefits	9,599,445.91	9,350,717.08	6,808,365.91	6,727,955.08
Post-employment benefits	496,930.58	503,062.16	383,758.32	362,532.45
Total key management personnel compensation	10,096,376.49	9,853,779.24	7,192,124.23	7,090,487.53

Key management personnel compensation for the nine-month periods ended September 30, 2019 and 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term benefits	30,571,244.78	27,195,060.00	22,505,875.78	20,046,474.00
Post-employment benefits	1,580,188.55	1,448,951.32	1,170,361.83	1,081,968.20
Total key management personnel compensation	32,151,433.33	28,644,011.32	23,676,237.61	21,128,442.20

Compensation paid to the Management of a subsidiary, Sansara Development Limited by the Company for the nine-month periods ended September 30, 2019 and 2018 are Baht 5.55 million and Baht 5.82 million, respectively. The Company agreed not to charge them back to such subsidiary.

4.6 Commitments and contingent liabilities

Operating leases and service agreements

As at September 30, 2019, the Group entered into the long-term lease of land, buildings and vehicles with related parties for periods of 1 year to 5 years. The future minimum lease payments are summarized as follows:

Year	Unit: Baht
Within 1 year	3,764,180.00
Over 1 year but not over 5 years	1,238,325.00

As at September 30, 2019, the subsidiary entered into lease agreements with a related party to lease back villas for use as project model-showroom units for periods of 1 year to 3 years. The future minimum lease payments (Note 13) are summarized as follows:

Year	Unit: Baht
Within 1 year	2,106,248.51
Over 1 year but not over 3 years	385,420.02

Capital expenditure

As at September 30, 2019, the Group has construction contract with a related party. The Group has commitments under these contracts totaling amount of Baht 140.08 million.

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents as at September 30, 2019 and December 31, 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	304,037.00	319,107.04	84,037.00	99,101.00
Cash at banks - saving accounts	33,298,550.12	128,079,684.21	17,197,940.65	97,138,974.91
Cash at banks - current accounts	5,414,468.09	1,864,594.57	1,354,419.35	1,317,863.23
High liquidity short-term investments	1,500,000.00	61,297,743.00	-	61,297,743.00
Total	40,517,055.21	191,561,128.82	18,636,397.00	159,853,682.14

6. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables - net as at September 30, 2019 and December 31, 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Trade receivables - other parties	107,327,928.20	102,230,131.49	86,422,702.19	83,024,944.71
Trade receivables - related parties	12,185,873.84	2,968,617.11	14,240,961.83	3,598,537.42

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Less</u> Allowance for doubtful accounts	(14,466,300.67)	(13,558,180.92)	(10,011,789.39)	(9,303,669.64)
Total trade receivables - net	105,047,501.37	91,640,567.68	90,651,874.63	77,319,812.49
Other receivables				
Other receivables - related parties	436,791.60	29,970,398.38	11,470,430.73	2,271,460.31
Advances to related parties	-	-	4,684,981.13	3,795,775.34
Accrued interest income - related parties	92,061.27	-	18,899,115.48	4,431,921.05
Unbilled receivables	123,121.50	2,879,076.39	-	-
Prepaid commission	11,089,575.36	4,270,457.84	-	-
Prepaid expenses	2,854,438.69	2,214,458.66	996,094.76	831,906.88
Revenue Department receivable	8,526,785.90	8,383,216.12	121,863.37	264,520.95
Others	1,706,274.66	349,641.20	513,053.35	304,641.20
<u>Less</u> Allowance for doubtful accounts				
- advances to related parties	-	-	(3,442,258.93)	(3,442,258.93)
Total other receivables - net	24,829,048.98	48,067,248.59	33,243,279.89	8,457,966.80
Total trade and other current receivables - net	129,876,550.35	139,707,816.27	123,895,154.52	85,777,779.29

As at September 30, 2019 and December 31, 2018, aging of trade receivables were as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - other parties				
Within credit term	62,679,294.70	58,567,959.85	59,214,140.52	56,002,908.08
Over credit term				
Up to 3 months	20,747,583.76	21,186,266.59	13,854,261.16	15,788,097.25
3 - 6 months	2,659,216.35	3,614,164.98	1,960,877.96	669,215.69
6 - 12 months	5,015,270.69	3,579,512.93	2,167,549.60	671,237.25
Over 12 months	16,226,562.70	15,282,227.14	9,225,872.95	9,893,486.44
Total trade receivables - other parties	107,327,928.20	102,230,131.49	86,422,702.19	83,024,944.71
<u>Less</u> Allowance for doubtful accounts	(14,466,300.67)	(13,558,180.92)	(10,011,789.39)	(9,303,669.64)
Total trade receivables - other parties - net	92,861,627.53	88,671,950.57	76,410,912.80	73,721,275.07
Trade receivables - related parties				
Within credit term	9,543,473.20	2,702,732.81	10,320,635.84	3,322,498.81
Over credit term				
Up to 3 months	2,640,538.64	265,884.30	2,936,341.30	265,884.30

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
3 - 6 months	1,862.00	-	940,874.38	10,154.31
6 - 12 months	-	-	12,647.38	-
Over 12 months	-	-	30,462.93	-
Total trade receivables - related parties	12,185,873.84	2,968,617.11	14,240,961.83	3,598,537.42
Total trade receivables - net	105,047,501.37	91,640,567.68	90,651,874.63	77,319,812.49

7. INVENTORIES - NET

Inventories - net as at September 30, 2019 and December 31, 2018 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finished goods	72,181,807.11	65,569,486.52	72,181,807.11	65,569,486.52
Raw materials	22,167,975.00	21,246,829.14	-	-
Work-in-progress	8,378,007.56	12,120,843.49	899,494.46	1,442,633.17
<u>Less</u> Allowance for obsolete inventory	(5,517,137.69)	(5,517,137.69)	(3,393,676.37)	(3,393,676.37)
Net	97,210,651.98	93,420,021.46	69,687,625.20	63,618,443.32

8. COST OF REAL ESTATE DEVELOPMENT PROJECT

Movements of cost of real estate development project during the nine-month period ended September 30, 2019 are summarized below:

	Unit: Baht
	Consolidated financial statements
Accumulated cost of real estate development project as at January 1, 2019	576,110,404.11
Additions	229,620,330.69
Total	805,730,734.80
Transfer to cost of real estate sold	(109,804,384.93)
Accumulated cost of real estate development project as at September 30, 2019	695,926,349.87

As at September 30, 2019, five projects, "The Teak Sukhumvit 39" project, "The Teak Sathorn - Lumpini" project, "The Teak Ratchada" project, "The Teak Ari" project, and "The Teak Sathorn - Nanglinchee", are in the process of construction.

For the nine-month period ended September 30, 2019, interest expenses of loans for the construction of the Projects, in the amount of Baht 18.11 million, have been capitalized as part of the cost of real estate development project.

As at September 30, 2019, the subsidiary mortgaged the land and any structures thereon of the five projects with two bank as collateral for financial support credit facilities, for the operation of the projects.

9. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

As at September 30, 2019, the Group held time deposits and saving with commercial banks in the total amount of Baht 44.75 million. (December 31, 2018: Baht 36.50 million). The deposits were pledged as collateral short-term trade financing facilities (Note 31.3).

10. INVESTMENTS IN SUBSIDIARIES COMPANY - NET

The details of investments in subsidiaries presented in the separate financial statements as at September 30, 2019 and December 31, 2018 consisted of:

Company	Issued and paid-up capital		Shareholding proportion (%)		Unit: Thousand Baht At cost	
	Unit: Thousands Baht	Unit: Thousands Rupee	2019	2018	2019	2018
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	150,000.00	-	100.00	100.00	149,999.98	149,999.98
Sansara Lifestyle Service Company Limited	500.00	-	100.00	100.00	499.98	499.98
Teak Development Limited	150,000.00	-	100.00	100.00	149,999.50	149,999.50
Total					371,437.61	371,437.61
<u>Less</u> Allowance for impairment loss of investments					(3,668.31)	(3,668.31)
Net					367,769.30	367,769.30

11. INVESTMENT IN DEBT SECURITIES HELD TO MATURITY - NET

Movements of the investment in debt securities held to maturity - net account during the nine-month period ended September 30, 2019 are summarized below:

	Unit: Baht
	Consolidated and separate financial statement
Net book value as at January 1, 2019	11,051,338.66
Acquisition	-
Accumulated amortization	(105,622.78)
Net book value as at September 30, 2019	10,945,715.88

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

As at September 30, 2019, the government bond were pledged as collateral short-term trade financing facilities (Note 31.3).

12. SENIOR LIVING PROJECT UNDER DEVELOPMENT

Movement of the senior living project under development account during the nine-month period ended September 30, 2019 are summarized below:

	Unit: Baht
	Consolidated financial statement
Accumulated project costs as at January 1, 2019	180,899,626.30
Additions	187,459,472.44
Total	368,359,098.74
Transfer to investment properties - accumulated	(34,007,889.90)
Accumulated project costs as at September 30, 2019	334,351,208.84

For the nine-month period ended September 30, 2019, interest expenses of loans for the construction of the Senior Living Project, in the amount of Baht 1.96 million, have been capitalised as part of the cost of the Senior Living Project under development.

13. INVESTMENT PROPERTIES - NET

Movements of the investment properties - net account during the nine-month period ended September 30, 2019 are summarized below:

	Unit: Baht
	Consolidated financial statement
	Senior Living Project - Villas
As at January 1, 2019	188,707,800.00
Transfer from Senior Living Project under development	34,007,889.90
Gain on fair value adjustment (Level 2)	10,528,510.10
As at September 30, 2019	233,244,200.00
Cost	146,044,917.09
Accumulated gain on fair value adjustment	87,199,282.91
Fair value - net	233,244,200.00

The fair values of investment properties - net of the subsidiary, were assessed by the independent appraiser, Fast and Fair Valuation Co., Ltd., according to the appraisal report dated as at February 18, 2019, and Ktac Appraisal And Service Co., Ltd., according to the appraisal report dated as at September 24, 2019. 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.

As at September 30, 2019, the subsidiary entered into lease agreements - guaranteed refund for three villas, equal to 27% of all completed villa units. Said villas are recognized as investment properties. Their lease amounts total Baht 65.39 million.

As at September 30, 2019, the subsidiary entered into a lease agreement with a third party, and into another a lease agreements with a related party, who is a close relative of the director, both of which are for residential villas (a lease agreement is jointly made with third party) (Note.4.6). However, the subsidiary has entered into lease agreements to lease back those villas from the lessees for a 3-year period for use as project model showroom-units. The quarterly lease back fee is Baht 1,162,238.00

14. BUILDING IMPROVEMENTS AND EQUIPMENT - NET

Movements of the building improvements and equipment - net account during the nine-month period ended September 30, 2019, are summarized below:

	Unit: Baht	
	Consolidated	Separate
	financial statement	financial statement
Net book value as at January 1, 2019	28,901,221.91	12,856,642.92
Acquisitions during the period - cost	17,846,544.57	8,114,098.45
Disposal during the period - net book value at the date of disposal	(52,112.91)	(52,112.91)
Depreciation for the period	(8,694,516.02)	(3,931,114.63)
Net book value as at September 30, 2019	38,001,137.55	16,987,513.83

Depreciations for the nine-month periods ended September 30, 2019 and 2018, have been charged to profit or loss of consolidated financial statements amounting to Baht 8.69 million and Baht 7.88 million, respectively, and have been charged to profit or loss of separate financial statements amounting to Baht 3.93 million and Baht 3.56 million, respectively.

The gross carrying amount of fully depreciated assets of the Group that were still in use as at September 30, 2019 amounted to Baht 49.67 million (December 31, 2018: Baht 55.93 million).

As at September 30, 2019, the Group has vehicles under financial lease agreements with a net book value of Baht 6.57 million (December 31, 2018: Baht 5.50 million).

15. INTANGIBLE ASSETS - NET

Movements of the intangible asset - net account during the nine-month period ended September 30, 2019 are summarized below:

	Unit: Baht	
	Consolidated	Separate
	financial statement	financial statement
Net book value as at January 1, 2019	15,331,203.39	9,468,062.43
Addition - cost	4,368,944.96	4,114,423.93
Disposal during the period - net book value at the date of disposal	(19,031.34)	(19,031.34)
Amortization	(946,778.97)	(519,218.21)
Net book value as at September 30, 2019	18,734,338.04	13,044,236.81

Amortization for the nine-month periods ended September 30, 2019 and 2018, have been charged to profit or loss of consolidated financial statements amounting to Baht 0.95 million and Baht 1.15 million, respectively, and have been charged to profit or loss of separate financial statements amounting to Baht 0.52 million and Baht 0.50 million, respectively.

The gross carrying amount of fully amortization intangible assets of the Group that were still in use as at September 30, 2019 amounted to Baht 5.23 million (December 31, 2018: Baht 4.82 million).

16. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at September 30, 2019 and December 31, 2018 comprised:

	Interest rate (%)		Unit: Baht			
	As at	As at	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	2019	2018	2019	2018
Bank overdrafts	MOR, F/D Rate+2%	MOR	5,278,009.74	4,625,374.81	-	-
Trust receipt	-	11.25%	-	1,025,072.66	-	1,025,072.66
Domestic trust receipt	4.25%, 5.00%	5.00%	81,568,578.41	34,664,039.70	81,568,578.41	34,664,039.70
Promissory notes	MLR-2%, 4.13%-4.75%	5.25%	80,000,000.00	25,768,417.35	80,000,000.00	25,768,417.35
Total			166,846,588.15	66,082,904.52	161,568,578.41	61,457,529.71

17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2019 and December 31, 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables				
Trade payables - other parties	111,582,985.63	76,504,157.92	74,478,214.72	58,394,806.32
Trade payables - related parties	-	14,284,595.43	17,057.94	6,160.53
Total trade payables	111,582,985.63	90,788,753.35	74,495,272.66	58,400,966.85
Other payables				
Advances from related parties	141,248.44	327,723.12	-	29,673.00
Other payables	13,255,350.74	13,252,125.11	7,948,045.28	7,372,990.26
Other payables - related party	1,391,993.49	142,329.50	-	-
Commission payables	24,278,609.28	18,466,941.00	19,168,040.33	15,847,276.62
Accrued expenses	10,061,737.38	5,124,554.13	5,719,397.39	4,018,374.64
Accrued senior living project under development cost	13,539,812.43	11,677,377.72	-	-
Accrued bonus expenses	1,958,151.00	8,913,756.71	1,958,151.00	6,517,928.49
Accrued interest expenses	2,052,473.36	494,396.78	2,052,473.36	494,396.78
Accrued interest expenses - related parties	143,780.82	-	148,372.05	9,335.50
Revenue Department payable	168,220.65	168,220.65	-	-
Withholding tax	1,853,471.89	2,227,604.13	259,575.29	1,034,003.50
Reservation fee for lease - related parties	-	6,100,000.00	-	-

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Reservation fee for lease - other parties	1,600,000.00	2,600,000.00	-	-
Retentions	145,489.13	183,124.72	-	-
Total other payables	70,590,338.61	69,678,153.57	37,254,054.70	35,323,978.79
Total trade and other payables	182,173,324.24	160,466,906.92	111,749,327.36	93,724,945.64

18. LONG-TERM LIABILITIES UNDER FINANCE LEASES

Long-term liabilities under finance lease as at September 30, 2019 and December 31, 2018 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term liabilities under finance leases				
- Within 1 year	2,232,939.87	1,678,459.22	1,590,480.15	1,669,354.55
- Over 1 year but not over 5 years	4,294,742.10	1,620,236.19	2,706,512.43	1,620,236.19
Less Deferred interest expenses	(655,743.94)	(182,877.43)	(448,941.44)	(182,828.47)
Present value of long-term liabilities under finance leases	5,871,938.03	3,115,817.98	3,848,051.14	3,106,762.27
Less Current portion of long-term liabilities under finance leases	(1,944,159.02)	(1,568,120.57)	(1,400,698.53)	(1,559,064.86)
Net	3,927,779.01	1,547,697.41	2,447,352.61	1,547,697.41

As at September 30, 2019, the Company and a subsidiary entered into financial lease agreements to rent vehicles and machinery. The rental fee is payable on a monthly basis in the total amount of Baht 201,256.44 for 48 periods ending June 5, 2024.

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Movements of long-term loans from financial institutions during the nine-month period ended September 30, 2019 are summarized below:

Unit: Baht			
	Consolidated financial statements		
	As at	Movement during the period	
	January 1, 2019	Increase	Decrease
Long-term loans from financial institutions			
Credit limit of Baht 131.00 million - The Teak Sukhumvit 39	83,884,000.00	47,116,000.00	(106,443,666.28)
Credit limit of Baht 154.47 million - The Teak Sathorn - Lumpini	77,470,000.00	30,069,637.50	(72,957.37)
Credit limit of Baht 161.25 million - The Teak Ari	78,750,000.00	-	(82,754.08)
Credit limit of Baht 160.00 million - The Teak Ratchada	80,000,000.00	-	-

Unit: Baht				
Consolidated financial statements				
	As at	Movement during the period		As at
	January 1, 2019	Increase	Decrease	September 30, 2019
Credit limit of Baht 61.00 million - The Teak				
Sathorn - Nanglinchee	-	60,900,000.00	(38,361.74)	60,861,638.26
Total	320,104,000.00	138,085,637.50	(106,637,739.47)	351,551,898.03
<u>Less</u> Current portion of long-term loans	(83,884,000.00)			(85,417,971.98)
Net	236,220,000.00			266,133,926.05

As at September 30, 2019, the subsidiary, Teak Development Limited, entered into financial support credit facility agreements with two local financial institutions to receive financial support for “The Teak Sukhumvit 39” project, “The Teak Sathorn - Lumpini” project, “The Teak Ari” project and “The Teak Ratchada” project. Significant conditions under such agreements are disclosed in the financial statements for the year ended December 31, 2018. The new loan agreement for “The Teak Sathorn - Nanglinchee” project was entered into during the second quarter of 2019. The agreement contains the following significant conditions:

Credit limit				
Unit: Million Baht	Repayment periods	Interest rate (%)	Payment conditions	Collateral
61.00	12 months from May 14, 2019	MLR-1.40 per annum	The lender shall repay the loans within the period of the loan agreement.	Land and building of project and Builder Smart Public Company Limited.

20. SHORT-TERM LOANS FROM OTHER PARTIES - NET

Short-term loans from other parties - net as at September 30, 2019 and December 31, 2018 comprised:

	Interest rate (%)		Unit: Baht	
	Consolidated and separate		Consolidated and separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Bills of Exchange	6.20%	5.00%, 6.20%	50,000,000.00	100,000,000.00
Short-term debentures	6.40%	-	90,000,000.00	-
Total			140,000,000.00	100,000,000.00
<u>Less</u> Deferred interest expenses - Bills of exchange			(991,048.54)	(674,979.80)
Net			139,008,951.46	99,325,020.20

As at September 30, 2019, the Company issue the Bills of Exchange in the amount of not exceeding Baht 164.52 million with a maturity period of 270 days and due within January 30, 2020, to the investors for support the operation of two subsidiaries, Teak Development Company Limited and Sansara Development Limited and/or for the Company’s working capital.

As at September 30, 2019, the Company has short-term debentures with debenture holders' representatives in the amount of Baht 90.00 million that are name-registered certificates, unsubordinated, unsecured and due on a bullet payment. The maturity date of such debentures is March 31, 2020.

21. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movements of the present value of non-current provisions for employee benefit for each of the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Non-current provisions for employee benefit				
as at January 1,	8,504,311.00	6,977,986.00	6,465,027.00	5,365,323.00
Included in profit or loss:				
Current service cost	887,876.00	956,961.00	679,194.00	679,898.25
Past service cost	605,686.50	-	360,588.00	-
Interest cost	198,233.74	187,782.75	155,238.00	144,879.75
Included in other comprehensive income:				
Actuarial gains arising from				
Financial assumptions changes	(2,344,562.00)	-	(1,856,740.00)	-
Experience adjustments	(51,210.00)	-	317,094.00	-
Benefit paid during the year	-	-	-	-
Non-current provisions for employee benefit				
as at September 30,	7,800,335.24	8,122,729.75	6,120,401.00	6,190,101.00

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 September 30, 2019 and December 31, 2018 (represented by the weighted-average) consisted of:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	2.55, 2.66, 3.19, 3.29	3.08, 3.03, 2.81	2.66	3.08
Future monthly salary increase rate	6.34	7.96	6.34	7.96
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 2017	Tables of 2017	Tables of 2017

The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette on April 5, 2019, and became effective on May 5, 2019. The Act stipulates additional severance pay rates. Employees who have worked for an uninterrupted period of 20 years or more are entitled to receive no less than 400 days' compensation at the latest wage rate. This change qualifies as an amendment to the post-employment benefits plan. The Company and its subsidiaries reflected the effect of the change by recognizing past service costs as expenses in the income statement for the second quarter of 2019, the period during which the law became effective.

22. DEFERRED TAX

Movements in deferred tax assets and deferred tax liabilities during the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit: Baht							
	Consolidated financial statements				Separate financial statements			
	As at January 1, 2019	Profit (loss)	Other comprehensive income	As at September 30, 2019	As at January 1, 2019	Profit (loss)	Other comprehensive income	As at September 30, 2019
Deferred tax assets								
Allowance for doubtful accounts	2,131,800.81	181,623.97	-	2,313,424.78	1,860,733.92	141,623.97	-	2,002,357.89
Allowance for obsolete of inventories	1,080,503.99	-	-	1,080,503.99	678,735.28	-	-	678,735.28
Non-current provisions for								
employee benefit	1,700,862.20	338,359.25	(479,154.40)	1,560,067.05	1,293,005.40	239,004.00	(307,929.20)	1,224,080.20
Difference of depreciation	79,596.88	(79,596.88)	-	-	84,144.25	(84,144.25)	-	-
Liability for guarantee refund to lessee	547,811.18	326,960.00	-	874,771.18	-	-	-	-
Tax losses	15,698,239.37	2,434,643.14	-	18,132,882.51	-	-	-	-
Effect from eliminate transactions	-	4,082,272.05	-	4,082,272.05	-	-	-	-
Total deferred tax assets	21,238,814.43	7,284,261.53	(479,154.40)	28,043,921.56	3,916,618.85	296,483.72	(307,929.20)	3,905,173.37
Deferred tax liabilities								
Tax depreciation - investment properties	(278,301.20)	(326,463.14)	-	(604,764.34)	-	-	-	-
Gain on fair value adjustment of investment properties	(15,333,773.81)	(2,106,082.85)	-	(17,439,856.66)	-	-	-	-
Total deferred tax liabilities	(15,612,075.01)	(2,432,545.99)	-	(18,044,621.00)	-	-	-	-
Net	5,626,739.42	4,851,715.54	(479,154.40)	9,999,300.56	3,916,618.85	296,483.72	(307,929.20)	3,905,173.37

As presented in the statement of financial position were as follows:

Deferred tax assets - Net	7,018,847.42	9,999,300.56	3,916,618.85	3,905,173.37
Deferred tax liabilities - Net	(1,392,108.00)	-	-	-
	<u>5,626,739.42</u>	<u>9,999,300.56</u>	<u>3,916,618.85</u>	<u>3,905,173.37</u>

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	January 1, 2018	September 30, 2018	January 1, 2018	September 30, 2018
		Profit (loss)		Profit (loss)
Deferred tax assets				
Allowance for doubtful accounts	2,243,674.16	(185,110.18)	2,058,563.98	1,972,607.27
Allowance for obsolete of inventories	1,342,472.40	(298,622.15)	1,043,850.25	748,007.65
Non-current provisions for employee benefit	1,395,597.20	228,948.75	1,624,545.95	1,073,064.60
Difference of depreciation	23,388.96	42,473.82	65,862.78	102,457.24
Liability for guarantee refund to lessee	115,082.63	324,546.41	439,629.04	-
Total deferred tax assets	5,120,215.35	112,236.65	5,232,452.00	3,896,136.76
Deferred tax liabilities				
Tax depreciation - investment properties	(179,914.03)	19,155.69	(160,758.34)	-
Gain on fair value adjustment of investment properties	(5,400,688.94)	(7,244,083.09)	(12,644,772.03)	-
Total deferred tax liabilities	(5,580,602.97)	(7,224,927.40)	(12,805,530.37)	-
Net	(460,387.62)	(7,112,690.75)	(7,573,078.37)	3,896,136.76

As presented in the statement of financial position were as follows:

Deferred tax assets - Net	4,774,970.12	4,535,300.81	3,896,136.76	3,793,292.93
Deferred tax liabilities - Net	(5,235,357.74)	(12,108,379.18)	-	-
	(460,387.62)	(7,573,078.37)	3,896,136.76	3,793,292.93

All subsidiaries have unutilized tax loss carried forward and temporary differences not yet recognized as at September 30, 2019 and December 31, 2018 in the total amounts of Baht 14.35 million and Baht 13.27 million, respectively. As such subsidiaries will not have sufficient taxable profit to utilize unused tax loss and such temporary differences as a tax deduction, Management, therefore, will not account for the deferred tax on these unutilized tax losses carried forward and the temporary differences in the financial statements.

23. INCOME TAX

Income tax for the nine-month periods ended September 30, 2019 and 2018 were as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current tax expense				
Current period	9,884,878.83	8,316,458.88	9,884,878.83	8,316,458.88

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax expense				
Movements in temporary differences				
- Deferred tax assets - net	(4,851,715.54)	239,669.31	(296,483.72)	102,843.83
- Deferred tax liabilities - net	-	6,873,021.44	-	-
Tax expenses	5,033,163.29	15,429,149.63	9,588,395.11	8,419,302.71

24. SHARE CAPITAL

Extraordinary General Meeting of Shareholders No. 1/2018, held on January 10, 2018, approved to issue and offer, 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, totaling Baht 130.00 million, to Mr. Warut Panupattanapong and three other persons. The Company will use proceeds from such transaction to invest in the subsidiary to purchase The Teak Sukhumvit 39 project. The Private Placement offer date is January 18, 2018.

The Meeting also approved to allocate the newly issued shares to accommodate the warrant rights to purchase the Company's Ordinary Shares No.2 (BSM-W2). During the third quarter of 2018, the existing shareholders had exercised the rights to purchase the increase share capital of 94,206,614 ordinary shares, at an exercise price of Baht 0.489 per share amounting Baht 46,067,034.25. The Company registered new paid-in share capital amount with the Ministry of Commerce on April 10, July 12, and October 10, 2018, respectively.

25. EARNINGS PER SHARE

For the three-month and nine-month period ended September 30, 2018, there is diluting effect from warrant conversions because the fair value of the ordinary shares exceeds the exercise price. As such, there is dilution of earnings per share.

For the three-month period ended September 30, 2018 were as follows:

	For the three-month period ended September 30, 2018	
	Consolidated financial statements	Separate financial statements
Profit equity holders of the company for the period	7,124,975.03	16,764,788.67
Weighted average number of ordinary shares (basic) (Thousand shares)	1,917,848.95	1,917,848.95
Effect of dilutive potential ordinary shares		
Rights to purchase the Company's Ordinary Shares No.2 (BSM-W2) (Thousand shares)	57,795.45	57,795.45
Weighted average number of ordinary shares outstanding during the year (diluted) (Thousand shares)	1,975,644.40	1,975,644.40
Earnings per share		
Basic earnings per share (Baht/share)	0.004	0.009
Diluted earnings per share (Baht/share)	0.004	0.008

For the nine-month period ended September 30, 2018 were as follows:

	For the nine-month period ended September 30, 2018	
	Consolidated financial statements	Separate financial statements
Profit equity holders of the company for the period	36,884,612.07	32,788,243.77
Weighted average number of ordinary shares (basic) (Thousand shares)	1,896,748.33	1,896,748.33
Effect of dilutive potential ordinary shares		
Rights to purchase the Company's Ordinary Shares No.2 (BSM-W2) (Thousand shares)	61,756.19	61,756.19
Weighted average number of ordinary shares outstanding during the year (diluted) (Thousand shares)	1,958,504.52	1,958,504.52
Earnings per share		
Basic earnings per share (Baht/share)	0.019	0.017
Diluted earnings per share (Baht/share)	0.019	0.017

26. 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.

27. PROVIDENT FUND

For the nine-month period ended September 30, 2019, the Group's contributions to the provident fund are Baht 1.64 million. (2018: Baht 1.30 million)

28. DIVIDENDS PAID

2019

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

2018

The Annual General Meeting of the Company's Shareholders for the year 2018, held on April 24, 2018, approved an annual dividend payment from the operating results of the year 2017, at the rate of Baht 0.01 per share, totaling Baht 19.15 million, which will be paid on May 22, 2018.

29. FINANCIAL INFORMATION BY SEGMENT

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

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

The Group's business segment information and reconciliation of reportable segment profit or loss for the three-month periods ended September 30, 2019 and 2018 were as follows:

	Unit: Thousand Baht													
	Sales of				Real estate				Elimination of				Consolidated	
	construction materials		Selling and installing		Senior Living Project		development		Unallocated assets		inter-segment revenue		financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from sales and services	139,624.83	140,821.22	29,284.90	26,881.77	-	-	141,527.04	-	-	-			310,436.77	167,702.99
Inter-segment revenue	342.76	135.52	5,950.33	5,413.86	-	-	-	-	-	-	(6,293.09)	(5,549.38)	-	-
Cost of sales and services	(93,295.73)	(94,062.13)	(27,287.89)	(25,443.76)	-	-	(109,804.38)	-	-	-	3,603.83	5,660.31	(226,784.17)	(113,845.58)
Segment gross profit	46,671.86	46,894.61	7,947.34	6,851.87	-	-	31,722.66	-	-	-	(2,689.26)	110.93	83,652.60	53,857.41
Other income					20.62	-	133.08	61.80	6,754.90	2,574.45	(6,313.02)	(175.48)	595.58	2,460.77
Selling expenses					(3,722.77)	(3,332.97)	(12,036.49)	(1,142.32)	(15,956.06)	(14,845.40)	-	53.49	(31,715.32)	(19,267.20)
Administrative expenses					(3,426.72)	(3,295.08)	(2,909.92)	(2,312.71)	(16,643.66)	(19,023.79)	-	(202.50)	(22,980.30)	(24,834.08)
Finance costs					(42.49)	(20.72)	(1,587.45)	(423.59)	(5,293.16)	(1,758.16)	2,327.61	1,482.78	(4,595.49)	(719.69)
Profit (loss) before income tax expenses					(7,171.36)	(6,648.77)	15,321.88	(3,816.82)	(31,137.98)	(33,052.90)	(6,674.67)	1,269.22	24,957.07	11,497.21
Tax (expenses) income					1,424.84	63.72	(3,071.90)	-	(4,376.93)	(4,438.87)	4,082.27	-	(1,941.72)	(4,375.15)
Profit (loss) for the period					(5,746.52)	(6,585.05)	12,249.98	(3,816.82)	(35,514.91)	(37,491.77)	(2,592.40)	1,269.22	23,015.35	7,122.06

The Group's business segment information and reconciliation of reportable segment profit or loss for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Unit: Thousand Baht															
	Sales of						Real estate						Elimination of		Consolidated	
	construction materials		Selling and installing		Senior Living Project		development		Unallocated assets		inter-segment revenue		financial statements			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
Revenue from sales and services	367,068.99	353,638.80	65,557.31	83,472.01	-	-	141,527.04	-	-	-	-	-	574,153.34	437,110.81		
Inter-segment revenue	958.24	274.83	12,281.32	5,529.46	-	-	-	-	-	-	(13,239.56)	(5,804.29)	-	-		
Cost of sales and services	(250,721.28)	(236,923.99)	(60,544.34)	(72,689.32)	-	-	(109,804.38)	-	-	-	7,569.49	6,194.47	(413,500.51)	(303,418.84)		
Segment gross profit	117,305.95	116,989.64	17,294.29	16,312.15	-	-	31,722.66	-	-	-	(5,670.07)	390.18	160,652.83	133,691.97		
Other income					40.60	42.61	570.90	86.29	20,453.36	8,011.76	(17,503.69)	(578.59)	3,561.17	7,562.07		
Gain on fair value adjustment of investment properties					10,528.51	36,220.42	-	-	-	-	-	-	10,528.51	36,220.42		
Selling expenses					(11,107.74)	(12,216.18)	(14,732.06)	(1,177.29)	(42,310.16)	(38,929.10)	-	128.34	(68,149.96)	(52,194.23)		
Administrative expenses					(8,853.71)	(8,912.49)	(8,358.70)	(5,926.54)	(53,706.67)	(55,624.54)	2.36	(29.92)	(70,916.72)	(70,493.49)		
Loss on impairment of investment in subsidiary					-	-	-	-	-	(254.95)	-	254.95	-	-		
Finance costs					(109.62)	(46.08)	(1,916.22)	(1,157.77)	(9,384.72)	(3,284.54)	4,271.49	2,032.82	(7,139.07)	(2,455.57)		
Profit (loss) before income tax expenses					(9,501.96)	15,088.28	7,286.58	(8,175.31)	(84,948.19)	(90,081.37)	(18,899.91)	2,197.78	28,536.76	52,331.17		
Tax (expenses) income					1,875.10	(6,873.02)	(1,464.84)	-	(9,525.69)	(8,556.13)	4,082.27	-	(5,033.16)	(15,429.15)		
Profit (loss) for the period					(7,626.86)	8,215.26	5,821.74	(8,175.31)	(94,473.88)	(98,637.50)	(14,817.64)	2,197.78	23,503.60	36,902.02		

The reconciliations of each segment total assets to the Group's assets and other material items as at September 30, 2019 and December 31, 2018 were as follows:

	Unit: Thousand Baht													
	Sale of construction						Real estate						Elimination of	Consolidated financial
	materials		Selling and installing		Senior Living Project		development project		Unallocated assets		inter-segment revenue		statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Non-current assets														
Restricted deposits with financial institutions	41,749.80	33,500.00	3,000.00	3,000.00	-	-	-	-	-	-	-	-	44,749.80	36,500.00
Investment in debt securities held to maturity - net	10,945.72	11,051.34	-	-	-	-	-	-	-	-	-	-	10,945.72	11,051.34
Senior living project under development	-	-	-	-	350,576.97	184,559.35	-	-	-	-	(16,225.76)	(3,659.72)	334,351.21	180,899.63
Investment properties - net	-	-	-	-	233,244.20	188,707.80	-	-	-	-	-	-	233,244.20	188,707.80
Building improvements and equipment - net	16,987.51	12,856.64	9,709.22	5,109.36	9,556.26	10,161.12	1,748.15	766.68	-	7.42	-	-	38,001.14	28,901.22
Intangible assets - net	13,044.24	9,468.06	4,388.66	4,561.70	1,301.44	1,301.44	-	-	-	-	-	-	18,734.34	15,331.20
Deferred tax assets - net	3,905.17	3,916.62	782.97	809.50	401.00	-	827.88	2,292.73	-	-	4,082.28	-	9,999.30	7,018.85
Other non-current assets	1,578.54	1,578.54	1,260.00	810.00	666.25	169.42	2,289.00	1,647.00	-	-	-	-	5,793.79	4,204.96
Total non-current assets	88,210.98	72,371.20	19,140.85	14,290.56	595,746.12	384,899.13	4,865.03	4,706.41	-	7.42	(12,143.48)	(3,659.72)	695,819.50	472,615.00

For the nine-month periods ended September 30, 2019 and 2018, the Group has a major customer account for sales of construction material in the amounts of Baht 57.85 million and Baht 39.50 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 segments information for the three-month and nine-month periods ended September 30, 2019 and 2018 was as follows:

Unit: Thousand Baht								
	Thailand		Foreign countries		Elimination of inter-segment revenue		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018
For the three-month period ended September 30								
Revenue from sales and services	286,031.66	143,633.37	30,698.20	29,619.00	(6,293.09)	(5,549.38)	310,436.77	167,702.99
For the nine-month period ended September 30								
Revenue from sales and services	512,128.81	383,376.55	75,264.08	59,538.55	(13,239.55)	(5,804.29)	574,153.34	437,110.81

30. FINANCIAL INSTRUMENTS

Foreign currency risk

The Group exposed to foreign currency related primarily to its accounts payables and anticipated purchases denominated in foreign currencies. During the nine-month periods ended September 30, 2019 and 2018, the Group unhedged the foreign currency on accounts payable and part of its anticipated purchases.

However, the unhedged balances of financial assets and liabilities denominated in foreign currencies as at September 30, 2019 and December 31, 2018, are summarised below.

Foreign currency	Unit: Baht				Exchange rate as at	
	As at September 30, 2019					
	Consolidated financial statements		Separate financial statements		September 30, 2019	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	(Baht per foreign currency unit)	
	Buying rate	Selling rate				
US Dollars	28,952,997.41	21,248,299.63	28,474,666.37	21,242,471.71	30.42	30.77
New Zealand Dollars	-	4,645,382.87	-	-	18.85	19.47
Australian Dollars	-	372,899.25	-	-	20.26	21.06

Foreign currency	Unit: Baht				Exchange rate as at	
	As at December 31, 2018					
	Consolidated financial statements		Separate financial statements		December 31, 2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	(Baht per foreign currency unit)	
	Buying rate	Selling rate				
US Dollars	32,214,174.72	14,836,583.74	29,981,540.05	14,925,721.86	32.28	32.61
New Zealand Dollars	-	1,286,527.64	-	-	21.45	22.07
Australian Dollars	-	1,830,403.08	-	-	22.45	23.23
Chinese Yuan	-	1,025,072.66	-	1,025,072.66	4.66	4.78

31. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Operating leases and service agreements

As at September 30, 2019, 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	12,072,266.14
Over 1 year but not over 5 years	9,192,010.00

31.2 Capital expenditure

As at September 30, 2019 the subsidiary company has several construction contracts and purchase machinery. The subsidiary company has commitment under these contracts totaling amount of Baht 94.28 million. (December 31, 2018: Baht 26.72 million).

31.3 Bank guarantee issued by financial institutions

As at September 30, 2019 the Group has outstanding commitments and contingent liabilities with financial institutions as follows:

Consolidated financial statement			
Unit: Million Baht			
	Credit limit	Used	Unused
1) Bank overdrafts	35.70	(5.28)	30.42
2) Short-term loan - trust receipts, letters of credit and promissory notes	310.00*	(161.57)	148.43
3) Forward contract	69.54	-	69.54
4) Letter of guarantee	146.25	(45.84)	100.41
5) Long-term loan	667.72	(458.19)	209.53
	1,229.21	(670.88)	558.33

*Joint credit limit of the Company and a subsidiary

As at September 30, 2019, the Group had letters of guarantee issued by financial institutions for payment of goods to certain suppliers amounting to Baht 45.84 million.

Fixed deposits of the Company and subsidiary and the investment in government bond of the Company were pledged as collateral for above trade financing facilities (Note 9 and 11).

32 CAPITAL MANAGEMENT

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

According to the statement of financial position as at September 30, 2019, the Group and the Company's debt-to-equity ratio were 1.65: 1 and 0.65: 1 respectively (as at December 31, 2018: 1.30: 1 and 0.42: 1)

33 EVENTS AFTER THE REPORTING PERIOD

On October 7, 2019, the subsidiary, Teak Development Limited, entered into financial support agreements with a local financial institution to receive short-term credit facilities with a total credit limit of Baht 63.00 million for the purpose of support a real estate development project in the future.

34 RECLASSIFICATION

The Group has reclassified certain consolidated financial statement accounts in the statement of financial position as at December 31, 2018, and the statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, to conform to the current period's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

Account	Unit: Baht		
	Consolidated financial statements		
	As previously reported	Reclassified amount	As reclassified
<u>Statement of financial position</u>			
Trade and other current payables	(170,019,806.92)	9,552,900.00	(160,466,906.92)
Liability for guarantee refund to lessee	(85,214,948.43)	(9,552,900.00)	(94,767,848.43)
<u>Statement of profit or loss and other comprehensive income</u>			
<u>For the three-month period ended September 30, 2018</u>			
Selling expenses	18,425,904.86	841,298.36	19,267,203.22
Administrative expenses	25,675,378.50	(841,298.36)	24,834,080.14
<u>For the nine-month period ended September 30, 2018</u>			
Selling expenses	49,005,948.05	3,188,281.62	52,194,229.67
Administrative expenses	73,681,769.76	(3,188,281.62)	70,493,488.14

35 APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company's Board of Directors on November 13, 2019.