

**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 THIRD QUARTER ENDED SEPTEMBER 30, 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 September 30, 2020, and the related statements of comprehensive income for the three-month and nine-month period then ended, changes in shareholders’ equity and cash flows for the nine-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.

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 which the comparative information was not restated.

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

(Kraisit Silapamongkonkul)
Certified Public Accountant
Registration Number 9429

Siam Truth Audit Company Limited
Bangkok, November 12, 2020

DHOUSE PATTANA PUBLIC COMPANY LIMITED
(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)
STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

Thousand Baht

		September 30, 2020	December 31, 2019
		"Unaudited"	
	Note	"Reviewed"	"Audited"
Assets			
Current assets			
Cash and cash equivalents		26,664	31,266
Other receivables		16	5
Cost of property development	5, 6	142,370	149,588
Inventories		1,457	1,073
Other current assets		2,000	484
Total current assets		172,507	182,416
Non-current assets			
Restricted bank deposits		212	236
Land held for development		528,900	528,900
Building and equipment	7	12,599	10,720
Right-of-use assets	4, 5, 8	2,560	-
Intangible assets		765	841
Deferred tax assets		900	883
Other non-current assets		9,370	5,666
Total non-current assets		555,306	547,246
Total assets		727,813	729,662

DHOUSE PATTANA PUBLIC COMPANY LIMITED
(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

Thousand Baht

		September 30, 2020	December 31, 2019
		"Unaudited"	
	Note	"Reviewed"	"Audited"
Liabilities and shareholders' equity			
Current liabilities			
Bank overdraft and short-term loans from financial institutions	9	191,075	140,386
Trade and other payables	5	3,598	2,314
Current portion of liabilities	4, 5, 10	6,165	672
Short-term loans from related persons	5	110,250	200,181
Income tax payable		-	3,674
Advance received	5	5,080	600
Other current liabilities		721	977
Total current liabilities		316,889	348,804
Non-current liabilities			
Long-term loans from financial institutions	11	37,133	22,691
Long-term leases liabilities	4, 5, 12	3,731	1,480
Provisions for employee benefit		1,689	1,448
Other non-current liabilities		3,385	3,996
Total non-current liabilities		45,938	29,615
Total liabilities		362,827	378,419
Shareholders' equity			
Share capital			
Authorized share capital	13		
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
Issued and paid-up share capital			
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		53,586	39,843
Total shareholders' equity		364,986	351,243
Total liabilities and shareholders' equity		727,813	729,662

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

"Unaudited"

STATEMENTS OF COMPREHENSIVE INCOME

"Reviewed"

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020 *Thousand Baht*

	Note	Three-month		Nine-month	
		2020	2019	2020	2019
Revenues from sales	5	23,638	36,325	70,420	119,731
Cost of sales	6	(11,383)	(17,716)	(32,064)	(56,385)
Gross profit		12,255	18,609	38,356	63,346
Other income		162	88	456	292
Selling expenses		(1,233)	(1,495)	(3,656)	(5,615)
Administrative expenses	5	(5,822)	(3,279)	(13,606)	(9,613)
Finance costs	5	(1,565)	(984)	(4,990)	(3,315)
Profit before income tax		3,797	12,939	16,560	45,095
Tax expense	14	(670)	(2,582)	(2,817)	(8,764)
Profit for the periods		3,127	10,357	13,743	36,331
Other comprehensive income		-	-	-	-
Total comprehensive income		3,127	10,357	13,743	36,331
Earnings per share	3				
Basic earnings per share (Baht)		0.005	0.017	0.022	0.058
Weighted average number of ordinary shares (shares)		622,800,000	622,800,000	622,800,000	622,800,000

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

"Unaudited"

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

"Reviewed"

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020*Thousand Baht*

	Issued and paid-up share capital	Retained earnings (deficit)	Total
Balance as at January 1, 2020	311,400	39,843	351,243
Total comprehensive income	-	13,743	13,743
Balance as at September 30, 2020	311,400	53,586	364,986
Balance as at January 1, 2019	360,000	(49,470)	310,530
Decrease in ordinary shares	(48,600)	48,600	-
Total comprehensive income	-	36,331	36,331
Balance as at September 30, 2019	311,400	35,461	346,861

DHOUSE PATTANA PUBLIC COMPANY LIMITED
(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

"Unaudited"

"Reviewed"

Thousand Baht

	2020	2019
Cash flows from operating activities		
Profit before income tax	16,560	45,095
Adjustments to reconcile profit before income tax to net cash generated (paid) from operating activities		
Depreciation and amortization	1,180	779
Finance costs	4,935	3,257
Cash flow before changes in operating assets and liabilities	22,675	49,131
Changes in operating assets and liabilities		
Other receivables	(11)	10
Cost of property development	7,248	39,713
Inventories	(384)	713
Other current assets	(1,516)	524
Restricted bank deposits	24	(96)
Other non-current assets	(3,704)	(374)
Trade and other payables	594	(2,559)
Advance received	4,480	(10,253)
Other current liabilities	(256)	334
Provisions for employee benefit	241	227
Other non-current liabilities	(611)	2,783
Cash generated from operations	28,780	80,153
Income tax paid	(6,508)	(6,774)
Net cash provided by operating activities	22,272	73,379

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

"Unaudited"

STATEMENT OF CASH FLOWS

"Reviewed"

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

Thousand Baht

	2020	2019
Cash flows from investing activities		
Purchase of building and equipments	(2,716)	(4,298)
Purchase of intangible assets	-	(258)
Net cash used in investing activities	(2,716)	(4,556)
Cash flows from financing activities		
Increase in bank overdraft and short-term loans		
from financial institutions	50,689	6,131
Proceeds from short-term loan from related persons	16,600	61,280
Repayment for short-term loan from related persons	(106,531)	(41,325)
Proceeds from long-term loans from financial institutions	19,632	-
Repayment for long-term loans from financial institutions	-	(90,485)
Repayment for leases liabilities	(370)	(431)
Finance cost paid	(4,178)	(4,073)
Net cash used in financing activities	(24,158)	(68,903)
Net decrease in cash and cash equivalents	(4,602)	(80)
Cash and cash equivalents at the beginning of the period	31,266	245
Cash and cash equivalents at end of the period	26,664	165

DHOUSE PATTANA PUBLIC COMPANY LIMITED
(FORMERLY: DHOUSE PATTANA COMPANY LIMITED)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 November 12, 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 these 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

a) 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 policies 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.

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

The Federation of Accounting Professions issued of new and revised financial reporting standards and interpretations including accounting guidance, which are effective for fiscal years beginning on or after January 1, 2021. 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.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the period when it is adopted.

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.

Employee benefits

Post-employment benefits – defined contribution plan

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund and obligations to defined contribution plan are charged to the statement of comprehensive income in the period to which they relate.

Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period by the weighted average number of ordinary shares issued during the period. 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 and nine-month periods ended September 30, 2020 and 2019

	Three-month		Nine-month	
	2020	2019	2020	2019
Profit for the periods (Thousand Baht)	3,127	10,357	13,743	36,331
Weighted average number of ordinary shares (shares)	622,800,000	622,800,000	622,800,000	622,800,000
Basic earnings per share (Baht)	0.005	0.017	0.022	0.058

4. CHANGES IN ACCOUNTING POLICIES

The Company has adopted TFRS 16 Lease since January 1, 2020. The Company has recognized the cumulative effect of initially applying this standard. The comparative information was not restated.

The impacts on the statement of financial position from change in accounting policies are as follows:

	<i>Thousand Baht</i>		
	December 31, 2019	The impacts of financial reporting standards related to	January 1, 2020
Statement of financial position	(as previously reported)	Leases	(restated)
Assets			
Right-of-use assets	-	2,827	2,827
Liabilities			
Current portion of lease liabilities	672	231	903
Long-term of leases liabilities	1,480	2,596	4,076

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 and the Company recognized the right-of-use assets at the amount equal to the lease liabilities. 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
Less: Other	(1,918)
Less: Deferred interest expenses	<u>(1,973)</u>
Increase in lease liabilities	2,827
Liabilities under finance lease agreements as at December 31, 2019	<u>2,152</u>
Lease liabilities as at January 1, 2020	<u><u>4,979</u></u>

	<i>Thousand Baht</i>
Lease liabilities comprise of:	
Current portion of leases liabilities	231
Long-term of leases liabilities	<u>2,596</u>
Total	<u><u>2,827</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 nine-month periods ended September 30, 2020 and 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Sarakham Petroleum Co., Ltd.		
Purchase of supplies	39	54
Other expenses	1	8
Directors		
Rental of land including warehouse	-	40
Depreciation right-of-use assets	267	-
Interest expense	1,449	-
Related persons		
Revenue from sale	-	23,970
Interest expense	1,032	336

Significant agreements

The Company entered into the rental agreement for constructions with related persons, 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. referring to the market price from an independent appraiser, at a yearly rental of Baht 200,000.

On August 13, 2020, the Company had terminated the former rental agreement for land and entered into a new agreement to revise the rental area and rental rate detailed as follow:

The former agreement

The Company entered into the rental agreement for land with related persons, 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. referring to the market price from an independent appraiser, 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 new agreement

The land rental agreement for the office building

The Company entered into the rental agreement for land with related persons, the rental agreement has a period of 9 years, 244 days starting from April 1, 2020 to November 30, 2029 and may be renewed for 4 time of 10 years each. referring to the market price from an independent appraiser, at a yearly rental of Baht 149,000 and rental shall be increase every 3 years at the rate of 10% of previous rental.

The land rental agreement for the warehouse

The Company entered into the rental agreement for land with related persons, a rental period of 2 years, 244 days starting from April 1, 2020 to November 30, 2022. The rental agreement may be renewed for 10 times of 3 years each, referring to the market price from an independent appraiser, at a yearly rental of Baht 81,000 and rental shall be increase every 3 years at the rate of 10% of previous rental.

The significant transactions balances of assets and liabilities with related parties as at September 30, 2020 and December 31, 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Right-of-use assets		
Directors	2,560	-
Other payables		
Director	33	8
Rental payables		
Directors	36	36
Accrued interest expenses		
Directors	247	-
Related persons	113	94
Advance received		
Related persons	5,000	-
Leases liabilities		
Directors	2,827	-

Short-term loans from related persons

Short-term loans from related persons as at September 30, 2020 and December 31, 2019 consisted of:

	<i>Thousand Baht</i>	
	2020	2019
Directors	55,250	145,181
Related persons	55,000	55,000
Total	<u>110,250</u>	<u>200,181</u>

Movements of short-term loans from related persons for the nine-month periods ended September 30, 2020 and 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Beginning balance	200,181	283,777
Increase	16,600	61,280
Decrease	(106,531)	(41,325)
Ending balance	<u>110,250</u>	<u>303,732</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: interest rate 1.5 - 4 percent per annum) and unsecured.

Key management personnel compensation

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

	<i>Thousand Baht</i>	
	2020	2019
Short-term benefits	3,318	2,378
Post-employment benefits	175	118
Total	<u>3,493</u>	<u>2,496</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 nine-month period ended September 30, 2020, the Company paid directors' remuneration in the amount of Baht 0.46 million

Co-guarantee for liabilities

As at September 30, 2020, related persons had co-guarantee liabilities as follows:

The directors of the Company had mortgaged land including construction to secure loans from financial institution, and the directors of the Company had guaranteed bank overdrafts, loans from financial institution and leases liabilities. Moreover, bank deposit of the director was registered to secure for short-term loans from financial institutions, without compensation (see notes 9, 11 and 12).

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 September 30, 2020 and December 31, 2019 consisted of:

	<i>Thousand Baht</i>	
	2020	2019
Property for sale		
House with land	4,840	-
Property under development		
Land	76,289	84,189
Construction in progress and other costs	59,991	62,801
Capitalized interest cost	1,250	2,598
Total	137,530	149,588
Grand total	142,370	149,588

Movements of cost of property development for the nine-month periods ended September 30, 2020 and 2019 were summarized below:

	<i>Thousand Baht</i>	
	2020	2019
Construction cost	24,817	16,672
Cost of sale	(32,064)	(56,385)
Capitalized interest cost	29	456

The Company had mortgaged cost of property development as collateral for loans from financial institutions (see notes 9 and 11).

7. BUILDING AND EQUIPMENT

Movements of building and equipment for the nine-month period ended September 30, 2020 were summarized below:

	<i>Thousand Baht</i>
Net book value as at January 1	10,720
Purchase/ transfer in - at cost	2,716
Disposals/ transfer out - net book value	-
Depreciation	(837)
Net book value as at September 30	12,599

8. RIGHT-OF-USE ASSETS

Movements of right-of-use assets for the nine-month period ended September 30, 2020 were summarized below:

	<i>Thousand Baht</i>
Net book value as at January 1	2,827
Purchase/ transfer in - at cost	-
Disposals/ transfer out - net book value	-
Amortization	(267)
Net book value as at September 30	2,560

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

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

	<i>Thousand Baht</i>	
	2020	2019
Bank overdrafts	81,075	50,386
Promissory note	110,000	90,000
Total	191,075	140,386

During the period 2020, 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 to secure for short-term loans from financial institutions, without compensation.

10. CURRENT PORTION OF LIABILITIES

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

	Note	<i>Thousand Baht</i>	
		2020	2019
Loans from financial institution	11	5,249	-
Leases liabilities	12	916	672
Total		6,165	672

11. LOANS FROM FINANCIAL INSTITUTION

Loans from financial institution as at September 30, 2020 and December 31, 2019 consisted of:

	<i>Thousand Baht</i>	
	2020	2019
Loans from financial institution	42,382	22,691
Less Current portion	(5,249)	-
Long-term loans from financial institution	<u>37,133</u>	<u>22,691</u>

Movements of loans from financial institution for the nine-month periods ended September 30, 2020 and 2019 were as follows:

	<i>Thousand Baht</i>	
	2020	2019
Beginning balance	22,691	116,962
Increase	19,691	-
Decrease	-	(90,486)
Ending balance	<u>42,382</u>	<u>26,476</u>

During the period 2020, the Company had additional credit facilities from financial institutions the details as follows:

Lender	<i>Million Baht</i> Credit line	Period of payment	<i>Percent</i> Referred interest rate	Repayment	
Commercial bank	8	Within 2 years	2	Installment 1 st - 6 th ; Installment 7 th - 23 rd ; Installment 24 th ;	grace period monthly principal and interest repayment of Baht 0.10 million repayment for the outstanding remained
Commercial bank	10	Within 2 years	2	Installment 1 st - 6 th ; Installment 7 th - 23 rd ; Installment 24 th ;	grace period monthly principal and interest repayment of Baht 0.57 million repayment for the outstanding remained
Commercial bank	2	Within 2 years	2	Installment 1 st - 6 th ; Installment 7 th - 12 th ; Installment 13 th - 24 th ;	grace period monthly interest repayment monthly principal and interest repayment of Baht 0.17 million.

Collateral

The directors of the Company had mortgaged land with construction.

The directors of the Company had guaranteed for loans.

12. LEASE LIABILITIES

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

Year	2020			2019		
	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
1	916	84	1,000	672	67	739
2 - 5	1,764	594	2,358	1,480	59	1,539
5 year up	1,967	1,230	3,197	-	-	-
Total	4,647	1,908	6,555	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 September 30, 2020, the current portion of leases liabilities in the amount of Baht 0.92 million (year 2019: Baht 0.67 million) was presented under the current liabilities.

The directors of the Company had co-guaranteed for lease liabilities.

13. SHARE CAPITAL

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

- 13.1 Convert the company limited to a public company.
- 13.2 Change the par value of share capital from Baht 86.50 each to Baht 0.50 each.
- 13.3 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.

- 13.4 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:
- 13.4.1 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.
- 13.4.2 Allot the remaining shares for the Initial Public Offering.
- 13.5 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.
- 13.6 During October 16 - 20, 2020, the Company offered the share capital in the amount of 217.20 million shares to the public for subscription shares at the offering price of Baht 0.60 per share.

The Company received the proceeds from the public for subscription shares, total in the amount of Baht 130.32 million (the Company recorded expenses for selling increase share capital in the amount of Baht 13.91 million deducted from share premium account).

The Company had already registered the change in its paid-up share capital with the Ministry of Commerce on October 21, 2020 due to the Company had received share subscription for the increased ordinary shares from Baht 311.40 million to Baht 420 million.

14. INCOME TAX

The Company recognized tax expense for the nine-month periods ended September 30, 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 nine-month periods ended September 30, 2020 and 2019 as follows:

	<i>Thousand Baht</i>	
	2020	2019
Current tax		
Current period	2,834	9,161
Deferred tax income		
Movement in temporary differences	(17)	(397)
Tax expense	<u>2,817</u>	<u>8,764</u>

15. 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 nine-month period ended September 30, 2020, the Company had revenue from 2 major customers, totaling of Baht 16.58 million (period 2019: 1 major customers, totaling of Baht 19.16 million)

16. COMMITMENTS AND CONTINGENT LIABILITIES

As at September 30, 2020, the Company had commitments and contingent liabilities as follows:

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

16.2 Commitments for payment under agreements as follows

16.2.1 Service agreement with the remaining amount of Baht 2.15 million.

16.2.2 Contractor agreement with the remaining amount of Baht 2.88 million.

16.2.3 The security agreement with a monthly service of Baht 0.10 million.

17. RECLASSIFICATION

The Company has reclassified certain accounts in the statements of comprehensive income for the three-month and nine-month periods ended September 30, 2019 to conform to the presentation of the financial statements of current period as follow:

	Three-month			Nine-month		
	Before	Reclassification	After	Before	Reclassification	After
Revenues from sales	36,551	(226)	36,325	119,957	(226)	119,731
Cost of sales	(17,508)	(208)	(17,716)	(56,177)	(208)	(56,385)
Selling expenses	(1,929)	434	(1,495)	(6,049)	434	(5,615)