

**SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY**

Interim Financial Information

For the Period Ended March 31, 2020

and Report on Review of Interim Financial Information

Performed by Certified Public Accountant

M.R. & ASSOCIATES CO., LTD.

Certified Public Accountants

M.R. & ASSOCIATES CO., LTD.

Suite # 705-706 Chaophya Tower
(Shangri-La Hotel)
89 Soi Wat Suan Plu, New Road
Bangrak, Bangkok 10500, Thailand
Tel : 66 (2) 630 7500
Fax : 66 (2) 630 7506

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of Siam Global House Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Global House Public Company Limited and its subsidiary as at March 31, 2020, and the consolidated statement of comprehensive income for the three-month period then ended, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the three-month period then ended, and the condensed notes to the consolidated financial statements. I have also reviewed the accompanying separate statement of financial position of Siam Global House Public Company Limited as at March 31, 2020, and the separate statement of comprehensive income for the three-month period then ended, separate statement of changes in shareholders' equity and separate statement of cash flows for the three-month period then ended, and the condensed notes to the separate financial statements. 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 Engagement 2410 "Review of Interim Financial Information Performed by the Certified Public Accountant of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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".



(Mr. Methree Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.
Bangkok
May 8, 2020

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020 AND DECEMBER 31, 2019

ASSETS

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31,	December 31,	March 31,	December 31,
		2020	2019	2020	2019
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
CURRENT ASSETS					
	Cash and cash equivalents	1,152,190	1,299,271	1,070,741	1,226,172
	Current investments	100,366	-	100,366	-
	Trade and other accounts receivable				
	- Related parties	3 61,503	24,608	61,503	24,608
	- Others	4 1,027,656	1,246,484	984,675	1,208,013
	Short-term loans to joint venture and accrued interest income	3 6,500	6,500	6,500	6,500
	Merchandises	14,308,100	15,602,535	14,030,366	15,367,420
	Other current assets	21,466	-	21,466	-
	Total current assets	<u>16,677,781</u>	<u>18,179,398</u>	<u>16,275,617</u>	<u>17,832,713</u>
NON-CURRENT ASSETS					
	Investment in subsidiary	5 -	-	287,765	287,765
	Investment in joint venture	6 822,066	814,897	759,500	759,500
	Property, plant and equipment	16,496,513	16,105,034	16,208,570	15,832,840
	Land not use in operation	500,357	500,357	500,357	500,357
	Right-of-use assets	2, 7 1,343,488	307,897	865,304	301,819
	Intangible assets	14,745	15,388	14,046	14,699
	Deferred tax assets	50,084	49,862	50,009	49,822
	Other non-current assets	12,212	13,554	12,129	13,357
	Total non-current assets	<u>19,239,465</u>	<u>17,806,989</u>	<u>18,697,680</u>	<u>17,760,159</u>
	TOTAL ASSETS	<u><u>35,917,246</u></u>	<u><u>35,986,387</u></u>	<u><u>34,973,297</u></u>	<u><u>35,592,872</u></u>

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020 AND DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31,	December 31,	March 31,	December 31,
		2020	2019	2020	2019
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
CURRENT LIABILITIES					
	Short-term loans from financial institutions	11,531,763	14,219,591	11,531,763	14,219,591
	Trade and other accounts payable				
	- Related parties	212,437	222,279	212,309	221,819
	- Others	2,733,311	3,176,930	2,619,998	3,079,455
	Current portion of finance lease liabilities	21,927	-	11,495	-
	Current portion of long-term loans	1,189,333	943,333	1,189,333	943,333
	Current portion of accrued rental expenses	-	10,082	-	6,691
	Income tax payable	374,352	224,186	370,198	223,938
	Other current liabilities	-	27,482	-	27,482
	Total Current Liabilities	16,063,123	18,823,883	15,935,096	18,722,309
NON-CURRENT LIABILITIES					
	Finance lease liabilities	1,127,110	-	622,920	-
	Long-term loans	1,317,334	333,334	1,317,334	333,334
	Debentures	500,000	500,000	500,000	500,000
	Accrued rental expenses	-	66,897	-	36,947
	Deferred tax liabilities	13,336	10,403	8,498	4,529
	Provisions for employee benefits	119,768	115,601	119,768	115,601
	Other non-current liabilities	5,350	5,350	5,350	5,350
	Total non-current liabilities	3,082,898	1,031,585	2,573,870	995,761
	Total liabilities	19,146,021	19,855,468	18,508,966	19,718,070

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020 AND DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		March 31,	December 31,	March 31,	December 31,
		2020	2019	2020	2019
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
SHAREHOLDERS' EQUITY					
	10				
Share capital					
Authorized share capital		4,201,543	4,201,543	4,201,543	4,201,543
Issued and paid-up share capital		4,201,541	4,201,541	4,201,541	4,201,541
Share premium		4,739,296	4,739,296	4,739,296	4,739,296
Retained earnings					
Appropriated for legal reserve		484,183	484,183	484,183	484,183
Unappropriated		7,106,107	6,507,727	7,039,311	6,449,782
Other components of shareholders' equity		1,695	(20,607)	-	-
Equity attributable to equity holders of the parent		16,532,822	15,912,140	16,464,331	15,874,802
Non-controlling interest		238,403	218,779	-	-
Total shareholders' equity		16,771,225	16,130,919	16,464,331	15,874,802
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		35,917,246	35,986,387	34,973,297	35,592,872

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

"UNAUDITED"
"REVIEWED"

	Note	In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
REVENUES					
Net sales	3, 12	7,275,055	7,460,766	7,119,336	7,314,834
Other income	3	268,380	239,999	267,010	239,087
Total revenues		<u>7,543,435</u>	<u>7,700,765</u>	<u>7,386,346</u>	<u>7,553,921</u>
EXPENSES					
Cost of goods sold	3	5,630,786	6,038,813	5,517,268	5,933,784
Distribution costs	3	577,108	526,391	566,252	514,408
Administrative expenses	3	483,370	409,900	468,577	393,298
Finance costs		70,982	61,892	68,819	61,892
Total expenses		<u>6,762,246</u>	<u>7,036,996</u>	<u>6,620,916</u>	<u>6,903,382</u>
Share of Profit of Joint Venture		<u>7,169</u>	<u>8,562</u>	<u>-</u>	<u>-</u>
Profit before Income Tax		<u>788,358</u>	<u>672,331</u>	<u>765,430</u>	<u>650,539</u>
Income Tax Expense		<u>167,064</u>	<u>126,415</u>	<u>163,238</u>	<u>122,430</u>
PROFIT FOR THE PERIOD		<u>621,294</u>	<u>545,916</u>	<u>602,192</u>	<u>528,109</u>
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified					
subsequently to profit or loss					
- Currency translation differences					
of subsidiary		40,550	(9,339)	-	-
Other comprehensive income					
for the period		<u>40,550</u>	<u>(9,339)</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE					
INCOME FOR THE PERIOD		<u>661,844</u>	<u>536,577</u>	<u>602,192</u>	<u>528,109</u>

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF COMPREHENSIVE INCOME (Continued)
 FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

"UNAUDITED"
 "REVIEWED"

		In Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2020	2019	2020	2019
Profit (loss) attributable to:					
	Equity holders of the parent	615,924	541,706	602,192	528,109
	Non-controlling interests	5,370	4,210	-	-
		<u>621,294</u>	<u>545,916</u>	<u>602,192</u>	<u>528,109</u>
Total comprehensive income attributable to:					
	Equity holders of the parent	638,226	536,569	602,192	528,109
	Non-controlling interests	23,618	8	-	-
		<u>661,844</u>	<u>536,577</u>	<u>602,192</u>	<u>528,109</u>
Earnings per share attributable to equity holders of the parent (Baht)					
11		<u>0.1466</u>	<u>0.1289</u>	<u>0.1433</u>	<u>0.1257</u>

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

"UNAUDITED"
"REVIEWED"

	In Thousand Baht									
	Consolidated financial statements									
	Retained earnings		Other components of shareholders' equity				Equity			
Issued and paid-up share capital	Share premium	Appropriated for legal reserve	Unappropriated	Currency translation differences	Share of other comprehensive loss of joint venture	Total	shareholders to equity holder of the parent	Non controlling interest	Total shareholder's equity	
Balance as at January 1, 2019	4,001,470	4,739,296	484,183	5,448,790	(939)	(370)	(1,309)	14,672,430	213,937	14,886,367
Profit for the period	-	-	-	541,706	-	-	-	541,706	4,210	545,916
Other comprehensive income for the period	-	-	-	-	(5,137)	-	(5,137)	(5,137)	(4,202)	(9,339)
Total comprehensive income for the period	-	-	-	541,706	(5,137)	-	(5,137)	536,569	8	536,577
Balance as at March 31, 2019	4,001,470	4,739,296	484,183	5,990,496	(6,076)	(370)	(6,446)	15,208,999	213,945	15,422,944
Balance as at January 1, 2020	4,201,541	4,739,296	484,183	6,507,727	(20,207)	(400)	(20,607)	15,912,140	218,779	16,130,919
- as previously reported	-	-	-	(17,544)	-	-	-	(17,544)	(3,994)	(21,538)
Cumulative effect of accounting change (Note 2)	-	-	-	-	-	-	-	-	-	-
Balance as at January 1, 2020	4,201,541	4,739,296	484,183	6,490,183	(20,207)	(400)	(20,607)	15,894,596	214,785	16,109,381
- as restated	-	-	-	615,924	-	-	-	615,924	5,370	621,294
Profit for the period	-	-	-	-	22,302	-	22,302	22,302	18,248	40,550
Other comprehensive income for the period	-	-	-	-	22,302	-	22,302	638,226	23,618	661,844
Total comprehensive income for the period	-	-	-	615,924	22,302	-	22,302	638,226	23,618	661,844
Balance as at March 31, 2020	4,201,541	4,739,296	484,183	7,106,107	2,095	(400)	1,695	16,532,822	238,403	16,771,225

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

"UNAUDITED"
"REVIEWED"

	In Thousand Baht				
	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
Appropriated for legal reserve			Unappropriated		
Balance as at January 1, 2019	4,001,470	4,739,296	484,183	5,445,386	14,670,335
Total comprehensive income for the period	-	-	-	528,109	528,109
Balance as at March 31, 2019	<u>4,001,470</u>	<u>4,739,296</u>	<u>484,183</u>	<u>5,973,495</u>	<u>15,198,444</u>
Balance as at January 1, 2020	4,201,541	4,739,296	484,183	6,449,782	15,874,802
- as previously reported	-	-	-	(12,663)	(12,663)
Cumulative effect of accounting change (Note 2)					
Balance as at January 1, 2020	<u>4,201,541</u>	<u>4,739,296</u>	<u>484,183</u>	<u>6,437,119</u>	<u>15,862,139</u>
- as restated	-	-	-	602,192	602,192
Total comprehensive income for the period					
Balance as at March 31, 2020	<u>4,201,541</u>	<u>4,739,296</u>	<u>484,183</u>	<u>7,039,311</u>	<u>16,464,331</u>

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit for the period	621,294	545,916	602,192	528,109
Adjustments for				
Depreciation and amortization	273,740	220,021	262,301	213,541
Decrease of merchandises				
to net realizable value	3,417	4,780	3,417	4,780
Increase in allowance for obsolete and				
slow-moving inventories	1,089	-	1,089	-
Provisions for employee benefits	5,347	3,875	5,347	3,875
Interest income	(606)	(162)	(515)	(117)
Interest expense	70,723	61,687	68,560	61,687
Increase (decrease) in expected				
credit losses	(32)	112	(32)	112
Unrealized gain on exchange rate	(48,610)	(3,728)	(48,610)	(3,728)
Loss on sale of current investments	1,294	-	1,294	-
Loss on sale of fixed assets	8,413	1,485	8,413	1,485
Loss on write off fixed assets	20,354	120	20,354	120
Gain from insurance claim	(2,129)	-	(2,129)	-
Share of profit of joint venture	(7,169)	(8,451)	-	-
Income tax expense	167,064	126,415	163,238	122,430
	<u>1,114,189</u>	<u>952,070</u>	<u>1,084,919</u>	<u>932,294</u>
Changes in operating assets and liabilities				
Trade and other accounts receivable	274,172	122,052	278,682	120,936
Merchandises	1,289,929	42,989	1,332,548	49,243
Other non-current assets	1,342	(1,363)	1,228	(1,380)
Trade and other accounts payable	(300,612)	1,023,513	(317,184)	1,059,919
Payment of post-employment benefits	(1,180)	(10,963)	(1,180)	(10,963)
Other non-current liabilities	-	5,200	-	5,200
Income tax paid	(10,267)	(5,875)	(8,598)	(5,866)
Net cash provided by				
 operating activities	<u>2,367,573</u>	<u>2,127,623</u>	<u>2,370,415</u>	<u>2,149,383</u>

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (Continued)
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Cash flows from investing activities				
Interest received from banks and proceeds				
from penalty income on delay payment	264	162	173	117
Increase in current investments	(200,000)	-	(200,000)	-
Proceeds from sale of current investments	3,879	-	3,879	-
Proceeds from sale of fixed assets	1,377	295	1,377	295
Proceeds from insurance claim	4,725	-	4,725	-
Increase in property, plant and equipment	(803,076)	(559,462)	(801,924)	(571,177)
Increase in computer software	(708)	-	(708)	-
Increase in right-of-use assets	(4,542)	(2,006)	-	(2,006)
Net cash used in investing activities	(998,081)	(561,011)	(992,478)	(572,771)
Cash flows from financing activities				
Interest paid	(79,479)	(67,060)	(77,316)	(67,060)
Decrease in short-term loans				
from financial institutions	(2,687,828)	(1,458,392)	(2,687,828)	(1,458,392)
Increase in finance lease liabilities	5,036	-	2,776	-
Increase in long-term loans	1,230,000	223,000	1,230,000	223,000
Repayment of long-term loans	-	(212,500)	-	(212,500)
Repayment of finance lease liabilities	(5,834)	-	(1,000)	-
Net cash used in financing activities	(1,538,105)	(1,514,952)	(1,533,368)	(1,514,952)
Currency translation difference	21,532	(2,675)	-	-
Net increase (Decrease) in cash and cash equivalents	(147,081)	48,985	(155,431)	61,660
Cash and cash equivalents at beginning of period	1,299,271	661,596	1,226,172	587,376
Cash and cash equivalents at end of period	1,152,190	710,581	1,070,741	649,036

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (Continued)
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Supplementary disclosures of cash flow information:				
a. Cash and cash equivalent at end of period				
Cash in hand	29,004	213,022	26,154	206,101
Current accounts at banks	130,338	99,725	86,015	54,165
Saving deposits at banks	992,848	397,834	958,572	388,770
	<u>1,152,190</u>	<u>710,581</u>	<u>1,070,741</u>	<u>649,036</u>
b. Non-cash transaction				
Purchases of property, plant and equipment for which no cash has been paid	610,783	213,794	611,863	213,794
Initial recognition of right-of-use assets	1,006,179	-	571,739	-
Initial recognition of finance lease liabilities	1,109,245	-	632,639	-

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

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

1. GENERAL

Siam Global House Public Company Limited, “the Company”, is incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on August 19, 2009.

The Company is engaged in merchandising of construction and decoration materials and equipment.

The registered office is 232 Moo 19, Tambol Robmuang, Amphur Muang Roi-Et, Roi-Et.

As at March 31, 2020, the Company has a total of 67 branches operating in other provinces and The Distribution Center (DC Wang-noi) 1 branch, is established in Amphur Wang-noi, Phra Nakhon Si Ayutthaya. The total of value added tax registration operating branch is 68 branches. (December 31, 2019: 67 branches and March 31, 2019: 62 branches).

2. BASIS FOR PREPARATION OF FINANCIAL INFORMATION

The interim financial information are prepared on a condensed basis in accordance with Thai Accounting Standard No.34 “Interim Financial Reporting” including related interpretations and guidelines promulgated by the Federation of Accounting Professions, and applicable rules and regulations of the Securities and Exchange Commission.

The interim financial information is prepared to provide an update on 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 information should be read in conjunction with the financial statements for the year ended December 31, 2019.

The consolidated interim financial information comprises the financial statements of the Company and its subsidiary (together referred to as the “Group”) and the Company’s interest in a joint venture. Significant intra-group transactions between the Company, its subsidiary and the joint venture are eliminated on consolidation.

For convenience of the readers, an English translation of the interim financial information has been prepared from the Thai language interim financial information that is issued for domestic financial reporting purposes.

The Group applied significant accounting policies and methods of computation to the preparation of interim financial information for the three-month periods ended March 31, 2020 and 2019 which are similar to those applied to the preparation of financial statements for the year ended December 31, 2019 except the matters relating to adoption of newly issued and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance.

Starting from January 1, 2020, the Group have adopted Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) as well as Thai Accounting Interpretation (TSIC), Thai Financial Reporting Interpretation (TFRIC) and accounting guidance, issued and revised by TFAC, which became effective from the accounting period starting on or after January 1, 2020. The aforesaid adoption of newly issued and revised TAS and TFRS as well as TSIC, TFRIC and accounting guidance did not have any material effect on the Group, except:

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

TFRS 9 and other related standards

TFRS 9 specifies the methods that the entity shall classify and measure its financial assets, financial liabilities, and contracts to purchase or sell the non-financial items. TFRS 9 is divided into the following three parts:

1. Classification and measurement
2. Impairment
3. Hedge accounting

Financial assets shall be classified and measured with respect to the business model on asset management and characteristics of the asset's contractual cash flows which is divided into three categories i.e. amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Upon changes in business model on financial asset management are known, the affected financial assets shall be considered for proper reclassification.

Financial liabilities shall be classified and measured at amortized cost except for financial liabilities measured at fair value through profit or loss (such liabilities include derivative liabilities). Reclassification of financial liabilities is prohibited.

Impairment loss (previously referred to as provision for doubtful account for certain items in the financial statements) from the expected credit loss of financial assets shall be recognized under General approach in the following stages:

1. Stage 1 (performing): the 12-month expected credit loss shall be recognized in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount without netting the allowance for expected credit loss.
2. Stage 2 (under-performing): upon significant rise in credit risk and not being at low level, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated based on the same principle to Stage 1.
3. Stage 3 (credit-impaired): upon significant rise in credit risk of financial asset that is considered as credit impaired, the entity shall recognize the full lifetime expected credit loss in profit or loss. Interest income (if any) shall be calculated base on gross carrying amount net of the allowance for impairment.

For trade receivables and contract assets, the entity is able to adopt Simplified approach by recognizing the full lifetime expected credit loss for financial assets considered under the aforesaid stages 1, 2 and 3. In consideration and measurement of expected credit loss for both General approach and Simplified approach, the historical credit loss shall be combined with the forward looking information.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

Hedge accounting is purposed for reflecting the impacts in the financial statements that are caused in risk management activities using the financial instruments on management of exposures to the risks and such risks shall affect profit or loss and/or other comprehensive income. TFRS 9 specifies the relationships and related accounting treatment of hedge accounting into three categories i.e. fair value hedge, cash flows hedge, and hedge of net investment in foreign entity. There is no material effect on the Company from this part about hedge accounting.

Thus, TFRS 9 affects the Group to classify and measure its financial assets and financial liabilities in statement of financial position for each of the periods ended in 2020 as well as recognizing impairment for the expected credit loss of financial assets with respect to the aforesaid principle which is briefly summarized below:

Classification and measurement

Assets classified and measured at amortized cost

- Cash and cash equivalents
- Trade receivables
- Other receivables (including advances and refundable deposits or guarantees excluding prepaid expense)
- Loans

Assets classified and measured at fair value through other comprehensive income - none

Assets classified and measured at fair value through profit or loss

- Current investment (including current investment in mutual fund under liquidation - see Note 4)
- Derivative assets (other current assets)

Liabilities classified and measured at amortized cost

- Short-term borrowings from financial institutions
- Trade payables
- Other payables (including accruals and repayable guarantees excluding advances received from sales and unearned revenue)
- Long-term borrowings
- Debentures
- Lease liability

Liabilities classified and measured at fair value through profit or loss

- Derivative liabilities (other current liabilities)

As at December 31, 2019, there was no material effect from measurement of financial assets and financial liabilities with respect to the aforesaid principle. In addition, no restatement on the figures of comparative information of previous periods has been made in relation to classification and measurement because the Company exercised the option of modified retrospective adjustment by recognizing the cumulative effect from the first-time adoption of TFRS 9 at the date of initial application (January 1, 2020).

Impairment

For several receivables and loans, the Company categorized the population by focusing on aging balance information whereby the past records were captured for historical credit loss. However, the Company has exercised certain mitigating measure indicated in the accounting guidance Temporary Mitigating Policies for Alternative Accounting on the Effects from Pandemic Situation of the Coronavirus 2019 (COVID-19), issued by TFAC in April 2020. Such mitigating measure relates to exception from combining the forward looking information as part of consideration and measurement of the expected credit loss.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

TFRS 16

TFRS 16 specifies that lessee shall recognize right-of-use asset and lease liability for all lease agreements with the present value or discounted cash flows of payments throughout the lease term whereby the discount rate shall be considered appropriate in situation and to the entity. However, there is exception for short-term lease agreement (not exceeding 12-month period) or lease agreement for the underlying low-value asset whereby payments under the lease are able to be accounted for as expense. Right-of-use asset shall be depreciated by straight-line method over the lease term. Deferred interest, presented as deduction to lease liability, is amortized as finance cost over the lease term by the effective interest rate method. Each installment payment under the lease liability shall be separated into parts of principal and interest.

For lessor, classification and accounting for operating lease or finance lease is still required as previously applied. Therefore, there is no significant change or effect on the lessor.

The weighted average incremental borrowing rate that is used in determining the discounted cash flows by the Group is 1.78% p.a. the Group has adopted financial reporting standard related to TFRS 16. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated. The impacts from the change in accounting policy due to the adoption of this standard are presented as follows :

	In Thousand Baht			
	Increase (decrease)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	January 1, 2020	March 31, 2020	January 1, 2020
Right-of-use assets	996,423	1,006,179	566,306	571,739
Deferred tax assets	5,122	4,599	5,122	4,599
Accrued rental expense	(76,929)	(76,929)	(43,638)	(43,638)
Finance lease liabilities	1,149,037	1,109,245	634,415	632,639
Unappropriated retained earnings	(70,563)	(21,538)	(19,349)	(12,633)

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	1,413,951	805,944
Less Deferred interest expenses	(304,706)	(173,305)
Finance lease liabilities as at 1 January 2020	<u>1,109,245</u>	<u>632,639</u>
Comprise of:		
Current finance lease liabilities	20,980	11,425
Non-current finance lease liabilities	1,088,265	621,214
	<u>1,109,245</u>	<u>632,639</u>

3. RELATED PARTY TRANSACTIONS AND BALANCES

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

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Joint Venture				
Other income	<u>60</u>	<u>60</u>	<u>60</u>	<u>60</u>
Interest income	<u>28</u>	<u>30</u>	<u>28</u>	<u>30</u>
Related parties				
Revenue from sales of goods	<u>48,373</u>	<u>25,867</u>	<u>48,373</u>	<u>25,867</u>
Sale promotion income	<u>11,154</u>	<u>30,735</u>	<u>11,154</u>	<u>30,735</u>
Other income	<u>3,531</u>	<u>3,760</u>	<u>3,531</u>	<u>3,760</u>
Distribution management income	<u>4,194</u>	<u>2,416</u>	<u>4,194</u>	<u>2,416</u>
Purchase of merchandises	<u>370,999</u>	<u>536,319</u>	<u>369,878</u>	<u>535,175</u>
Management fee expense	<u>2,213</u>	<u>2,211</u>	<u>2,213</u>	<u>2,211</u>
Rental expense	<u>-</u>	<u>5,476</u>	<u>-</u>	<u>-</u>
Purchase of fixed assets	<u>140,929</u>	<u>69,569</u>	<u>140,929</u>	<u>69,569</u>
Other expense	<u>72</u>	<u>301</u>	<u>72</u>	<u>301</u>

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Remuneration of key management				
Short-term benefit				
Salary, bonus and others				
- employment management	15,202	10,942	15,202	10,942
- non-employment management	2,803	1,977	2,803	1,977
Meeting remuneration	560	470	560	470
Total short-term benefits	18,565	13,389	18,565	13,389
Post-employment benefits	988	276	988	276
Total	19,553	13,665	19,553	13,665

Balances as at March 31, 2020 and December 31, 2019 with related parties were as follows:

	In Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Trade and other accounts receivable				
Trade accounts receivable				
Related parties	36,860	2,247	36,860	2,247
Other accounts receivable				
Related parties	24,583	22,121	24,583	22,121
Joint venture	60	240	60	240
	24,643	22,361	24,643	22,361
Total	61,503	24,608	61,503	24,608

The trade accounts receivable are aged as follows:

Current	23,477	2,011	23,477	2,011
Overdue:				
- Not over 3 months	13,382	228	13,382	228
- Over 3 months to 6 months	1	8	1	8
- Over 6 months to 12 months	-	-	-	-
Total	36,860	2,247	36,860	2,247

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Short-term loans to Joint Venture	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>

Movements during the three-month periods ended March 31, 2020 and 2019 of short-term loans to joint venture were as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance as at January 1,	6,500	6,500	6,500	6,500
Increase	-	-	-	-
Decrease	-	-	-	-
Balance as at March 31,	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Trade and other accounts payable				
Trade accounts payable				
Related parties	60,264	84,733	60,136	84,273
Other accounts payable				
Related parties	152,173	137,546	152,173	137,546
Total	<u>212,437</u>	<u>222,279</u>	<u>212,309</u>	<u>221,819</u>

Agreement with related party

The subsidiary had entered into a land rental agreement with a related party (Lok Chum Teav Kim Heang, Cambodian) for a period of 30 years expiring in March 2047 for its new branch. The subsidiary is committed to pay a monthly rental as stipulated in agreement (totaling U.S.Dollar 21.1 million). The subsidiary must comply with conditions indicated in the agreement.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

4. TRADE AND OTHER ACCOUNTS RECEIVABLE - OTHERS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Trade accounts receivable	137,526	163,312	133,964	160,887
Less expected credit losses	(3,827)	(3,859)	(3,827)	(3,859)
Net	<u>133,699</u>	<u>159,453</u>	<u>130,137</u>	<u>157,028</u>
Other accounts receivable				
- Value added tax receivables	298,024	403,770	262,130	368,645
- Accrued sale promotion income	209,956	325,176	209,956	325,176
- Input value added tax	57,266	92,052	57,266	92,052
- Deposits for purchase of Merchandises	35,470	93,778	35,470	93,778
- Current investment in mutual fund under liquidation	94,460	-	94,460	-
- Others	198,781	172,255	195,256	171,334
	<u>893,957</u>	<u>1,087,031</u>	<u>854,538</u>	<u>1,050,985</u>
Total	<u>1,027,656</u>	<u>1,246,484</u>	<u>984,675</u>	<u>1,208,013</u>

As at March 31, 2020 and December 31, 2019, the Company had outstanding balance of trade accounts receivable - others, aged as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current	95,521	126,238	93,970	124,582
Overdue:				
- Not over 3 months	36,153	31,782	34,142	31,013
- Over 3 months to 6 months	2,462	2,199	2,462	2,199
- Over 6 months to 12 months	1,503	1,552	1,503	1,552
- Over 12 months	1,887	1,541	1,887	1,541
Total	<u>137,526</u>	<u>163,312</u>	<u>133,964</u>	<u>160,887</u>
Less expected credit losses	<u>(3,827)</u>	<u>(3,859)</u>	<u>(3,827)</u>	<u>(3,859)</u>
Net	<u>133,699</u>	<u>159,453</u>	<u>130,137</u>	<u>157,028</u>

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

5. INVESTMENT IN SUBSIDIARY

The detail of investment in the separate financial statements was as follows:

	Ownership interest (%)	In Thousand Baht		
		Paid-up capital	Cost method	Dividend income
Global House (Cambodia) Co., Ltd.				
At March 31, 2020	55	521,320*	287,765	-
At December 31, 2019	55	521,320*	287,765	-

* Paid-up capital amounted to U.S.Dollars 16.0 million.

6. INVESTMENT IN JOINT VENTURE

	Ownership interest (%)	In Thousand Baht		
		Paid-up capital	Equity method	Cost method
Global House International Co., Ltd. (GHI)				
At March 31, 2020	50	1,519,000	822,066	759,500
At December 31, 2019	50	1,519,000	814,897	759,500

7. RIGHT-OF-USE ASSETS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Right-of-use assets	1,534,836	360,229	1,002,764	353,899
Less accumulated amortization	(191,348)	(37,834)	(137,460)	(37,582)
Transfer	-	(14,498)	-	(14,498)
Net	<u>1,343,488</u>	<u>307,897</u>	<u>865,304</u>	<u>301,819</u>

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

8. FINANCE LEASE LIABILITIES

	In Thousand Baht		
	Consolidated financial statements		
	March 31, 2020		
	Future minimum payments	Interest	Present value
Within one year	41,825	(19,898)	21,927
After one year but within five years	175,398	(74,673)	100,725
After 5 years	1,242,676	(216,291)	1,026,385
Total	1,459,899	(310,862)	1,149,037

	In Thousand Baht		
	Separate financial statements		
	March 31, 2020		
	Future minimum payments	Interest	Present value
Within one year	22,491	(10,996)	11,495
After one year but within five years	95,645	(40,989)	54,656
After 5 years	686,809	(118,545)	568,264
Total	804,945	(170,530)	634,415

9. DEBENTURES

On June 20, 2018, the Company issued a series of debentures to specific investors amounting to Baht 500 million (divided into 500,000 units at Baht 1,000 per unit) and bears interest at 2.44% p.a. with maturity on July 12, 2021. Interest is payable quarterly.

Under the condition of the issuances of debentures, the Company has to comply with the specified condition by maintain Net Debt to Equity Ratio at the rate not exceeding 2:1.

10. SHARE CAPITAL AND DIVIDENDS

Share Capital

At the annual general meeting of the shareholders of the Company held on April 23, 2019, the shareholders passed the following resolutions:

- decrease authorized share capital from Baht 4,001,472,951 (4,001,472,951 ordinary shares at Baht 1 par value) to Baht 4,001,469,549 (4,001,469,549 ordinary shares at Baht 1 par value). The Company registered the capital decrease with the Ministry of Commerce on May 17, 2019;
- increase authorized share capital from Baht 4,001,469,549 (4,001,469,549 ordinary shares at Baht 1 par value) to Baht 4,201,543,026 (4,201,543,026 ordinary shares at Baht 1 par value). The 200,073,477 new ordinary shares were reserved for stock dividend. The Company registered the capital increase with the Ministry of Commerce on May 21, 2019.

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

Dividends

At the annual general meeting of the shareholders of the Company held on April 23, 2019, the shareholders approved the appropriation of dividends of Baht 0.26 per share, amounting to Baht 1,022.6 million, from the profit of 2018. The dividend paid to the shareholders by stock dividend on the basis of 20 ordinary shares for 1 stock dividend amounting to Baht 200.1 million (200.1 million ordinary shares at Baht 1 par value) and cash dividend of Baht 822.5 million on May 23, 2019. The Company registered the increase in paid-up share capital with the Ministry of Commerce on May 23, 2019.

11. EARNINGS PER SHARE

Earnings per share for the three-month period ended March 31, 2020 and 2019 are determined by dividing the profit by the weighted average number of ordinary shares outstanding during the periods, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the increase in share capital arising from the issue of a stock dividend of 200.1 million shares on May 23, 2019. The number of ordinary shares of the prior period has been adjusted as if the stock dividend had been issued at the beginning of the earliest period reported as follows:

	In Thousand Baht / In Thousand Shares			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Profit attributable to equity holders of the parent	615,924	541,706	602,192	528,109
Weighted average number of ordinary shares outstanding	4,201,541	4,201,541	4,201,541	4,201,541
Earnings per share (Baht)	0.1466	0.1289	0.1433	0.1257

12. SEGMENT INFORMATION

The Group is engaged in merchandising of construction and decoration materials and equipment, therefore, management considers that the Group had only one business segment.

The Group's segment revenues based on the geographic location of customers for the three-month periods ended March 31, 2020 and 2019 were as follows:

	In Thousand Baht	
	2020	2019
Thailand	7,053,877	7,259,920
Kingdom of Cambodia	221,178	200,846
Total	7,275,055	7,460,766

SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
Condensed notes to the financial statements (Continued)
March 31, 2020 and 2019 (Unaudited/Reviewed)
December 31, 2019 (Audited)

13. COMMITMENTS

As at March 31, 2020, the Group had:

- a) commitment to purchase land from third parties amounting to Baht 115.6 million and construction agreements for building and machinery with a related party and local companies amounting to Baht 721.2 million, and
- b) unused letters of credit totaling CNY 63.5 million (equivalent to Baht 295.7 million) and U.S. Dollars 0.4 million (equivalent to Baht 14.2 million).

14. EVENT AFTER THE REPORTING PERIOD

At the annual general meeting of the shareholders of the Company held on April 24, 2020, the shareholders passed the following resolutions:

- (1) appropriation of dividends of Baht 0.25 per share, amounting to Baht 1,062.6 million, from the net profit of 2019. The dividend paid by stock dividend on the basis of 20 ordinary shares for 1 stock dividend amounting to Baht 200.1 million (200.1 million ordinary shares at Baht 1 par value) and cash dividend of Baht 862.5 million on May 22, 2020.
- (2) decrease authorized share capital from Baht 4,201,543,026 (4,201,543,026 ordinary shares at Baht 1 par value) to Baht 4,201,540,599 (4,201,540,599 ordinary shares at Baht 1 par value).
- (3) increase authorized share capital from Baht 4,201,540,599 (4,201,540,599 ordinary shares at Baht 1 par value) to Baht 4,401,613,960 (4,401,613,960 ordinary shares at Baht 1 par value). The 200.1 million new ordinary shares were reserved for stock dividend as mentioned in (1).

15. APPROVAL OF INTERIM FINANCIAL INFORMATION

The interim financial information has been approved for dissemination by the Company's Board of Directors on May 8, 2020.