

**DHOUSE PATTANA PUBLIC COMPANY LIMITED  
(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)  
INTERIM FINANCIAL STATEMENTS  
AND REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION OF CERTIFIED PUBLIC  
ACCOUNTANT  
FOR THE FIRST QUARTER ENDED MARCH 31, 2020**



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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION OF CERTIFIED PUBLIC ACCOUNTANT

### To the Board of Directors of Dhouse Pattana Public Company Limited (Formerly: Dhouse Pattana Company Limited)

I have reviewed the statement of financial position of Dhouse Pattana Public Company Limited (“the Company”) as at March 31, 2020, and the related statements of comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on interim financial information.

### Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, “Interim Financial Reporting”.

### Emphasis of Matter

I draw attention to note 2 to the interim financial statements, the Company has adopted Thai Financial Reporting Standard 16 “Leases” for the first time since January 1, 2020. The Company has recognized the cumulative effect of initially applying such Standards by applying an adjustment to the beginning balance of retained earnings of the reporting period.

My unqualified conclusion on the interim financial information does not relate to the matters which I draw to attention above.

*Kraisit S.*

(Kraisit Silapamongkonkul)  
Certified Public Accountant  
Registration Number 9429

Siam Truth Audit Company Limited  
Bangkok, May 14, 2020

**DHOUSE PATTANA PUBLIC COMPANY LIMITED**  
**(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2020**

*Thousand Baht*

		March 31, 2020	December 31, 2019
		"Unaudited"	"Audited"
	Note	"Reviewed"	"Audited"
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		769	31,266
Other receivables		6	5
Cost of property development	5, 6	145,018	149,588
Inventories		1,037	1,073
Other current assets	5	485	484
<b>Total current assets</b>		<b>147,315</b>	<b>182,416</b>
<b>Non-current assets</b>			
Restricted bank deposits		232	236
Land held for development		528,900	528,900
Building and equipment	7	11,459	10,720
Right-of-use assets	4, 8	3,664	-
Intangible assets		815	841
Deferred tax assets	4	856	883
Other non-current assets		5,911	5,666
<b>Total non-current assets</b>		<b>551,837</b>	<b>547,246</b>
<b>Total assets</b>		<b>699,152</b>	<b>729,662</b>

**DHOUSE PATTANA PUBLIC COMPANY LIMITED**  
**(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2020**

*Thousand Baht*

		March 31, 2020	December 31, 2019
		"Unaudited"	
	Note	"Reviewed"	"Audited"
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Bank overdraft and short-term loans from financial institutions	9	175,760	140,386
Trade and other payables	4, 5	3,714	2,314
Current portion of leases liabilities	4, 11	872	672
Short-term loans from related persons	5	124,150	200,181
Income tax payable		4,586	3,674
Advance received		25	600
Other current liabilities		642	977
<b>Total current liabilities</b>		<b>309,749</b>	<b>348,804</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions	10	22,711	22,691
Long-term leases liabilities	4, 11	4,891	1,480
Provisions for employee benefit		1,528	1,448
Other non-current liabilities		4,154	3,996
<b>Total non-current liabilities</b>		<b>33,284</b>	<b>29,615</b>
<b>Total liabilities</b>		<b>343,033</b>	<b>378,419</b>
<b>Shareholders' equity</b>			
<b>Share capital</b>			
Authorized share capital	12		
840,000,000 ordinary shares in period 2020, Baht 0.50 par value and 3,600,000 ordinary shares in year 2019, Baht 86.50 par value		420,000	311,400
<b>Issued and paid-up share capital</b>			
622,800,000 ordinary shares in period 2020 and 3,600,000 ordinary shares in year 2019, fully paid-up		311,400	311,400
Retained earnings	4	44,719	39,843
<b>Total shareholders' equity</b>		<b>356,119</b>	<b>351,243</b>
<b>Total liabilities and shareholders' equity</b>		<b>699,152</b>	<b>729,662</b>

**DHOUSE PATTANA PUBLIC COMPANY LIMITED**  
**(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

"Unaudited"

"Reviewed"

*Thousand Baht*

	Note	2020	2019
<b>Revenues from sales</b>		<b>22,895</b>	<b>63,413</b>
Cost of sales	6	(9,844)	(29,421)
<b>Gross profit</b>		<b>13,051</b>	<b>33,992</b>
Other income		195	92
Selling expenses		(1,220)	(2,745)
Administrative expenses	5	(4,128)	(3,100)
Finance costs	5	(1,836)	(1,277)
<b>Profit before income tax</b>		<b>6,062</b>	<b>26,962</b>
Tax expense	13	(1,176)	(5,405)
<b>Profit for the period</b>		<b>4,886</b>	<b>21,557</b>
Other comprehensive income (loss)		-	-
<b>Total comprehensive income</b>		<b>4,886</b>	<b>21,557</b>
<b>Earnings per share</b>	3		
Basic earnings per share (Baht)		0.01	0.03
Weighted average number of ordinary shares (shares)		622,800,000	720,000,000

**DHOUSE PATTANA PUBLIC COMPANY LIMITED  
(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

*"Unaudited"*  
*"Reviewed"*

*Thousand Baht*

	Note	Issued and paid-up share capital	Retained earnings (deficit)	Total
<b>Balance as at January 1, 2020 - as previously reported</b>		<b>311,400</b>	<b>39,843</b>	<b>351,243</b>
Cumulative effect of the changes in accounting policy	4	-	(10)	(10)
<b>Beginning balance of restated</b>		<b>311,400</b>	<b>39,833</b>	<b>351,233</b>
Total comprehensive income		-	4,886	4,886
<b>Balance as at March 31, 2020</b>		<b>311,400</b>	<b>44,719</b>	<b>356,119</b>
<b>Balance as at January 1, 2019</b>		<b>360,000</b>	<b>(49,470)</b>	<b>310,530</b>
Total comprehensive income		-	21,557	21,557
<b>Balance as at March 31, 2019</b>		<b>360,000</b>	<b>(27,913)</b>	<b>332,087</b>

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

**DHOUSE PATTANA PUBLIC COMPANY LIMITED**  
**(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)**

"Unaudited"

**STATEMENT OF CASH FLOWS**

"Reviewed"

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

*Thousand Baht*

	2020	2019
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>6,062</b>	<b>26,962</b>
Adjustments to reconcile profit before income tax to cash generated (paid) from operating activities		
Depreciation and amortization	388	304
Finance costs	1,836	1,258
<b>Cash flow before changes in operating assets and liabilities</b>	<b>8,286</b>	<b>28,524</b>
<b>Changes in operating assets and liabilities</b>		
Other receivables	(1)	10
Cost of property development	4,580	21,826
Inventories	35	225
Other current assets	(1)	298
Restricted bank deposits	4	3
Other non-current assets	(245)	1,182
Trade and other payables	569	200
Advance received	(575)	(6,966)
Other current liabilities	(335)	353
Provisions for employee benefit	80	76
Other non-current liabilities	158	1,409
<b>Cash generated from operations</b>	<b>12,555</b>	<b>47,140</b>
Income tax paid	(234)	(641)
<b>Net cash provided by operating activities</b>	<b>12,321</b>	<b>46,499</b>

**DHOUSE PATTANA PUBLIC COMPANY LIMITED**  
**(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)**

"Unaudited"

**STATEMENT OF CASH FLOWS**

"Reviewed"

**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

*Thousand Baht*

	2020	2019
<b>Cash flows from investing activities</b>		
Purchase of building and equipments	(1,016)	(1,985)
<b>Net cash used in investing activities</b>	<b>(1,016)</b>	<b>(1,985)</b>
<b>Cash flows from financing activities</b>		
Increase in bank overdraft and short-term loans		
from financial institutions	35,374	3,081
Proceeds from short-term loan from related persons	16,600	5,430
Repayment for short-term loan from related persons	(92,631)	(11,867)
Repayment for long-term loans from financial institutions	-	(36,272)
Repayment for leases liabilities	(185)	(107)
Finance cost paid	(960)	(1,850)
<b>Net cash used in financing activities</b>	<b>(41,802)</b>	<b>(41,585)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(30,497)</b>	<b>2,929</b>
Cash and cash equivalents at the beginning of the period	31,266	245
<b>Cash and cash equivalents at end of the period</b>	<b>769</b>	<b>3,174</b>



**DHOUSE PATTANA PUBLIC COMPANY LIMITED**  
**(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (UNAUDITED) (REVIEWED)**

**1. GENERAL INFORMATION**

Dhouse Pattana Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 99 Sarakham-Wapi Pathum Road, Talat, Mueang Maha Sarakham, Maha Sarakham.

The Company has registered to convert to public company limited on March 18, 2020.

The principal activities of the Company involve property development.

The interim financial statements have been approved for issue by the Board of Directors of the Company on May 14, 2020.

**Coronavirus disease 2019 Pandemic**

The situation of Coronavirus disease 2019 Pandemic (COVID-19), a dangerous communicable disease, tends to spread and severe expanding impacts continually, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. However, the Company’s management has continuously monitored and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has planned solving the business impacts for the abilities to continues as going concerns.

**2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS**

The interim financial statements are prepared in accordance with Thai Accounting Standard (“TAS”) No. 34, Interim Financial Reporting to provide information additional to that included in the financial statements for the year ended December 31, 2019. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim financial statements are presented in Thai Baht, which is the Company’s functional currency. The preparation of these financial statements is in Thai and English language and issued for Thai reporting purposes.

The preparation of the interim financial statements in accordance with Thai Financial Reporting Standards (“TFRS”) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from theses estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2019.

## **New financial reporting standards that became effective in the current period**

During the period, the Company has adopted the revised financial reporting standards and interpretations, including the accounting guidance which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the notes to the financial statements to users of TFRS, except a set of 5 financial reporting standards related to financial instruments and TFRS 16 Leases that have changed key principles of these standards are summarised below:

### **Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five TAS, TFRS and TFRIC as follow:

- TAS 32 Financial Instruments: Presentation
- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments
- 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.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Recognition of credit losses that the Company has to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.

### **TFRS 16 Leases**

TFRS 16 Leases establishes principles for the recognition, measurement, presentation and disclosure of leases, requiring lessees to recognise assets and liabilities for all leases which the lease term is over 12 months. There are substantially unchanged to lessor accounting from its predecessor, lessors continue to classify leases as operating or finance.

The Company has adopted the financial reporting standards related to financial instruments and leases which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in note 4 to the interim financial statements.

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

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

objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

The Accounting Guidance was announced in the Royal Gazette on April 22, 2020 and it is effective the Company's financial statements prepared for reporting periods ending between January 1, 2020 to December 31, 2020.

The Company has not elected to apply the temporary relief measures on accounting alternatives.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies related to financial instruments and leases as follow:

#### **Financial instruments**

##### **Classification and measurement**

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

##### **Impairment of financial assets**

The Company recognizes an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

#### **Leases**

##### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

## Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification or reassessment.

## Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

## Basic earnings per share

Basic earnings per share is calculated by dividing profit for the periods by the weighted average number of ordinary shares issued during the periods. The adjusting of the number of ordinary shares to reflect the impact of the changing the par value. The prior period's basic earnings per share have been recalculated as if the changing the par value had been distributed at the beginning of the earliest period reported.

For the three-month periods ended March 31, 2020 and 2019

	2020	2019
Profit for the periods (Thousand Baht)	4,886	21,557
Weighted average number of ordinary shares (shares)	622,800,000	720,000,000
Basic earnings per share (Baht)	0.01	0.03

## 4. CHANGES IN ACCOUNTING POLICY

The Company has adopted TFRS 16 Lease since January 1, 2020. The Company has recognized the cumulative effect of initially applying this standard as an adjustment to the beginning balance of retained earnings as at January 1, 2020 (Modified retrospective). Therefore, the comparative information was not restated.

The impacts on the statement of financial position including the beginning balance of retained earnings of 2020 from change in accounting policy are as follows:

	<i>Thousand Baht</i>		
	December 31, 2019	The impacts of Financial reporting standards related to	January 1, 2020
<b>Statement of financial position</b>	<u>(as previously reported)</u>	<u>Leases</u>	<u>(restated)</u>
<b>Assets</b>			
Right-of-use assets	-	3,749	3,749
Deferred tax assets	883	2	885
<b>Liabilities</b>			
Trade and other payables	2,314	(16)	2,298
Current portion of leases liabilities	672	194	866
Long-term of leases liabilities	1,480	3,583	5,063
<b>Shareholders' equity</b>			
Retained earnings	39,843	(10)	39,833

#### Leases

Upon initial application of TFRS 16, the Company recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	<i>Thousand Baht</i>
Operating lease commitments as at December 31, 2019	6,718
<b>Less:</b> Deferred interest expenses	<u>(2,941)</u>
Increase in leases liabilities	3,777
Liabilities under finance lease agreements as at December 31, 2019	<u>2,152</u>
Leases liabilities as at January 1, 2020	<u><u>5,929</u></u>

*Thousand Baht*

Leases liabilities comprise of:

Current portion of leases liabilities	194
Long-term of leases liabilities	<u>3,583</u>
Total	<u><u>3,777</u></u>

## 5. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties. These parties are related through common shareholders and/or directorships or a close family member. The significant transactions with related parties as included in the interim financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant transactions with related parties for the three-month periods ended March 31, 2020 and 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Sarakham Petroleum Co., Ltd.		
Purchase of supplies	10	33
Other expenses	1	4
Directors		
Interest expense	677	-
Related persons		
Interest expense	343	99

### Significant agreements

The Company entered into the rental agreement for land with related persons at a yearly rental of Baht 230,000 and rental shall be increase every 3 years at the rate of 10% of previous rental. The rental agreement has a period of 10 years starting from December 1, 2019 to November 30, 2029 and may be renewed for 4 time of 10 years each.

The Company entered into the rental agreement for land including warehouse with related person at a monthly rental of Baht 10,000. The rental period of 3 years starting from June 1, 2019 to May 31, 2022.

During the year 2019, the Company revised the agreement to change the yearly rental to Baht 200,000 referring to the market price from an independent appraiser with a rental period of 3 years starting from December 1, 2019 to November 30, 2022. The rental agreement may be renewed for 10 times of 3 years each.

The significant transactions balances of assets and liabilities with related parties as at March 31, 2020 and December 31, 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Other prepaid expenses		
Director	2	-
Other payables		
Director	52	8
Rental payables		
Director	-	36
Accrued interest expenses		
Director	677	-
Related persons	188	94

#### Short-term loans from related persons

Short-term loans from related persons as at March 31, 2020 and December 31, 2019 consisted of:

	<i>Thousand Baht</i>	
	2020	2019
Directors	69,150	145,181
Related persons	55,000	55,000
Total	<u>124,150</u>	<u>200,181</u>

Movements of short-term loans from related persons for the three-month periods ended March 31, 2020 and 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Beginning balance	200,181	283,777
Increase	16,600	5,430
Decrease	(92,631)	(11,867)
Ending balance	<u>124,150</u>	<u>277,340</u>

The Company entered into a loan agreement with directors by issuing promissory notes due at call, interest charged at the rate of 2.50 percent per annum (year 2019 loan agreement: no interest charged) and unsecured.

The Company entered into a loan agreement with related persons by issuing promissory notes due at call, interest charged at the rate of 2.50 percent per annum (year 2019 loan agreement: rate 1.5 - 4 percent per annum) and unsecured.

### Key management personnel compensation

Key management personnel compensation for the three-month periods ended March 31, 2020 and 2019 consisted of:

	<i>Thousand Baht</i>	
	2020	2019
Short-term benefits	1,020	537
Post-employment benefits	42	28
Total	<u>1,062</u>	<u>565</u>

### Directors' remuneration

Directors' remuneration represents benefits paid to the directors of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the three-month period ended March 31, 2020, the Company paid directors' remuneration in the amount of Baht 0.17 million

### Co-guarantee for liabilities

As at March 31, 2020, related persons had co-guaranteed liabilities as follows:

The directors of the Company had guaranteed bank overdrafts, loans from financial institution and financial leases liabilities. Moreover, bank deposit of the director was registered for the secured for short-term loans from financial institutions, without compensation (see notes 9, 10 and 11).

### Nature of relationship

Name	Country/ Nationality	Relation	Type of relation
Sarakham Petroleum Co., Ltd.	Thailand	Related company	Common directors
Related persons	Thai	-	Members of close family of management and/or shareholder



## Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase and sale of goods	Market price
Rental of land including constructions	Market price
Other expenses	Market price
Interest expenses	The commercial bank's interest rate.

## 6. COST OF PROPERTY DEVELOPMENT

Cost of property development as at March 31, 2020 and December 31, 2019 consisted of:

	<i>Thousand Baht</i>	
	2020	2019
Property for sale		
House with land	10,505	-
Total	10,505	-
Property under development		
Land	79,629	84,189
Construction in progress and other costs	53,076	62,801
Capitalized interest cost	1,808	2,598
Total	134,513	149,588
Grand total	145,018	149,588

Movements of cost of property development for the three-month periods ended March 31, 2020 and 2019 were summarized below:

	<i>Thousand Baht</i>	
	2020	2019
Construction cost	5,264	7,594
Cost of sale	(9,844)	(29,421)
Capitalized interest cost	10	432

The Company had mortgaged cost of property development as collateral for loans from financial institutions (see notes 9 and 10).

## 7. BUILDING AND EQUIPMENT

Movements of building and equipment for the three-month period ended March 31, 2020 were summarized below:

	<i>Thousand Baht</i>
Net book value as at January 1	10,720
Purchase/ transfer in - at cost	1,016
Disposals/ transfer out - net book value	-
Depreciation	<u>(277)</u>
Net book value as at March 31	<u><u>11,459</u></u>

## 8. RIGHT-OF-USE ASSETS

Movements of right-of-use assets for the three-month period ended March 31, 2020 were summarized below:

	<i>Thousand Baht</i>
Net book value as at January 1	3,777
Purchase/ transfer in - at cost	-
Disposals/ transfer out - net book value	-
Amortization	<u>(113)</u>
Net book value as at March 31	<u><u>3,664</u></u>

## 9. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at March 31, 2020 and December 31, 2019 were as follows:

	<i>Thousand Baht</i>	
	<u>2020</u>	<u>2019</u>
Bank overdrafts	65,760	50,386
Promissory note	<u>110,000</u>	<u>90,000</u>
Total	<u><u>175,760</u></u>	<u><u>140,386</u></u>

During the period, the Company had the additional the credit facilities of bank overdrafts and short-term loans from financial institutions as follows:

Type of credit	<i>Million Baht</i>	<i>percent</i>
	Credit line	Referred interest rate
Bank overdrafts	30	Savings accounts
Promissory note	20	Savings accounts

#### Collateral

The Company had mortgaged land including construction of property development and land held for development (see note 6) and the loans were also guaranteed by the director of the Company. Moreover, bank deposit of the director was registered for the secured short-term loans from financial institutions, without compensation.

### 10. LOANS FROM FINANCIAL INSTITUTION

Loans from financial institution as at March 31, 2020 and December 31, 2019 consisted of:

	<i>Thousand Baht</i>	
	2020	2019
Loans from financial institution	22,711	22,691
<b>Less Current portion</b>	-	-
Long-term loans from financial institution	22,711	22,691

Movements of loans from financial institution for the three-month periods ended March 31, 2020 and 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Beginning balance	22,691	116,962
Increase	20	-
Decrease	-	(36,272)
Ending balance	22,711	80,690

## 11. LEASES LIABILITIES

Leases liabilities as at March 31, 2020 and December 31, 2019 consisted of:

Year	<i>Thousand Baht</i>					
	2020			2019		
	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
<b>Finance leases liabilities</b>						
1	678	61	739	672	67	739
2 - 5	1,308	47	1,355	1,480	59	1,539
Total	1,986	108	2,094	2,152	126	2,278
<b>Leases liabilities</b>						
1	194	157	351	-	-	-
2 - 5	543	823	1,366	-	-	-
5 year up	3,040	1,902	4,942	-	-	-
Total	3,777	2,882	6,659	-	-	-
<b>Total leases liabilities</b>						
1	872	218	1,090	672	67	739
2 - 5	1,851	870	2,721	1,480	59	1,539
5 year up	3,040	1,902	4,942	-	-	-
Grand total	5,763	2,990	8,753	2,152	126	2,278

The Company entered into the finance lease agreement for purchase vehicles, payable monthly in the amount of Baht 0.06 million and right-of-use of the leases of land including construction from related persons, payable yearly in the amount of Baht 0.43 million (see note 5). As at March 31, 2020, the current portion of leases liabilities in the amount of Baht 0.87 million (year 2019: 0.67 million) was presented under the current liabilities.

The directors of the Company had co-guaranteed for financial lease liabilities, without compensation.

## 12. SHARE CAPITAL

The Ordinary General Meeting of Shareholders held on March 12, 2020 passed the resolutions to approve as follows:

- 12.1 Convert the company limited to a public company.
- 12.2 Change the par value of share capital from Baht 86.50 each to Baht 0.50 each.
- 12.3 Increase the authorized share capital from Baht 311.40 million to Baht 420 million by issuing new ordinary shares of 217.20 million shares with the par value of Baht 0.50 each.

The Company has registered to convert to a public company, change its par value and increase of its registered share capital with the Ministry of Commerce on March 18, 2020.

- 12.4 Allot new ordinary shares of 217.20 million shares, with the par value of Baht 0.50 each for the Initial Public Offering as follows:
  - 12.4.1 Allot new ordinary shares to persons having relationship as directors, executives, major shareholder, controlled and related parties and sponsors who have done benefits to the company not exceeding 25 percent of the Initial Public Offering. However, the proportion of shares allotted to sponsors must not exceed 15 percent of the Initial Public Offering.
  - 12.4.2 Allot the remaining shares for the Initial Public Offering.
- 12.5 Assign the authorisation to the Board of Directors or Chief Executive Officer or the person assigned by the Board of Directors or Chief Executive Officer to determine the related details and conditions regarding the mentioned share offering such as offering period, offering price, share repayment and appointment of underwriters, etc.

## 13. INCOME TAX

The Company recognized tax expense for the three-month periods ended March 31, 2020 and 2019 based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Tax expense for the three-month period ended March 31, 2020 and 2019 as follows:

	<i>Thousand Baht</i>	
	2020	2019
<b>Current tax</b>		
Current period	1,147	5,760
<b>Deferred tax income</b>		
Movement in temporary differences	29	(355)
Tax expense	<u>1,176</u>	<u>5,405</u>

#### 14. OPERATING SEGMENT

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Company operates its business in involve property development. Therefore management considering that the Company operates in a single line of business.

The Company operate in a single geographic area, namely in Thailand, Therefore management considering that the Company has only one geographic segment.

##### **Information about major customers**

For the three-month period ended March 31, 2020, the Company had revenue from 7 major customers, totaling of Baht 22.97 million (period 2019: 3 major customers, totaling of Baht 38.16 million)

#### 15. COMMITMENTS AND CONTINGENT LIABILITIES

As at March 31, 2020, the Company had commitments and contingent liabilities as follows:

15.1 Letters of guaranty issued by bank for guarantee with the Department of Lands in the amount of Baht 8.49 million.

15.2 Commitments for payment under agreements as follows:

15.2.1 Service agreement with the remaining amount of Baht 4.69 million.

15.2.2 Contractor agreement with the remaining amount of Baht 3.95 million.

15.2.3 The security agreement with a monthly service of Baht 0.08 million.

## 16. RECLASSIFICATION

The Company has reclassified certain accounts in the statements of comprehensive income for the three-month period ended March 31, 2019 to conform to the presentation of the financial statements of current period as follow:

	Before	Reclassification	<i>Thousand Baht</i> After
Revenues from sales	63,470	(57)	63,413
Cost of sales	(29,349)	(72)	(29,421)
Selling expenses	(2,874)	129	(2,745)