

Innovation for  
All Generations

ANNUAL REPORT 2018

# VISION

“ To be a leading real estate developer with products and serviced of international standards by way of modern technology and management to expand the business both domestically and internationally ”

# MISSION

- To develop a strong and encompassing investment and business expansion strategy
- To continually develop quality products and services
- Maximize customer satisfaction and maximize stakeholders' benefit
- Continually develop staff capability and team work
- Emphasize good corporate governance
- Strengthen network and business relationships

# COMPANY'S VALUE

- Diligence, Dedication
- Honesty, Intent
- Self-development
- Team working



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## Message from the Chairman

Throughout the past 25 years, the Company had carried out actions on real estate developments under “Baan Pha” name, the name which we desire to communicate the meaning as living in the Project with warmth and peaceful enjoyment without any limit. On the Company’s operational result, in 2018, we accounted for the revenues from land sales in the amount of 1,735 million Baht, an increase from 2017 of 21.77% which accounted for land sales in the amount of 1,425 million Baht computed to be a net profit of 96 million Baht, an increase of 301.05% from 2017.

Although in 2018, even the real estate companies had received supportive factors from the economic recovery and plan for the constructions of several mass transit routes being clearly started, especially, in Bangkok outer suburbs and its perimeter including the Eastern Provinces that received the incidental benefits from the Eastern Economic Corridor Project (EEC), however, they were faced with the important factors that made the market slowed down such as the strictness on granting loans of financial institutions, the increase in the amount of down payments including the overall economic problems. But, from the long accumulated experience including the trust and confidence received from our customers continuously, the Company continues to receive good supports from all organizations and is ready to grow all along with related parties of all sectors by adhering to the principles of good corporate governance in order to maximize the benefits for all organizations and stakeholders under the slogan, “Know Your Home, Know Your Heart.”

Nevertheless, the Company has still continued to invade the market continuously including finding the target group that matches the existing products; mapping out product development plans and modern designs, pattern styles, structures, focusing on the utilizations of the spaces both internal and external. Home developments are made to support the living of people of all ages and respond to the aging society including adopting modern technology innovation to maximize the benefits as required by the customers in optimal hope that the Company will receive good support continuously.



Mr. Sudham Chatwalwong  
Chairman

# SMART ECO

Improving the Sustainable Development, Active AIRflow™ System is being used, an innovative technology from SCG which refine the residence more environmentally.



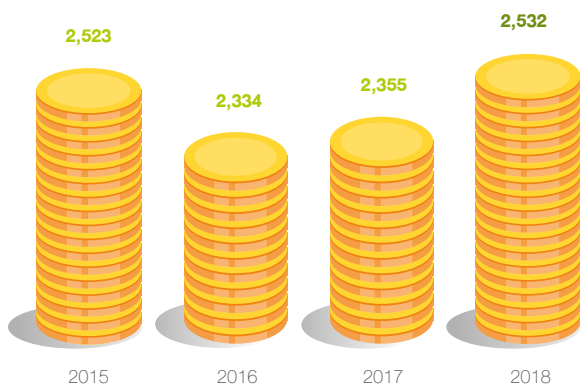


## FINANCIAL HIGHLIGHTS

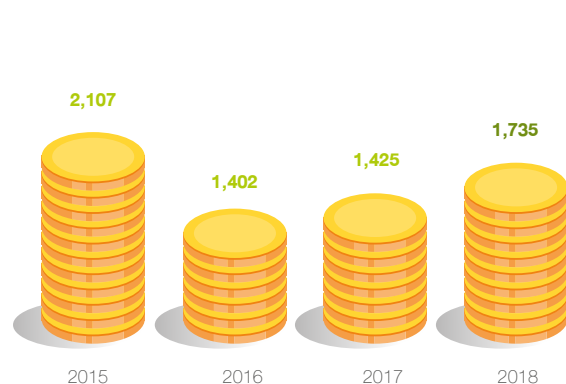
Consolidated Financial Statements	2018	2017	2016
<b>Financial Performance (THB Million)</b>			
Revenue from sales and services	1,758	1,446	1,422
Total Revenues	1,782	1,457	1,436
Cost of sales and services	1,182	963	966
Total Expenses	1,668	1,436	1,410
Gross profit	574	483	456
Net Profit (loss)	96	24	21
<b>Financial Status (THB Million)</b>			
Assets	4,250	4,765	5,097
Liabilities	1,664	2,276	2,632
Shareholders' equity	2,586	2,489	2,465
Paid-up share capital	1,245	1,245	1,245
<b>Per Share (THB)</b>			
Earnings (THB)	0.077	0.015	0.017
Book value (THB)	2.01	2	1.98
Dividend	0.03*	-	-
<b>Financial Ratio</b>			
Gross Profit margin (%)	31.10	33.43	32.06
Net profit margin (%)	5.40	1.66	1.42
Return on equities (%)	3.72	0.96	0.83
Return on assets (%)	2.27	0.50	0.40
Liquidity ratio (Times)	2.83	3.64	2.49
Debt to equity ratio (Times)	0.64	0.91	1.07

\* **Remark:** In 2019, The Company consider to pay dividend for the fiscal year ending 2018 to be 0.030 Baht per share. The dividend payment still uncertain due to be approved by 2019 Annual General Shareholders Meeting.

**Total Presale (Million Baht)**



**Total Transferred (Million Baht)**



# SMART CARE

Considering the safety and convenience,  
SCG Eldercare Technology has been adopted.







## Management's Information

### Mr. Sudham Chatwalwong

Chairman,  
Independent Director

Age 74  
% of Shareholding\*  
Relations -

### Education / Training Background

- Master of Engineering (Hydraulic Engineering), Asian Institute of Technology (AIT)
- Bachelor of Engineering (Hydraulic Engineering) Chulalongkorn University
- Diploma, National Defense College, No. 399

### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 53/2005)

### Experience for the past 5 years

Period	Position	Company	Business
2007 - Present	Chairman and Independent Director	N.C. Housing Plc.	Property Development
2003 - 2007	Director, Independent Director, and Member of the Audit Committee	N.C. Housing Plc.	Property Development
2002 - 2004	Governor	Metropolitan Waterworks Authority	State Enterprise



### Mr. Piboon Limpraphat, Ph.D.

Director,  
Independent Director,  
Chairman of the Audit Committee,  
Chairman of the Nomination and  
Remuneration Committee

Age 79

% of Shareholding\*

Relations -

#### Education / Training Background

- Ph.D. University of Illinois
- M.A. (ECON), University of Philippines
- Bachelor of Economics, Thammasat University

#### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Audit Committee Program (ACP 1/2004)
- Board & CEO Assessment No. 2/2003
- Director Certification Program (DCP 19/2002)
- The Role of the Chairman Program (RCP 3/2001)

#### Experience for the past 5 years

Period	Position	Company	Business
2018 - Present	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee	N.C. Housing Plc.	Property Development
2007 - 2017	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee	N.C. Housing Plc.	Property Development
2007 - Present	Chairman	Chu kai Plc.	Sell, repair service for cranes and provide rental service
2004 - Present	Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee and Chairman of the Nomination Committee	Ladprao General Hospital Plc.	medical



**Mr. Kobsak Pongponrat**

Director,  
Independent Director,  
Member of the Audit Committee and  
Member of the Nomination and  
Remuneration Committee

Age 70  
% of Shareholding\*  
Relations -

**Education / Training Background**

- Master of Public Administration, Roosevelt University, Chicago, ILL, USA
- Barrister at Law, Thai-Bar Association of Thailand
- L.L.B. Thammasat University
- Diploma, National Defense College, 1996
- Financial Institute for Executive Senior Thai Band Association, No. 4/1993

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 53/2005)
- Director Accreditation Program (DAP 7/2004)

**Experience for the past 5 years**

Period	Position	Company	Business
2018 - Present	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee	N.C. Housing Plc.	Property Development
2007 - 2017	Director, Independent Director, Member of the Audit Committee and Member of the Nomination Committee	N.C. Housing Plc.	Property Development
2003 - 2008	Senior Executive Vice President	Small and Medium Enterprise Development Bank of Thailand	Banking
2003 - 2007	Director, Independent Director and Member of the Audit Committee	N.C. Housing Plc.	Property Development



### Mr. Vichit Vichaisarn, Asst. Prof.

Director  
Independent Director  
Member of the Audit Committee

Age 73  
% of Shareholding\*  
Relations -

#### Education / Training Background

- The Executive Master of Business Administration (EMBA) , Asian Institute of Technology (AIT)
- Master of Arts (Government), Chulalongkorn University
- Bachelor of Arts (Political Science), Chulalongkorn University
- The Senior Executive Development Program, Australia
- Diploma, National Defense College, No. 42
- Colombo Plan Scholarship, Urban Planning and Management Program

#### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 96/2007)
- Finance for Non-finance Director (FND 38/2007)
- Understanding the Financial Statement (UFS 12/2007)
- Audit Committee Program (ACP 20/2007)
- Monitoring the Quality of Financial Reporting (MRF 2/2008)
- IT Governance : A Strategic Part Forward
- Ethics Leader / Management Sciences

#### Experience for the past 5 years

Period	Position	Company	Business
2018 - Present	Director, Independent Director, Member of the Audit Committee	N.C. Housing Plc.	Property Development
2007 - 2017	Director, Independent Director, Member of the Audit Committee and Member of the Remuneration Committee	N.C. Housing Plc.	Property Development
2016 - Present	Dean of the Faculty of Management	Eastern Asia University	Educational Institution
2011 - 2016	Dean of the Faculty Public Administration	Eastern Asia University	Educational Institution
2006 - 2008	Director	Metropolitan Electricity Authority	State Enterprise
2004 - 2006	Governor of Suratthani Province	Office of the Permanent Secretary for Interior	Government Service
2003 - 2004	Governor of Pathumthani Province	Office of the Permanent Secretary for Interior	Government Service
2001 - 2003	Governor of Satun Province	Office of the Permanent Secretary for Interior	Government Service



### Mr. Somchao Tanthathoedtham

Director  
 Member of the Nomination and Remuneration Committee  
 Chairman of the Board of Executive Directors and Chief Executive Officer  
 (Authorized Director)

Age 65  
 % of Shareholding \* 1.88  
 Relations

- The brother of Mr. Somnuek Tanthathoedtham

#### Education / Training Background

- Graduate Diploma in Management of Public Economy for Executive Course (No.7), King Prajadhipok's Institute
- Graduate Diploma in Public Law and Management (No.6), King Prajadhipok's Institute
- Master of Business Administration, (Business Law), Ramkhamhaeng University
- Master of Business Administration, Thammasart University
- Bachelor of Medicine, Chulalongkorn University
- Diploma, National Defense College, No. 399

#### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 128/2010)
- Director Accreditation Program (DAP 8/2004)
- CEO Performance Evaluation, 2004

#### Experience for the past 5 years

Period	Position	Company	Business
2018 - Present	Director, Member of the Nomination and Remuneration Committee, Chairman of the Executive Committee and Chief Executive Officer	N.C. Housing Plc.	Property Development
2007 - 2017	Director, Member of the Remuneration Committee, Chairman of the Board of Executive Directors and Managing Director	N.C. Housing Plc.	Property Development
2007 - Present	Director	Ladprao General Hospital Plc.	medical
1998 - Present	Director	N.C. Property Management Co., Ltd.	Project Management
1998 - Present	Director	Quality Living Management Co., Ltd.	Community Management to housing residential and Condominium
2010 - 2015	Vice Chairman	Thai Appraisal Foundation	Scholarly Organizations
2005 - 2008	President	Thailand Real Estate Association	Association
2003 - 2007	Director, Executive Director, and Managing Director	N.C. Housing Plc.	Property Development



### Mr. Somnuek Tanthathoedtham

Director

Executive Directors

and Managing Director (Authorized Director)

Age 50

% of Shareholding \* 2.38

Relations

- The brother of Mr. Somchao Tanthathoedtham

#### Education / Training Background

- Master of Management (SASIN), Chulalongkorn University, 2005
- Bachelor of Engineering (Systems), University of Pennsylvania, Philadelphia, 1992
- Bachelor of Science (Wharton School), Finance and Management, University of Pennsylvania, Philadelphia, 1992
- Real Estate Management, Chulalongkorn University, 1993
- Regional Planning for Executive (1/2008)
- Professional Development Program for Corporate Manager : Condominium / Project Village (1/2010)
- Thailand and ASEAN Economics Community (AEC) Class 4 of King Prajadhipok's Institute 2014
- Thammasat Leadership Program (TLP) Class 5 of Thammasat University 2014
- RE-CU Hotel Investment and Marketing Class 5 of Chulalongkorn University 2014
- RE-CU CEO Premium in Modern Real-Estate Business Class 2 of Chulalongkorn University 2016
- Executive Integrated Medical Management Program Chulabhorn International College of Medicine, Thammasat University, Class no. 1/2018

#### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 90/2007)
- Director Accreditation Program (DAP 8/2004)

#### Experience for the past 5 years

Period	Position	Company	Business
2018 - Present	Director Executive Directors and Managing Director	N.C. Housing Plc.	Property Development
2017 - 2018	Director, Member of the Nomination Committee, Executive Director and Senior Executive Vice President	N.C. Housing Plc.	Property Development
2011 - 2017	Director, Member of the Nomination Committee, Executive Director and Senior Executive Vice President (Operation 2)	N.C. Housing Plc.	Property Development
2003 - 2011	Director, Executive Director and Senior Executive Vice President (Operation 2)	N.C. Housing Plc.	Property Development
1998 - Present	Director	N.C. Property Management Co., Ltd.	Property Management
1994 - 2003	Deputy Managing Director (Operation 2)	N.C. Housing Plc.	Property Development



**Mr. Wichian Silapacharanan**

Director,  
Executive Director and  
Senior Executive Vice President  
(Authorized Director)

Age 58  
% of Shareholding \* 0.04  
Relations -

**Education / Training Background**

- Master of Business Administration (Finance), Chulalongkorn University
- Bachelor of Science (Statistics), Chulalongkorn University
- Real Estate Management, Chulalongkorn University
- Organization Risk Management No. 4/2005, Listed Companies Association
- Graduate Diploma in Management of Public Economy for Executive Course, Advanced Certificate Course, King Prajadhipok's Institute (No.11/2012-2013)

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 81/2006)
- Director Accreditation Program (DAP 8/2004)
- Board Performance Evaluation 2004

**Experience for the past 5 years**

Period	Position	Company	Business
2017 - Present	Director, Executive Director and Senior Executive Vice President	N.C. Housing Plc.	Property Development
2011 - 2017	Director, Executive Director and Senior Executive Vice President (Administration)	N.C. Housing Plc.	Property Development
2007 - 2011	Director, Member of the Nomination Committee, Executive Director and Senior Executive Vice President (Administration)	N.C. Housing Plc.	Property Development
2003 - 2007	Director, Executive Director and Senior Executive Vice President (Administration)	N.C. Housing Plc.	Property Development
1994 - 2003	Deputy Managing Director (Administration)	N.C. Housing Plc.	Property Development

## Management's Information

### Mr. Rungsarn Nuntakawong

Executive Director,  
and Senior Executive Vice President

Age 58

% of Shareholding \* -  
Relations -

### Education / Training Background

- Master of Regional Planning, Chulalongkorn University
- Bachelor of Arts (Political Science), Public Administration, Ramkhamhaeng University

### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 116/2009)
- Raising the Awareness of Corporate Fraud in Thailand, 2005
- Director Accreditation Program (DAP 8/2004)

### Experience for the past 5 years

Period	Position	Company	Business
2018 - Present	Executive Director, and Senior Executive Vice President	N.C. Housing Plc.	Property Development
2017 - 2018	Director, Executive Director, and Senior Executive Vice President	N.C. Housing Plc.	Property Development
2003 - 2017	Director, Executive Director, and Senior Executive Vice President (Operation 1)	N.C. Housing Plc.	Property Development
1998 - Present	Director	N.C. Property Management Co., Ltd.	Project Management
1998 - Present	Director and Managing Director	Quality Living Management Co., Ltd.	Community Management to housing residential and condominium
2008 - 2011	President of property Management Association of Thailand	Property Management Association of Thailand (PMA)	Association
1994 - 2003	Deputy Managing Director (Operation 1)	N.C. Housing Co., Ltd.	Property Development



**Mr. Warapong Nilsiri**

Executive Vice President

Age 57

% of Shareholding \* -

Relations -

**Education / Training Background**

- Master of Regional Planning, Chulalongkorn University
- B.S. (Geography), Chiangmai University
- Mini MBA, Business Administration, Kasetsart University
- Mini Master of Retail Management, National Institute of Development Administration

**Experience for the past 5 years**

Period	Position	Company	Business
2017 - Present	Executive Vice President	N.C. Housing Plc.	Property Development
2012 - 2017	Executive Vice President (Operation 3)	N.C. Housing Plc.	Property Development
2008 - 2012	Executive Vice President (Operation 1)	N.C. Housing Plc.	Property Development
2007 - 2008	Senior Manager	N.C. Housing Plc.	Property Development

**Mr. Boonchai Rojpanich**

Senior Vice President

Age 50

% of Shareholding \* -

Relations -

**Education / Training Background**

- Master of Business Administration, Marketing, Thammasart University
- Bachelor of Civil Engineering, Chulalongkorn University

**Experience for the past 5 years**

Period	Position	Company	Business
2011 - Present	Senior Vice President	N.C. Housing Plc.	Property Development
2005 - 2011	Senior Project Manager	N.C. Housing Plc.	Property Development
1996 - 2005	Project Manager	N.C. Housing Plc.	Property Development

**Mrs. Nampetch Tantawiriya**

Senior Vice President,  
Human Resource Department

Age 53

% of Shareholding \* -

Relations -

**Education / Training Background**

- Master of Public Administration, Chulalongkorn University
- Bachelor of Political Science, Chulalongkorn University

**Experience for the past 5 years**

Period	Position	Company	Business
2011 - Present	Senior Manager, Human Resource Department	N.C. Housing Plc.	Property Development
2012 - 2015	Associate Judge	Juvenile and Family Court, Pathumthani Province	Court of justice
2013 - 2015	Company Secretary	N.C. Housing Plc.	Property Development

**Ms. Sumanee Boonsarana**

Senior Vice President,  
Accounting Department

Age 55

% of Shareholding \* -

Relations -

**Education / Training Background**

- Bachelor of Business Administration, Accounting, Valaya Alongkorn Rajabhat University
- Bachelor of Business Administration, Sukhothai Thammathirat

**Experience for the past 5 years**

Period	Position	Company	Business
2011 - Present	Senior Vice President, Accounting Department	N.C. Housing Plc.	Property Development
2010 - 2011	Senior Manager, Accounting Department	N.C. Housing Plc.	Property Development
2003 - 2009	Manager, Accounting Department	N.C. Housing Plc.	Property Development
2001 - 2003	Assistant Manager, Accounting Department	N.C. Housing Plc.	Property Development

### Mrs. Ajchara Kingsai

Senior Vice President,  
Sales Department

Age 57

% of Shareholding \* 0.0002

Relations -

#### Education / Training Background

- Siam Commercial School, Marketing
- Professional Sale of Real Estate No.21

#### Experience for the past 5 years

Period	Position	Company	Business
2011 - Present	Senior Vice President, Sale Department	N.C. Housing Plc.	Property Development
1994 - 2011	Senior Manager, Sale Department	N.C. Housing Plc.	Property Development

### Mr. Sanit Leejunthuek

Senior Vice President,  
Construction Department

Age 48

% of Shareholding \* -

Relations -

#### Education / Training Background

- Master of Business Administration ,(Management), Ramkhamhaeng University
- Bachelor of Civil Engineering, Mahanakorn University of Technology

#### Experience for the past 5 years

Period	Position	Company	Business
2015 - Present	Senior Vice President, Construction Department	N.C. Housing Plc.	Property Development
2010 - 2014	Manager, Construction Department	N.C. Housing Plc.	Property Development

**Mrs. Nonglak Tanthatherdtham**

Senior Vice President,  
Managing Director Department

Age 55

% of Shareholding \* 1.12

Relations

- The sister of  
Mr. Somnuek Tanthathoedtham And  
Mr. Somchao Tanthathoedtham

**Education / Training Background**

- Bachelor Degree of Economics, Kasetsart University

**Experience for the past 5 years**

Period	Position	Company	Business
2017 - Present	Senior Vice President, Managing Director Department	N.C. Housing Plc.	Property Development
1994 - 2017	Purchasing Manager	N.C. Housing Plc.	Property Development

**Miss. Kamonwan Sawadchai**

Vice President,  
Accounting Department,  
Secretary of The Audit Committee

Age 55

% of Shareholding \* -

Relations -

**Education / Training Background**

- Bachelor of Accounting, Valaya Alongkorn Rajabhat University
- Bachelor of Management, Sukhothai Thammathirat

**Experience for the past 5 years**

Period	Position	Company	Business
2010 - Present	Vice President, Accounting Department	N.C. Housing Plc.	Property Development
2010 - Present	Secretary of The Audit Committee	N.C. Housing Plc.	Property Development
2005 - 2009	Assistant Manager, Accounting Department	N.C. Housing Plc.	Property Development

**Mr. Walatchanat Rujidasirisakul**

Vice President,  
Finance Department

Age 50

% of Shareholding \* 0.03

Relations

**Education / Training Background**

- Bachelor of Arts, Economics Finance and Banking, The University of the Thai Chamber of Commerce
- Real Estate Development No.25 , Chulalongkorn University

**Experience for the past 5 years**

Period	Position	Company	Business
2002 - Present	Vice President, Finance Department	N.C. Housing Plc.	Property Development
1999 - 2002	Asset Management Officer	Bank of Ayudhya Plc.	Banking

**Miss. Sureeporn Sangthongpradit**

Vice President,  
Accounting Department

Age 45

% of Shareholding \* -

Relations -

**Education / Training Background**

- Bachelor of Managerial Accounting, Phranakhon Rajabhat University
- Bachelor of General Management, Phranakhon Rajabhat University

**Experience for the past 5 years**

Period	Position	Company	Business
2015 - Present	Vice President, Accounting Department	N.C. Housing Plc.	Property Development
2006 - 2014	Assistant Manager, Accounting Department	N.C. Housing Plc.	Property Development

- Remark**
- \* % Shareholding based on latest register book closing date on December 28, 2018.
  - Director and Management has no history of delinquency.



## Management Positions Held with in the N.C. Group

As of December 31, 2018

Directors	The Company	Subsidiaries		Related Companies								
	NCH	NCPM	QLM	1	2	3	4	5	6	7	8	9
1. Mr. Sudham Chatwalwong	X											
2. Mr. Somchao Tanthathoedtham	/, //	/	/	/	/	/	/	/	/	/	/	/
3. Mr. Somnuek Tanthathoedtham	/, //	/		/	/		/	/	/	/		
4. Mr. Wichian Silapacharanan	/, //											
5. Mr. Piboon Limpraphat, Ph.D.	/											
6. Mr. Kobsak Pongponrat	/											
7. Mr. Vichit Vichaisarn, Asst. Prof.	/											

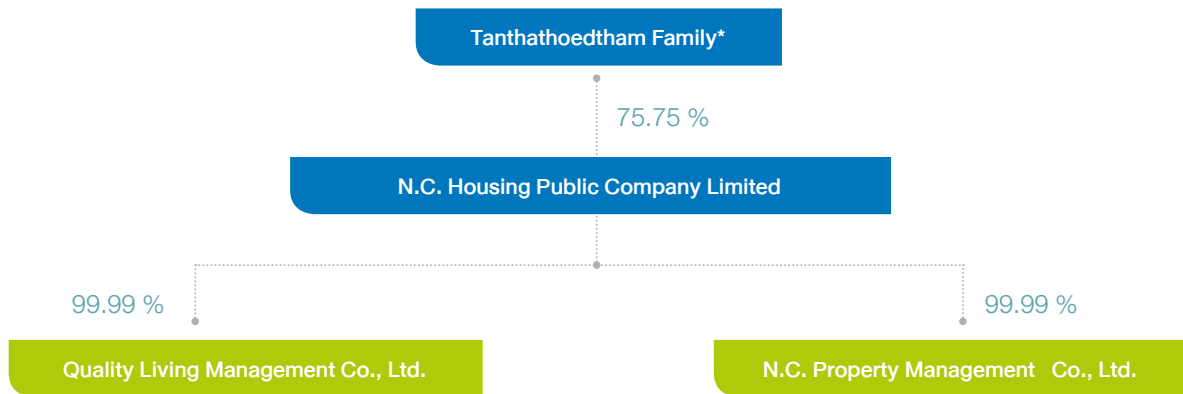
- Notes :**
- NCH = N.C. Housing Plc.  
NCPM = N.C. Property Management Co., Ltd.  
QLM = Quality Living Management Co., Ltd.
  - X = Chairman, / = Director, // = Executive Director
  - Related Companies :
    - S.C. Construction and Decoration Co., Ltd.
    - Sathaporn Wattana Trading Co., Ltd.
    - Sathaporn Wattana Transportation Limited Partnership
    - Sap Namchai Pattana Co., Ltd.
    - Namchai Property Development Co., Ltd.
    - NCH 2555 Holding Co., Ltd.
    - Namchai Golf Management Co., Ltd.
    - Tanya Cart Management Co., Ltd.
    - Living On Green Co., Ltd.



## Company and Subsidiaries' Business Profile

### Shareholder Structure of N.C. Group

as of December 31, 2018



**Remark :** \* Tanthathoedtham family includes Tanthathoedtham shareholders and related parties

### Business Overview

N.C. Group is a full scale residential housing developer brand “ Baan Pha ” that has a special design concept for each of its projects and after sales service with a community management service.

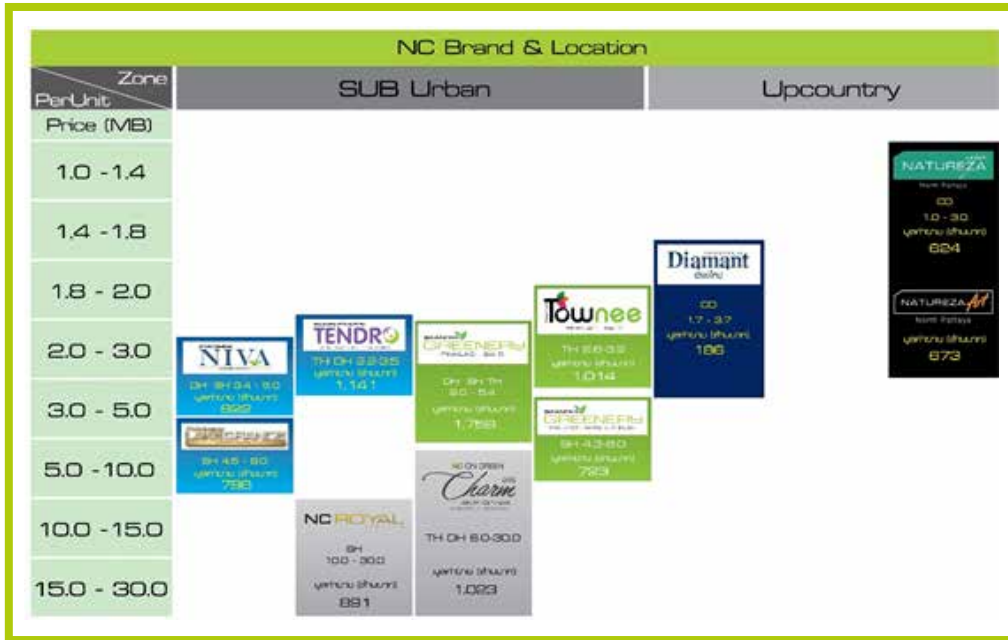
N.C. Group puts emphasis on the selection of its project sites located within the city and its vicinity. The key for site selection is an area that has comprehensive public infrastructure with a high growth potential. These features distinguish N.C. Housing communities from others.

The Company successfully developed 53 projects with total project value of 36 Billion Baht as of December 2018 and The Company's projects classified by zones are as follows:

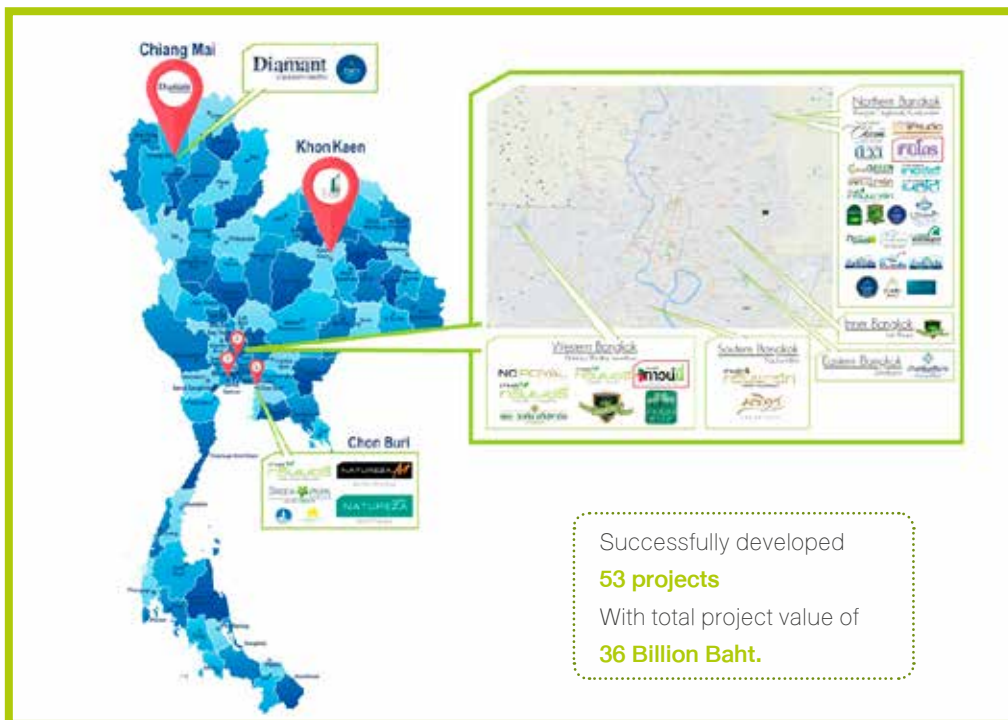
- Northern Bangkok:** : **in the area of Rangsit – Ongkarak and Lumlookka**  
Baan Pha Piyarom Tendro  
Baan Pha Piyarom Lake Grande  
Baan Pha Piyarom Niva  
NC on Green Charm
- Western Bangkok:** : **in the area of Pinklao Ring Road and Budhamonthon**  
NC Royal Pinklao - Sai 5  
Baan Pha Greenery Pinklao - Sai 5  
Baan Pha Townee  
Baan Pha Greenery Pakkred-Ratchapruerk
- Other areas:** : **in the area of North Pattaya, Chaiyapornvitee Road, Chonburi**  
Natureza Condominium (P.1-2)  
Baan Pha Greenery North Pattaya Chalyapornvitee (Closed)
- in the area of Muang District, Chiang mai**  
Diamant Condominium

## NC Brand and Location

As of December 2018



## Successfully Developed





All N.C. Housing projects are also distinguished from each other in architectural design and features depending on the individual project concept. There are three types of housing for which N.C. Housing customers can choose from. “Pre-built” units (construction has been completed and is ready for ownership right transfer), “Semi-pre-built” units (construction has been partially completed), and “Pre-Sales” units (construction starts upon customer order) depending on the site and its prospective customers.

## Sales Revenue Breakdown by Purchase Preference

Type	Down Payment Installment	% of Sales Revenue		
		2018	2017	2016
1.Pre-built units	(0-2 Payments)	99.09	95.31	77.8
2.Semi Pre-built units	(3-6 Payments)	0.91	1.93	2.9
3.By order units	(> 7 Payments)	0.00	2.76	19.3
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>

## Operating Policy of N.C. Housing Public Company Limited and its Subsidiaries

N.C. Group aims to develop all N.C. Housing’s projects under the name “Baan Pha” or under previous project’s names acquired as projects that are either Non Performing Loans (NPL) or Non Performing Assets (NPA).

Subsidiaries of N.C. Housing Public Company Limited are as follows:

- **N.C. Property Management Company Limited (NCPM)** renders a full scale property management service, including sales management, marketing, and construction through rehabilitation of the project and/or renegotiate with existing purchasers as well as creditors. Projects that NCPM renders services to include Baan Suan Lalana Pattaya, Jantima Park Budhamonton 5, Baan Suan Doi Saked Chiangmai, and Thanyathani Home on Green projects.
- **Quality Living Management Company Limited (QLM)** renders community management services such as security services, cleaning services, and utility services to housing projects and condominiums. In 2018, the Company managed a total of 13 communities.

## Income Structure of N.C. Group

The majority of the Company's revenue is derived from property development business including:

1. Revenue from property development for sale includes revenue from sales and construction where sales revenue is derived from 4 product lines - single detached houses, duplexes, townhouses, condominium and other.
2. Revenue from project management services includes revenue from construction and revenue from project management services.
3. Revenue from management of residential community
4. Other revenue

Business Type/Revenue	Operated by	2018		2017		2016	
		THB mn.	%	THB mn.	%	THB mn.	%
<b>Property development for sale</b>	NC	<b>1,735</b>	<b>97.3</b>	<b>1,425</b>	<b>97.8</b>	<b>1,402</b>	<b>97.6</b>
- Revenue from sales							
- Single detached houses		735	41.2	817	56.1	509	35.4
- Duplexes		208	11.6	153	10.5	205	14.3
- Townhouses		246	13.8	216	14.8	292	20.3
- Commercial buildings		194	10.8	239	16.4	396	27.6
- Vacant land		352	19.7	-	-	-	-
<b>Project management services</b>	<b>NCPM*</b>						
- Construction revenue		-	-	-	-	-	-
<b>Community management service / Property investment</b>	<b>QLM*, NC</b>	<b>22</b>	<b>1.2</b>	<b>21</b>	<b>1.4</b>	<b>21</b>	<b>1.4</b>
- Rental income and service revenue		22	1.2	21	1.4	21	1.4
<b>Other revenue ***</b>	<b>NC, NCPM*, QLM*</b>	<b>25</b>	<b>1.4</b>	<b>11</b>	<b>0.8</b>	<b>14</b>	<b>1.0</b>
<b>Total Revenue</b>		<b>1,782</b>	<b>100.0</b>	<b>1,457</b>	<b>100.0</b>	<b>1,436</b>	<b>100.0</b>

- Remarks**
- \* The Company holds a 99.99% stake in NCPM and QLM.
  - \*\* Rental income and service revenue part comes from property investment in 2018.
  - \*\*\* Rental fees, fees for altering contracts, interest receivables, gains from sales of assets and other non-core business transaction form a large part of the Company's other revenue.
  - NC : N.C. Housing Plc.
  - NCPM : N.C. Property Management Co., Ltd.
  - QLM : Quality Living Management Co., Ltd.

## Currently Active Projects

As of December 31, 2018, the company and its subsidiaries launched a total of 14 property development projects with 74.17 % or 9,575.6 million baht backed by sales contracts. (The project is developing and projects to be developed in the future total 7 projects).

Project Name	Location	Project Area (Rai-Ngan-Sq.wah)	Project Type	# of Units	Project Value (THB mn)	Sales Progress (based on Sales Value as of Dec 31, 2018)
<b>Northern Bangkok</b>						
1. Thanyathani Home on Green 2	Ring Road Lumlookka Klong 5	123-0-34-2	SDH	236	1,639	97.00
2. Baan Pha Piyarom Lake Grande (P.13)	Ring Road Lumlookka Klong 6	40-3-37	SDH	144	798.40	85.42
3. Baan Pha Piyarom Niva (P.14)	Ring Road Lumlookka Klong 6	43-2-84	SDH, DH, TH	295	822.40	98.64
4. NC on Green Charm	Ring Road Lumlookka Klong 5	32-2-64.2	SDH	109	1,022.50	32.11
5. Baan Pha Piyarom Tendro (P.15)	Ring Road Lumlookka Klong 6	47-0-20	DH, TH	422	1,141.80	22.75
<b>Western Bangkok</b>						
6. NC Royal Pinklao	Kanjanapisek Road, Bangkae	29-2-66	SDH	61	891.30	98.36
7. Baan Pha Greenery Pinklao-Sai5	Borommaratchachonnani Road, Sam Phran, Nakorn Pathom	79-1-60	SDH, DH, TH	466	1,757.90	99.57
8. Baan Pha Greenery Pakkred-Ratchaprupek	Pakkred, Nonthaburi	24-1-44	SDH	129	722.70	41.08
9. Baan Pha Townee Pinklao Don Wai	Phutthamonthon sai 5 Road, Nakorn Pathom	34-0-4.7	TH	328	1,013.80	22.56
<b>Southern Bangkok</b>						
10. Narisa Thonburirom	Pracha Uthit Road, Ratburana	51-2-69.6	SDH	60	403	98
11. Baan Pha Green Park Royal Thonburirom	Pracha Uthit Road, Thungkhru	65-1-54.1	SDH	258	1,214	98
<b>Others Areas</b>						
12. Natureza North Pattaya Condominium (P.1)	Banglamung, Chonburi	4-0-66	CD	406	624.20	98.27
13. Natureza North Pattaya Condominium (P.2)	Banglamung, Chonburi	4.2-0-68	CD	406	673.40	78.32
14. Diamant Condominium	Mueang Chiang Mai	4-0-28.4	CD	77	185.6	71.43

**Notes :** SDH = Single Detached House, DH = Duplex, TH = Townhouse, CD = Condominium

## Corporate Objectives



N.C. Group strives to expand and go and become a leading property developer with intent of bringing uniqueness to each of its projects. This includes project planning, architectural design, quality construction, as well as a quality living environment and community, comprehensive infrastructure, and quality after sales community management. All of above aims to further create community unity and happiness. Projects are confidence in the quality and performance of every project to the consumers in every zone with the policy to also offer a full scale project management service.



### Housing market situation in Bangkok and perimeter in Q4 2018 and outlook in 2019

For the overall picture in 2018, the housing market demand & supply expanded compared to 2017 thanks to the country's fundamental economic growth led by export and tourism sectors including investments in the state's megaprojects such as the various electric train routes and high speed train project. In addition, the impact of credit measures helped boosted demand significantly whereas new supply came into the market to replace the depleted inventory.

As far as the outlook of 2019 is concerned, the Real Estate Data Center forecasts that the combined effect of credit measures and the economic slowdown coupled with rising interest rate trend will impact real estate market such that demand and supply will slowdown. On the demand front, there is expected to be lower rate of ownership transfer, both in value and volume terms, of 17.9% and 15.1% respectively compared to 2018. It is expected that housing loans will shrink by 0.7% compared to 2018 while supply of new projects will decline by 5.3% relative to 2018. Nonetheless, the number of registered housing should increase by about 11.3% compared to 2018 owing to new projects being launched in 2019.

#### 1. Housing supply situation

##### 1.1 New housing projects for sale in Bangkok and perimeter

New projects that went on sale during Q4 2018 totaled 127 or 35,690 units with value of 175,999 million baht, reflecting increases in the number of project, unit and value of 11.4%, 36.5% and 33.7% respectively compared to the same period in 2017. This represents two quarters of increases following 3 quarters of slowdowns starting from the fourth quarter of 2017 as a result of developers delaying the launch of new projects to reduce excess supply in the market.

Upon considering the type of new housing projects, it is revealed that Q4 2018 saw 75 new housing estate projects launched totaling 13,483 units worth 63,920 million baht, representing a decline in terms of project and value of 8.5% and 0.7% respectively but increase by 4.6% in unit terms vis-a-vis 2017. There were 52 condominium projects launched consisting of 22,207 units worth 112,079 million baht, an increase of 62.5%, 67.4% and 66.6% in terms of number of project, unit and value respectively from the prior year period (see Table 1).

For housing estate project sale, as of Q4 2018, it was revealed that the majority or 59.1% comprises townhouse in which most were selling at between 3.01-5.00 million baht, single house took up 27.3% of the share at unit price of between 5.01-7.50 million baht and twin house constitutes 11.1% at unit price of between 3.01-5.00 million baht. Commercial building makes up 2.5% at the cost of more than 10 million baht per unit (see Table 1).

In Q4 2018, up to 70.4% of new sales comprise condominiums of 1-bedroom type at unit price of between 2.01-3.00 million baht, studio type, 15.4%, most of which cost less than 1 million baht. The 2-bedroom type takes up 13.5% most of which sells for more than 10 million baht each. Only 0.6% comprises 3-bedroom type and almost all sells for more than 10 million baht.

**Table 1 : New housing projects launched in Bangkok/perimeter in Q4 2018**

Type	Project			Unit			Value		
	Q4/17	Q4/18	YoY	Q4/17	Q4/18	YoY	Q4/17	Q4/18	YoY
Housing estate	82	75	-8.5%	12,889	13,483	4.6%	64,385	63,920	-0.7%
Condominiums	32	52	62.5%	13,267	22,207	67.4%	67,274	112,079	66.6%

**Source:** Real Estate Data Center, Government Housing Bank

Overall, new real estate projects launched in 2018 totaled 404 containing 118,271 units at the value of 538,767 million baht. The number of projects declined 2.7% but the number of units and value rose by 3.6% and 10.3% respectively compared to 2017 which saw 415 projects launched or 114,194 units worth 488,537 million baht. Housing estates totaled 244 projects, a reduction of 9.0% to 45,063 units, down 8.5% but worth 217,811 million baht, up 3.8% compared to 2017 which totaled 268 projects or 49,241 units worth 209,905 million baht. Condominiums contributed 160 projects or 73,208 units worth 320,956 million baht, increase in terms of number of project, unit and amount i.e. up 8.8%, 12.7% and 15.2% respectively compared to 2017 which consisted of 64,953 projects or 64,953 units worth 278,632 million baht (see Table 2).

**Table 2 : New housing projects launched in Bangkok/perimeter in 2018**

Type	Project			Unit			Value		
	2017	2018	YoY	2017	2018	YoY	2017	2018	YoY
Housing estate	268	244	-9.0%	49,241	45,063	-8.5%	209,905	217,811	3.8%
Condominiums	147	160	8.8%	64,953	73,208	12.7%	278,632	320,956	15.2%

**Source:** Real Estate Data Center, Government Housing Bank

The 5 most popular locations of housing estate projects in Bangkok/perimeter in 2018, mostly representing townhouses, are in 1) Bang Yai-Bang Bua Thong-Bang Kruay-Sai Noi, along the purple line electric sky train currently in operation, selling mostly at unit price of between 3.01-5.00 million baht, 2) Lum Luka-Klong Luang-Thanyaburi-Nong Sua, along the green line electric sky train (the section Mor Chit-Saphan Mai-Ku Kot) and is currently under construction. As a result, the unit price of new projects in this area shot up to between 3.01-5.00 million baht from previously 2.01-3.00 million baht, 3) Bang Pli-Bang Bor-Bang Sao Thong - most of the new developments are located near Buraphawithi Expressway with unit asking price of between 3.01-5.00 million baht, up from 2.01-3.00 million baht previously, 4) Muang Pratumthani-Lardlumkaew-Sam Kok which witnessed substantial expansion in 2018 where several housing projects had mushroomed, most of which represent townhouses at unit price of between 2.01-3.00 million baht, 5) Klong Samwa-Minburi-Nong Chok-Lard Krabang, served by the pink line electric train (Kae Rai-Minburi) and currently under construction. As a result, the housing projects around this area experienced a rise in unit price to between 3.01-5.00 million baht up from previously between 2.01-3.00 million baht (see Table 3).

**Table 3 : Top 5 locations of housing estate projects launched in Bangkok/perimeter in 2018**

Ranking	Location	Number of new launches	Project value (mil. baht)	Most popular price		Most popular type launched
				2018	2017	
1	Bang Yai-Bang Bua Thong-Bang Kruay-Sai Noi	6,643	25,148	3.01-5.00	3.01-5.00	Town house
2	Lum Luka-Klong Luang-Thanyaburi-Nong Sua	5,716	17,939	3.01-5.00	2.01-3.00	Town house
3	Bang Pli-Bang Bor-Bang Sao Thong	4,715	22,287	3.01-5.00	2.01-3.00	Town house
4	Muang Pratumthani-Lardlumkaew-Sam Kok	4,365	12,680	2.01-3.00	2.01-3.00	Town house
5	Klong Samwa-Minburi-Nong Chok-Lard	3,461	12,833	3.01-5.00	2.01-3.00	Town house

**Source:** Real Estate Data Center, Government Housing Bank

The 5 most popular locations of condominium projects in Bangkok/perimeter in 2018, mostly representing the 1-bedroom type, comprises 1) Huakwang-Chatujak-Din Daeng along the blue line electric train (MRT) in which the majority are being sold at unit price of between 5.01-7.50 million baht, up from originally 3.01-5.00 million baht, 2) Sukhumvit along the BTS route (Sukhumvit line) the majority of which are being sold in excess of 10 million baht per unit, 3) Prakanong-Bang Na-Suan Luang-Prawes the majority of which were launched at 3.01-5.00 million baht/unit, up from originally 2.01-3.00 million baht, 4) Phayathai-Rajthevi along the BTS line (Sukhumvit line) the majority of which are being sold at 5.01-7.50 million baht and 7.51-10.00 million baht, up from originally 2.01-3.00 million baht and 5) Thonburi-Klongsan-Bangkok Noi-Bangkok Yai-Bang Plat the majority of which were sold at 2.01-3.00 million baht (see Table 4).

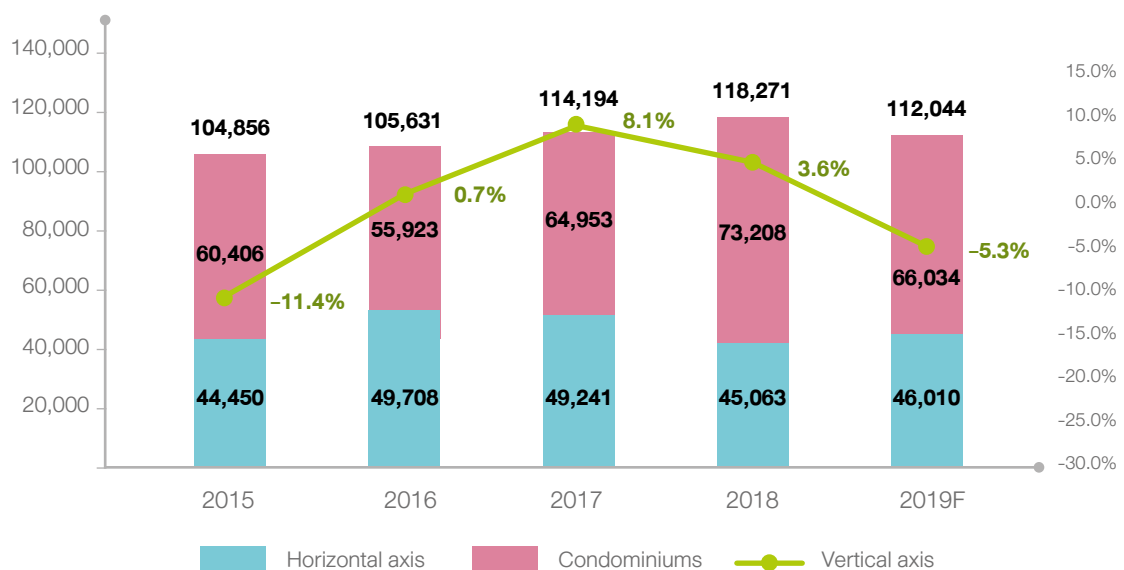
**Table 4 : Top 5 locations of condominium projects launched in Bangkok/perimeter in 2018**

Ranking	Location	Number of new launches	Project value (mil. baht)	Most popular price		Most popular type launched
				2018	2017	
1	Huakwang-Chatujak-Dindaeng	15,402	72,868	5.01-7.50	3.01-5.00	1 bedroom
2	Sukhumvit	8,675	89,189	10 mil. and up	10 mil. and up	1 bedroom
3	Prakhanong-Bang Na-Suan Luang-Prawes	5,539	18,864	3.01-5.00	2.01-3.00	1 bedroom
4	Phayathai-Rajthevi	5,536	37,190	5.01-7.50 and 7.51-10.00	2.01-3.00	1 bedroom
5	Thonburi-Klongsan-Bangkok Noi-Bangkok Yai-Bang Plat	4,265	12,776	2.01-3.00	2.01-3.00	1 bedroom

Source: Real Estate Data Center, Government Housing Bank

In 2018, the SET-registered real estate developers launched a total of 250 projects (61.9%) covering 85,037 units (71.9%) worth 389,315 million baht (72.3%) of the overall housing market, down slightly from 2017 in terms of number of project, unit and total project value i.e. down by 0.8%, 4.6% and 0.9% respectively compared to 2017's 252 projects, 89,165 units and 393,009 million baht.

For the outlook of housing market in 2019, it is expected that the number of housing estate will reach 112,044 units or 41.1% of the total market, 108,800 - 123,250 units for condominiums or 58.9% of the total, down 5.3% compared to 2017's 118,271 units (see Table 6).

**Table 6 : New housing projects launched in Bangkok/perimeter in 2018 and outlook in 2019**

Source: Real Estate Data Center, Government Housing Bank



## 1.2 Newly completed and registered housing units in Bangkok/perimeter

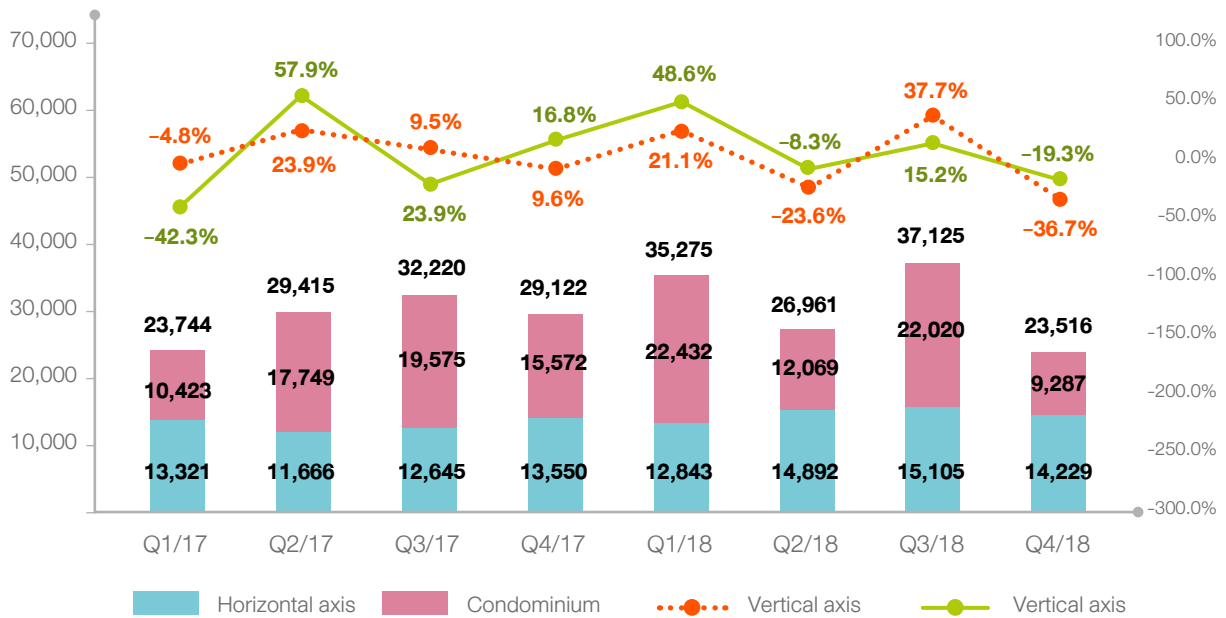
There were 23,516 units of newly completed and registered housing units as of Q4 2018, down 19.3% from 2017's 29,122 units and down by 36.7% compared to Q3 2018's 37,125 units (see Table 7).

Of the completed and registered housing units in Q4 2018, housing estates recorded the highest number at 14,229 units or 60.5% of the total, consisting of single house 8,330 units or 35.4%, town house 4,063 units or 17.3%, commercial building 1,090 units or 4.6% and twin house 746 units or 3.2%. Meanwhile, condominiums totaled 9,287 units or 39.5% of the total which significantly declined from the previous quarter attributed to some being completed and registered in the prior quarter (see Table 8).

For the whole of 2018, there were 122,877 housing units completed and registered, up 7.3% compared to 2017's 114,501 units. The total low rise housing estate units and independently built units rose by 11.5% whereas condominiums rose by 3.9% (see Table 9).

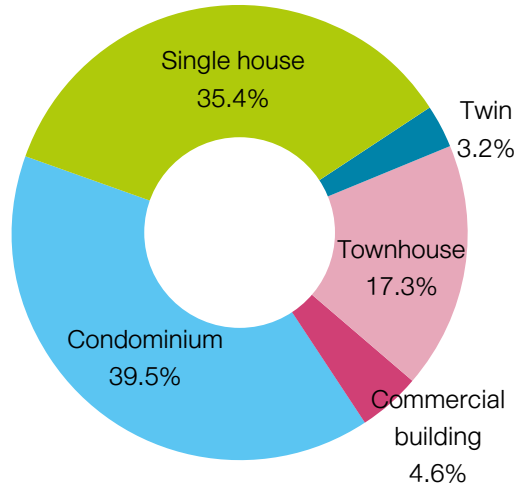
As regards the outlook for completed and registered housing units in 2019, the Real Estate Data Center expects the number will be about 136,799 units or between 123,100-140,900 units, up 11.3% compared to 2018's 122,877 units (see Table 9).

**Table 7 : Completed and registered new housing units in Bangkok/perimeter in Q4 2018**



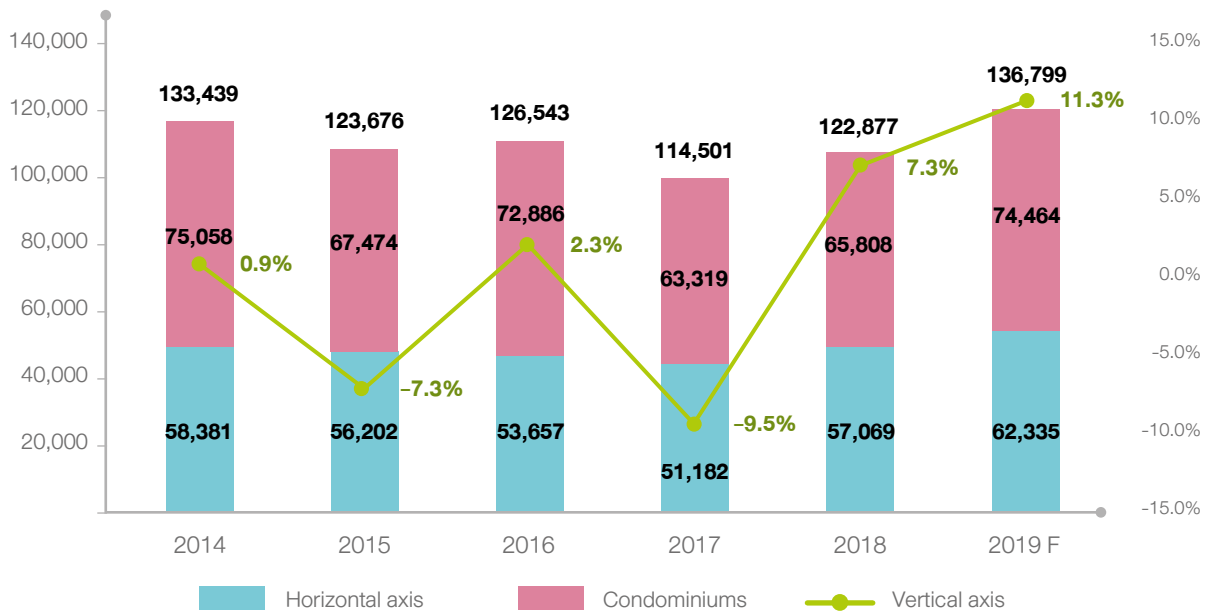
Source: Real Estate Data Center, Government Housing Bank

**Table 8 :** Proportion of completed and registered new housing units in Bangkok/perimeter in Q4 2018



Source: Real Estate Data Center, Government Housing Bank

**Table 9 :** Housing units completed and registered in 2018 and outlook in 2019



Source: Real Estate Data Center, Government Housing Bank



## Risk Factors



In 2018, the Risk Management Work Group set risk management plans, continually monitored and evaluated results and made quarterly performance reports to the board of directors. The main contents concerning risk factors can be summarized as follows:

### 1. Risk of Construction Cost

Construction materials are considered the main cost in the real estate development business and the company needs to control quality to meet standards. However, the company has not drafted construction material purchase/sales agreements in advance. Thus, the company is subject risks due to fluctuations in construction material prices.

The company placed measures for the prevention of long-term construction cost problems in several characteristics, Such as prefab development, enhancing material costs management such as project management based on market situations and customers' needs and material requirement planning, pricing Strategy planning and systematically procuring substitute products with comparable quality. Moreover, company is in the position of large entrepreneurs with high bargaining power in term of material price and quantity including the ability to build business connection with many construction entrepreneurs.

### 2. Management Risk Major shareholder owns over 75% of total shares

As of December 30, 2018, the Company's major shareholder, the Tanthathoedtham Family holds 75.75 % (details appear in the Shareholder and Management Structure section) or more than three in fourth of the Company's paid-up shares, enabling the Tanthathoedtham group to control and make all management decisions regarding all issues requiring consensus from shareholders. Therefore, there is risk for minority shareholders in regards to a check and balance system. Moreover, the concentrated shareholding of the Company's shares may prevent potential investors who see value in the Company to consider a takeover.

Nevertheless, the Company's management structure includes a Board of Directors, a Board of Executive Directors, Independent Director, Audit Committee, Nomination and Remuneration Committee. The Company's management structure and principles were established by capable and knowledgeable individuals with business background. The directors' authorities are limited by the Company's corporate governance policies. The major shareholders and connected parties cannot cast vote on issues with conflicts of interest.

Furthermore, other risk characteristics discussed and assessed by the Risk Management Work Group are at acceptable levels. In addition, plans have been made to support the aforementioned risks: 1) land readiness or procurement for future development; 2) business operations to construct ready-to-move-in homes requiring large amounts of circulating capital; 3) minimum wage rate adjustments which have effects on construction costs and 4) risks from natural disasters, etc.

### **3. Risk from the Strictness of Financial Institutions in Considering Housing Loans.**

The problem of household debts and bad debts is the main problem of the national economic system which affects the overall real estate business because there are customers buying housing products for speculation by reselling or for investments in leasing out which can be found a lot in the high-end residential products. There is a potential chance that this group of customers will leave the burden of the installment payments consequently giving rise to bad debts in the system. The regulatory organization responsible for granting loans or financial institutions are therefore more stringent on house loans.

On the part of the Company, owing to the fact that the Company's product group is the horizontal product, thus, buying the products for speculation or investment is very scarce because most customers buy them for real residence. Bad debts caused by horizontal products are thus far low when comparing with the high-end product group, causing the Company not to be affected because financial institutions has still continued to release loans as usual.

On the Company's existing high-end products, there is very small portion of them when comparing with the horizontal products currently operated by the Company. Moreover, they are not located in the area or the district of interest for speculations by the investors in term of the real estate.

However, the impact from the abovementioned household debt problems has affected the Company's products in the price group of lesser than 2 million Baht because the customers do not have the purchasing power plus the debt burdens they already had and the currently existing group of customers being engaged in more independent occupations eventually resulting in the lack of credibility of supporting documents for use in the submission of the application to buy houses which are the important things, thus, making it somewhat hard for the financial institutions to grant the loans. The Company therefore has to make good marketing plan by penetrating the group of customers mainly working in the company or being engaged in the careers with regular incomes.

### **4. Corruption-related Risk and Product Quality.**

Real estate business is the business which exposes to corruption in many ways, especially, on the aspect of the product quality which may cause damage to the reputation of the Company in terms of the reliability and may cause a consequent problem after the product is sold.

Since the Company is aware of such problems, hence, guidelines for the operations have been set up in a tight-fitting manner. In this respect, the Company has the standard purchase/procurement system and the system to check the materials and products to meet the standards including the comparison of material prices and then submits the relevant reports to the Executive Board of Directors for acknowledgment every month. In addition, in every construction project, BOQ will be prepared which is calculated by the Central Construction Department and approved according to the steps of the operational authority of the Company. The construction price will be in accordance with the approval of BOQ.

On the external operations, the Company has provided QC system whereby the inspections for acceptance of the work from the outsourced contractors will periodically be conducted by having a Foreman to inspect the work according to the ISO Manual and a Construction Engineer from Central Organization to inspect the QC of every construction project work periodically before accepting the work by making checks according to the professional standards more than 2 rounds.



## Shareholder and Management Structure

### Capital Structure

#### Equity

As of December 28, 2018, the Company has registered capital of THB 1,245,284,305 divided into 1,245,284,305 common shares with a par value of THB 1 per share. The paid-up capital was THB 1,245,283,691 representing 1,245,283,691 common shares with a par value of THB 1 each

#### Major Shareholders as of December 28, 2018

No.	Shareholders' Name	Number of Shares	% to Paid up Share Capital
1	NCH 2555 Holding Co., Ltd.	635,094,995	51.00
2	Mrs.Sunee Tanthathoedtham	44,024,190	3.54
3	Mr.Somnuek Tanthathoedtham	29,610,000	2.38
4	Mr.Sujin Tanthathoedtham	27,962,025	2.25
5	Mr.Prasit Tanthathoedtham	27,378,035	2.20
6	Mr.Somchao Tanthathoedtham	23,412,690	1.88
7	Ms.Hataichanok Jeadsadarangoon	19,540,785	1.57
8	Ms.Rattana Tanthathoedtham	17,130,960	1.38
9	Ms.Amporn Tanthathoedtham	17,130,960	1.38
10	Mrs.Nongluck Tanthathoedtham	13,981,590	1.12
11	Mrs.Somporn Decharin	13,980,960	1.12
12	Mrs.Somsong Lawanprasert	13,980,960	1.12
13	Mrs.Sataporn Pitakteeratum	13,980,960	1.12
14	Mr.Nattawit Tanthathoedtham	9,057,825	0.73
15	Mr.Nattawut Tanthathoedtham	9,057,825	0.73
16	Mr.Pakaphol Terakulvanich	3,538,290	0.28
17	Ms.Natchaya Tanthathoedtham	2,048,290	0.16
18	Mr.Atip Lawanprasert	1,963,290	0.16
19	Mr.Chawin Pitakteeratum	1,963,290	0.16
20	Ms.Arisa Tanthathoedtham	1,963,290	0.16

No.	Shareholders' Name	Number of Shares	% to Paid up Share Capital
21	Ms.Napasorn Tanthathoedtham	1,963,290	0.16
22	Mr.Alek Lawanprasert	1,963,290	0.16
23	Ms.Chanakarn Pitakteeratum	1,963,290	0.16
24	Ms.Nudchanard Tanthathoedtham	1,963,290	0.16
25	Ms.Suporn Decharin	1,438,290	0.12
26	Mr Aukrit Tanthathoedtham	1,438,290	0.12
27	Ms.Papit Decharin	1,438,290	0.12
28	Ms.Chutima Tanthathoedtham	1,438,290	0.12
29	Ms.Pattama Tanthathoedtham	1,438,290	0.12
30	Ms.Paporn Decharin	1,438,290	0.12
31	Mr.Somchao, Mr.Sujin, Mr.Prasit and Mr.Somnuek Tanthathoedtham	864	0.00
32	Mr.Pasakorn Jeadsadarangool	150	0.00
33	Sabina Public Company Limited	52,500,000	4.22
34	Thai NVDR Company Limited	44,054,085	3.54
35	Ms.Benjamas Nuntaweerawat	16,246,970	1.30
36	Mr.Kampanart Preechatangkit	12,376,300	0.99
37	Mr.Kittipon Tuontong	7,021,980	0.56
38	Mr.Pusit Jittilaorwong	4,323,000	0.35
39	Dr. Chalit Kiatakarapol	3,885,000	0.31
40	Mrs.Ratree Kijisathan	3,746,600	0.30
41	Mr.Narongchai Sudkla	3,327,550	0.27
42	Others	154,517,082	12.41
<b>Total</b>		<b>1,245,283,691</b>	<b>100.00</b>

**Source :** Thailand Securities Depository Company Limited

- Note :**
- Shareholders ranked 1-32 are members of the Tanthathoedtham Family who hold a total of 943,285,124 shares accounting for 75.75% of the Company's paid up shares capital
  - Mr. Viroj Thanalongkorn, majority shareholder of the Sabina Public Company Limited holding 74.59% of the Company's total paid - up shares as of August 12, 2018
  - Investors are able to access to information on current shareholders via the Company's website [www.ncgroup.co.th](http://www.ncgroup.co.th)



## Directors and executives holding NCH shares

at 1 January 2018 – 31 December 2018 are as follows:

No.	Name	Position	No. of Shares As at 1 January 2018			Changes in No. of Shares Increased/Decreased during 2018			No. of Shares As at 31 December 2018			Shareholding (%) As at 31 December 2018		
			Direct	Indirect	Total	Month	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect
1	Mr. Sudham Chatwalwong	Chairman and Independent Director	-	-	-	-	-	-	-	-	-	-	-	-
2	Mr. Piboon Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee	-	-	-	-	-	-	-	-	-	-	-	-
3	Mr. Kobsak Pongponrat	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee	-	-	-	-	-	-	-	-	-	-	-	-
4	Mr. Vichit Vichaisan, Asst. Prof.	Director, Independent Director, Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
5	Mr. Somchao Tanthathoedtham	Director, Member of the Nomination and Remuneration Committee, Chairman of the Board of Executive Directors and Chief Executive Officer	23,412,690	-	23,412,690	-	-	-	-	23,412,690	-	23,412,690	1.88	-
6	Mr. Somnuek Tanthathoedtham	Director, Executive Director and Managing Director	29,610,000	3,926,580	33,536,580	-	-	-	-	29,610,000	3,926,580	33,536,580	2.38	0.32
7	Mr. Wichian Silapacharanan	Director, Executive Director and Senior Executive Vice President (Administration)	525,000	-	525,000	-	-	-	-	525,000	-	525,000	0.04	-

No.	Name	Position	No. of Shares As at 1 January 2018			Changes in No. of Shares Increased/Decreased during 2018			No. of Shares As at 31 December 2018			Shareholding (%) As at 31 December 2018		
			Direct	Indirect	Total	Month	Direct	Indirect	Total	Direct	Indirect	Direct	Indirect	
8	Mr. Rungsarn Nuntakawong	Executive Director and Senior Executive Vice President	-	-	-	-	-	-	-	-	-	-	-	-
9	Mr. Warapong Nilisiri	Executive Vice President	-	-	-	-	-	-	-	-	-	-	-	-
10	Mr. Boonchai Rojpanich	Senior Vice President	-	-	-	-	-	-	-	-	-	-	-	-
11	Mrs. Nampetch Tantawiriya	Senior Vice President, Human Resource Department	-	-	-	-	-	-	-	-	-	-	-	-
12	Ms. Sumanee Boonsarana	Senior Vice President, Accounting Department	-	-	-	-	-	-	-	-	-	-	-	-
13	Mrs. Aichara Kingsai	Senior Vice President, Sales Department	2,677	-	2,677	-	-	-	-	2,677	-	2,677	0.0002	-
14	Mr. Sanit Leejunthuek	Senior Vice President, Construction Department	-	-	-	-	-	-	-	-	-	-	-	-
15	Mrs. Nongluk Tanthathoedtham	Senior Vice President, President Department	13,981,590	3,538,290	17,519,880	-	-	-	-	13,981,590	3,538,290	17,519,880	1.12	0.28
16	Ms. Kamonwan Sawadchai	Vice President, Accounting Department	-	-	-	-	-	-	-	-	-	-	-	-
17	Mr. Walatchanat Rujidasisrakul	Vice President, Finance Department	336,420	-	336,420	-	-	-	-	336,420	-	336,420	0.03	-
18	Ms. Sureeporn Sangthongradit	Vice President, Accounting Department	-	-	-	-	-	-	-	-	-	-	-	-

**Remarks :** 1. indirect securities held, its mean securities held by a spouse and / or children under the legal age of directors or executive officers.

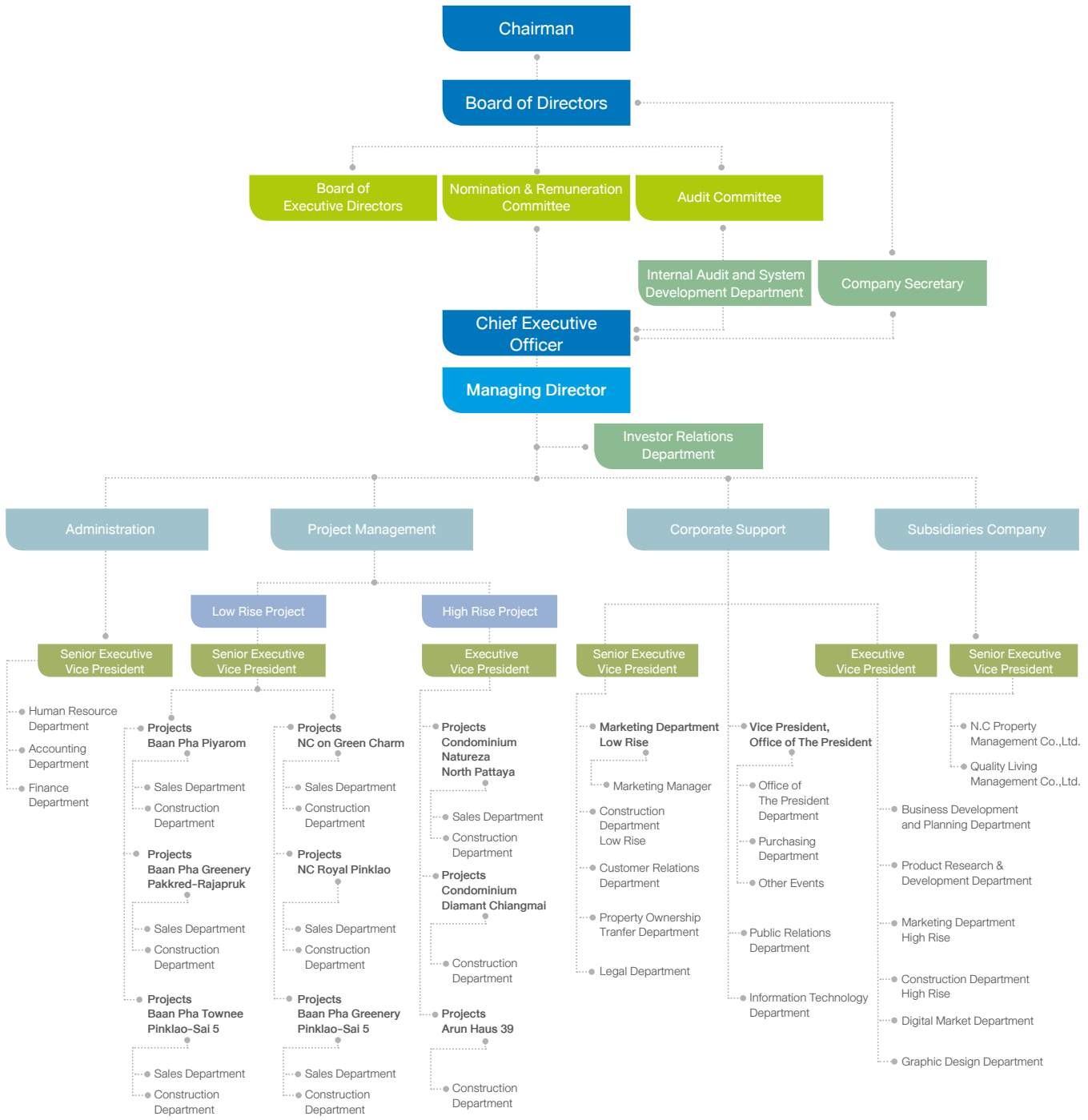


## Dividend Payment Policy

The Company has a policy to pay dividend of not less than 40% of its consolidated net profit after tax and legal reserves. Factors to be considered when paying dividend are operational performance, financial status, liquidity, business expansion plans, and other matters related to management of the Company given that such operation must be beneficial to the Company as well as to its shareholders.

The Board of Directors of the Company's subsidiaries will consider a dividend payment based on ending cash status and investment plan. The Board of Directors will consider a dividend payment on a case by case basis with sufficient cash status.

# Organization Structure as of Year 2018



## Management Structure

### Board of Directors

In 2018, the Company's Board of Directors meet a total of 6 times. As of December 31, 2018, there were 7 members of the Board of Directors as follows:

1. Mr. Sudham Chatwalwong	Chairman, Independent Director
2. Mr. Somchao Tanthathoedtham	Director, Member of the Nomination and Remuneration Committee and Chairman of the Board of Executive Directors
3. Mr. Somnuek Tanthathoedtham	Director and Executive Director
4. Mr. Wichian Silapacharanan	Director and Executive Director
5. Mr. Piboon Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee
6. Mr. Kobsak Pongponrat	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
7. Mr. Vichit Vichaisarn, Asst. Prof.	Director, Independent Director, Member of the Audit Committee

Company secretary: Ms. Porntippa Cheewaruangroj

**Note :** 1. Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham are members of the Tanthathoedtham Family, the majority shareholders holding 75.75% of the Company's total paid-up shares as of December 28, 2018.

### Directors Authorized to Act on the Company's Behalf

The following Directors are eligible for filing affidavits as approved at the shareholders' meeting:

- (1) Co-signing of Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham with the Company's official seal, or
- (2) Mr. Somchao Tanthathoedtham or Mr. Somnuek Tanthathoedtham co-signing with either Mr. Wichian Silapacharanan with the Company's official seal.

### Board of Executive Directors

As of December 31, 2018, there were 4 members of the Board of Executive Directors as follows:

1. Mr. Somchao Tanthathoedtham	Chairman
2. Mr. Somnuek Tanthathoedtham	Member
3. Mr. Wichian Silapacharanan	Member
4. Mr. Rungsarn Nuntakawong	Member

## Scope of Duties and Responsibilities of the Board of Executive Directors

- (1) To determine rule- and law-abiding policies, directions, strategy and business operations to parallel the business goals set by the Board of Directors.
- (2) To set the Company's organization structure and management authority, which include the nomination, employment, training and layoff of personnel, excluding the Chairman of the Board of Executive Directors and the Managing Director.
- (3) To consider and review the annual budget proposed by the Managing Director before presenting to the Board of Directors for approval.
- (4) To examine and monitor management's adherence to company policies to ensure maximum effectiveness.
- (5) To review and consider the business investment opportunities related to the core business or other businesses before presenting to the Board of Directors for approval.
- (6) To approve plans to obtain loans or advances from financial institutions for the running of normal business operations, for investments, purchasing of properties, land and construction and business operations for an amount not exceeding THB 500 million. If the transaction amount exceeds THB 500 million, it must be presented to the Board of Directors for approval.
- (7) To allocate funds for pension, bonuses or other compensations approved by the Board of Directors.
- (8) To perform other duties assigned by the Board of Directors.

The Board of Executive Directors may delegate financial authority for transactions to senior management as the Board deems appropriate.

Transactions that may have conflicts of interest require that the issue be reviewed as set forth in the Company's guidelines (in line with the regulations of the Company, and the Securities and Exchange Commission) prior to approval of such transactions, except for normal business transactions as clearly stated in the policies regarding connected transactions. The Executive Directors in the position that may lead to a conflict of interest does not have the authority to approve such transactions.

## Senior Management

As of December 31, 2018, the Senior Management consisted of 14 persons as follows:

1	Mr. Somchao	Tanthathoedtham	Chief Executive Officer
2	Mr. Somnuek	Tanthathoedtham	Managing Director
3	Mr. Wichian	Silapacharanan	Senior Executive Vice President (Administration)
4	Mr. Rungsarn	Nuntakawong	Senior Executive Vice President
5	Mr. Warapong	Nilsiri	Executive Vice President
6	Mrs. Nampetch	Tantawiriya	Senior Vice President, Human Resource Department
7	Ms. Sumanee	Boonsarana	Senior Vice President, Accounting Department

8	Mr. Boonchai	Rojpanich	Senior Vice President, Sales Department
9	Mrs. Ajchara	Kingsai	Senior Vice President, Sales Department
10	Mr. Sanit	Leejunthuek	Senior Vice President, Construction Department
11	Ms. Nongluk	Tanthatthoedtham	Senior Vice President, President Department
12	Ms. Kamonwan	Sawadchai	Vice President, Accounting Department
13	Mr. Walatchanat	Rujidasirisakul	Vice President, Financial Department
14	Ms. Sureeporn	Sangthongpradit	Vice President, Accounting Department

### Scope of Duties and Responsibilities of the Managing Director

- (1) To ensure that the Company's business operation is in line with the policies issued by the Board of Directors or the Board of Executive Directors, and to provide performance updates to both boards.
- (2) To prepare and review the annual budget prior to submitting to the Board of Directors for approval as well as to control the spending of each business unit.
- (3) To review and assess the Company's operating results and make necessary adjustments in operations to reflect internal and external conditions on a regular basis.
- (4) To establish business guidelines to ensure that the Company's operations are in line with the Boards strategy and goals set for management.
- (5) To control operating, selling and administrative expenses and approve business transactions including construction material procurement and investment expenditures to ensure the adherence to the budget approved by the Board of Directors or the Board of Executive Directors in the amount not exceeding THB 50 million per transaction. The Managing Director cannot alone approve any land purchase.
- (6) To review all transactions relating to the Company's assets and rights for which the Company may use to enter binding contracts with individuals, companies or financial institutions and to submit such transactions for review and approval by the Board of Executive Directors.
- (7) To review the Company's financial performance and to determine and submit for approval by the Board of Directors any interim or annual dividend.
- (8) To perform or execute any task or duty as assigned by the Board of Directors.

The Managing Director does not have any authority to approve any transactions in which the Managing Director and others may have conflicts of interest (in line with the regulations of the Company and the Securities and Exchange Commission) with the Company or the Company's subsidiaries, except for normal business transactions as clearly stated in the policies regarding connected transactions.

## Company Secretary

The Board of Director passed a resolution to appoint Ms. Pornnipa Cheewaruangroj to hold secretary office according to the meeting resolution of Board of Directors no.2/2017 on May 15, 2017, has acted as the company secretary since June 1, 2017 to oversee Board activities and assist the Board and the Company in complying with related laws and regulations and in promoting good corporate governance, to oversee the organization of shareholders and Board meetings in conformity with laws and the Company's Articles of Association and procedures, and to oversee the preparation and storage of meeting support documents and follow up to ensure compliance with the shareholders' and Board resolutions. The Company has defined the Secretary's role, duties and responsibilities in the Corporate Governance Policy Manual, as it envisions the importance and necessity of secretary role in the development of its corporate governance system. The Secretary can be reached at E-mail Address: pornnipa.c@ncgroup.co.th, ir@ncgroup.co.th or phone number 02-993-5080-7 ext. 403

### Required Qualifications and Experience for Company Secretary

1. Being knowledgeable in and having an understanding of the laws and regulations concerning the company and regulatory body in relation to the law on public limited companies and the law on securities and stock exchange; passing a training course on company secretary duty performance.
2. Being knowledgeable and having an understanding of good corporate governance and corporate governance best practices.

### Company Secretary's scope of duties and responsibilities:

1. To produce and keep
  - Record of Directors.
  - Notice of Board of Directors meeting, minutes of Board of Directors meeting and company's annual report.
  - Notice and minutes of all shareholders' meeting.
2. To keep all interest or conflicts of interest report reported by directors or any members of management team.
3. To perform any other action as determined by Capital Markets Supervisory Board.

## History of Board Representation

Name	Title	Board Representation	Term
1. Mr. Sudham Chatwalwong	Chairman	27/11/2003 - Present	6
2. Mr. Somchao Tanthathoedtham	Director	27/11/2003 - Present	6
3. Mr. Somnuek Tanthathoedtham	Director	27/11/2003 - Present	7
4. Mr. Wichian Silapacharanan	Director	27/11/2003 - Present	7
5. Mr. Piboon Limpraphat, Ph.D	Director	15/05/2007 - Present	4
6. Mr. Kobsak Pongponrat	Director	27/11/2003 - Present	7
7. Mr. Vichit Vichaisarn, Asst. Prof.	Director	11/10/2007 - Present	6

## Board Member's Attendance in 2018

Name	Title	Attendance/Total Meetings		
		Board of Directors	Audit Committee	Remuneration and Nomination Committee
1. Mr. Sudham Chatwalwong	Chairman	6/6	-	-
2. Mr. Somchao Tanthathoedtham	Director, Nomination and Remuneration Committee	6/6	-	2/2
3. Mr. Somnuek Tanthathoedtham	Director	6/6	-	-
4. Mr. Wichian Silapacharanan	Director	6/6	-	-
5. Mr. Piboon Limpraphat, Ph.D.	Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee	6/6	4/4	2/2
6. Mr. Kobsak Pongponrat	Director, Member of the Audit Committee, and Nomination and Remuneration Committee	6/6	4/4	2/2
7. Mr. Vichit Vichaisarn, Asst.Prof.	Director, Member of the Audit Committee	6/6	4/4	-

## Remuneration for Board Members and Senior Management

### 1. Monetary Remuneration

- Board of Directors' remuneration in 2018

Name	Title	Allowance (THB mn.)			Annual Remuneration (THB mn.)	Total (THB mn.)
		Board of Directors	Audit Committee	Nomination and Remuneration		
1. Mr. Sudham Chatwalwong	Chairman	0.30	-	-	0.44	0.74
2. Mr. Somchao Tanthathoedtham	Director	0.12	-	0.04	-	0.16
3. Mr. Somnuek Tanthathoedtham	Director	0.12	-	-	-	0.12
4. Mr. Wichian Silapacharanan	Director	0.12	-	-	-	0.12
5. Mr. Pi boon Limpraphat, Ph.D.	Director	0.12	0.12	0.06	0.20	0.50
6. Mr. Kobsak Pongponrat	Director	0.12	0.08	0.04	0.20	0.44
7. Mr. Vichit Vichaisarn.Asst. Prof.	Director	0.12	0.08	-	0.20	0.40
<b>Total</b>		<b>1.02</b>	<b>0.28</b>	<b>0.14</b>	<b>1.04</b>	<b>2.48</b>

That the directors' remuneration for the year 2018 (resolutions of the 2018 Annual General Shareholders' Meeting April 20, 2018) as follows:

- |  |                             |
|--|-----------------------------|
| 1. Chairman's meeting allowance  | THB 50,000 / meeting        |
| 2. Directors' meeting allowance<br>(No annual remuneration for directors)    | THB 20,000 / meeting        |
| 3. Chairman of the Audit Committee's meeting allowance                       | THB 30,000 / meeting        |
| 4. Audit Committee members' meeting Allowance                                | THB 20,000 / meeting        |
| 5. Annual remuneration for Chairman  | THB 440,000 / year          |
| 6. Annual remuneration for Audit Committee members                           | THB 200,000 / person / year |
| 7. Chairman of the Nomination and Remuneration Committee's meeting allowance | THB 30,000 / meeting        |
| 8. Nomination and Remuneration Committee members' meeting allowance          | THB 20,000 / meeting        |
| 9. Directors of subsidiaries' Remuneration                                   | - No -                      |



- Board of Executive Directors' and Senior Management's Remuneration in 2018

Items	2018		
	Number of Persons	Amount (THB mn.)	Type of Remuneration
Board of Executive Directors' and Senior Management's Remuneration (As Senior Management Team)	14	35.6	- Salary - Bonus - Provident Fund

**Note :** Senior Management includes Chief Executive Officer, Managing Director, Senior Executive Vice President, Executive Vice President, Senior Vice President, Vice President, Accounting Department and Vice President, Finance Department.

## 2. Other Types of Remuneration

- None -

## Human Resource Development Policy.



Human resource development is a policy that the Company has placed a great importance on by foreseeing that personnel are valuable resources which will lead to the success of operations in various areas. The Company therefore determines that the recruitments of competent personnel shall sufficiently be made and budget for personnel development on a yearly basis allocated regularly and continuously and various management systems set up in order to lay the foundation for sustainable development.

The Company has set up the management system and standard with continuous improvements as follows:

- Human Resource Information System (HRIS) for the efficiency in managing various data and information on human resources and facilitating the employees to be monitor and process personal information and Employee Self Service (ESS) requests through Web Applications.
- Performance Management System which requires that the individual KPI Performance and Competency Evaluation shall be conducted, the Grade Assessment and Force Ranking Policy be made available in order to maintain competent personnel and create awareness of the importance and need for self-development and or ganization development to lead to the increase in the competitiveness and adaptation to various environments including the introduction of the evaluation tools to increase the efficiency of data processing by using the evaluation method via Web Online eventually making the evaluation results being able to accurately, quickly summarized and paperwork can be reduced.
- Reviewing Standard Operating Procedure Manual and various welfares to keep them always up to date by taking into account the labor rights, safety, security and occupational health such as Working Regulations, Human Resource Management Manual, New Employee Care Manual and Human Resources Approval Authorization Table, etc.

- Using ERP (Enterprise Resource Planning) software program to optimally maximize the Company's business efficiency by linking various work systems and sharing information such as marketing and sales, after-sales service, construction, finance-accounting, purchase for jointly use which will help reduce the timing and working steps and can take cognizance of the situations including problems as well as being able to make a decision in solving the problems rapidly. Over in the past year, pattern of the usage through Mobile Application was developed to the extent of being able to perform the work anywhere and at anytime.

- New employee monitoring system, the system that will allow new employees to be able to adapt to the working team, understand various contexts of the organization and to be happy to work. It is the creation of a good working atmosphere which will lead to further sustainably efficient and effective performances.

- Developing the employees' Training Roadmap path which is the preparation of the employees' long-term development plan to develop employees in all levels and positions to be aligned with the performances expected by the organization and to support the future growth which is reviewed annually.

Because the Company has still been committed to creating quality employees in many aspects simultaneously both on the aspects of the mindset and working behavior as well as increasing knowledge and adding new skills in order to enable them to keep pace with the changes amidst the highly competitive environment, the Company has the main goal in organizing the trainings and carrying on the developments in order to raise level of their knowledge and competencies to be compatible with the direction of the organization by focusing on the skills, applications and actual practical executions.

Provided, however, that in addition to improving the quality of the employees as planned, the management also places the importance in educating the employees on the anti-corruption and employee and coaching them as well as building good relationships between among the departments by holding public relations for the management level and the management department to train employees in the morning (Morning Brief) every day before going to work.

In 2018, there were a total of 12 internal training courses.

➤ **Additional Knowledge and Skill Training in Working as Professionalism:**

- Establishing a new online Marketing Unit to supplement the new working team and develop the original one, Marketing Department, Sales Department and after sales service: holding the continuous training course on Frontline 4.0 standard raising project, online skill developments.
- Construction Department: Organizing training on reviewing the use of ERP programs, encouraging the use of technology for maximizing benefit in working which is Document Approval Application system for approval of documents that can be of assistance on the part of the document approval work to be flexible and convenient on the use and in viewing information or giving approval on the documents through the system anywhere and at anytime.

➤ **Internal Management Development Training for Efficiency:**

- Employees in the Quality System: Organized training to create knowledge and understanding about the quality system (ISO 9001: 2015) which the Company is currently operating.
- Internal Quality Monitoring Team: According to the quality management system, training course in accordance with the requirements of ISO 9001: 2015 to increase the skills in applying the requirements to the internal quality monitoring steps is concretely held.
- All Levels of Employees: Training courses are held for the employees to be able to step forward to the sustainable digital era, to pave the way for and raise awareness on them in enhancing the use of technology so that they can adjust themselves in keeping pace with the changes and creating the competitive advantage.

➤ **Training for Increasing Supervisors' Skills to Look at the Same Goal:**

- The Management Group: The Outward Mindset training course is held for them in order to make them understand each part of the mindset that affects both themselves and the others in working together including to enable them to see the importance of the Outward and Inward mindsets that help make the changes, to be more effective leaders who can apply the Outward Mindset to work and help the organization achieve the common goals

➤ **Training for Increasing Supervisory Level Skills:**

- Group Leaders: The Management Essentials training course is held for them to raise the standard of team management as the Team Leaders to make the team the effective team and prepare for the increasing responsibilities and roles all along the path of career advancement.

In 2018, the Company sent employees to attend the Public Training Seminar in 24 various courses such as the Advanced Security Management Service Course, Class 10, Advanced Medical Management Service Course, Class 1, RE CU CEO Course, Class 4, Cost Management Program for Value Added and Sustainability, Corporate Security Information System Operation Training Course in Thailand 4.0 Era, Essential Content Training Course, Construction Management Training Course on How to Acquire the Quality, etc.

The Company organized other internal activities to enhance potentials of the employees and lay the foundation for the growth of their career paths in various forms such as learning in the form of meetings, knowledge sharing), learning in the form of a Committee, various Working Groups such as Quality Management Committee, Risk Management Committee, Working Safety Committee, Welfare Committee, etc. For the new employees, the Company provides the orientations and on-the-job training to enable them to understand the work system, the Company's business operations process and the steps of working procedures on their positions including basic knowledge on good corporate governance and the Code of Conduct of the Company in order to instill the awareness of good corporate governance and participation in promoting corporate governance of the Company as well as instilling their awareness on corporate social responsibility.

However, the Company is aware of the importance of the quality of life and well-being of the employees. Thus, welfare and safety care such as fire evacuation trainings and annual health checks, life and health insurance, Provident Fund, discounts on buying houses in the Company's projects, food allowances, loans and variously other grants are provided to them.

In addition to the development of employees within the organization, the Company also places the importance on the developments of youth groups wishing to receive trainings by having mentors in conducting teaching and transferring knowledge and experience closely to students who will be the important forces of the country in the future.

In 2018, the company organized both in-house and public training as follows:

Training	No. Courses	No. of Participants
In-house Training	12	781
Public Training	24	27
<b>Total</b>	<b>36</b>	<b>808</b>



## Good Corporate Governance



### Corporate Governance Day (CG & CSR Day):

The Company is aware of the importance of work management operations under the Principles of Good Corporate Governance and the Company's Code of Conduct Manual continuously by setting the 2<sup>nd</sup> of February of every year which is the anniversary date of the Company establishment to be the CG & CSR Day.

On the passing 2<sup>nd</sup> of February 2019, the Management Group and employees jointly organized the "CG & CSR Day 2019 NC Love Home, Love the Environment" together with the celebration of the 25<sup>th</sup> Anniversary of NC which, in this connection, the Management Group and the employees together jointly participated in planting mangrove forest at Ban Mai Chailane, Samut Songkhram Province, and celebrated the 25 years of the anniversary at The Grace Resort Amphawa, Samut Songkhram Province, with the goal of organizing the event to thank the Management Group and the employees who have worked together to the extent of making the Company being able to grow and strive to pass variously entangled crises for up to 25 years, and to pass on this happiness and success to the external society by paying attention to the environment and jointly doing socially-profitable activities.

Including granting scholarships under the project, "NC Scholarships for Academic Year 2019" which the Company has continuously done to provide educational opportunities for needy children. This project is a continuing scholarship deal until the graduation with a Bachelor Degree provided to students of Rajamangala University of Technology Thanyaburi, in number of 8 scholarships in every academic year.

### The Company's Good Corporate Governance Policy.

The Company's Board of Directors has placed the importance on good corporate governance and always carried out the business operations with righteousness by taking into account the stakeholders in all groups including the impacts on societies, communities and environments, as well. Deriving from the Company's Board of Directors meeting in 2017, the corporate governance policy was considered for assurance that it is in line with the ASEAN CG Scorecard guidelines, yet, the Principles of Corporate Governance in 5 Categories as follows have still been adhered to:

1. Shareholder's Rights
2. Equitable Treatment of All Shareholders
3. Stakeholders' Rights
4. Information Disclosure and Transparency
5. Duties of the Board of Directors

## 1. Shareholder's Rights

The Company understands the importance of shareholder's rights and has in place measures to protect such basic rights as per the legal requirement and encouraging shareholders to fully exercise their rights as stated clearly in the Company's corporate governance guidelines.

### Annual General Shareholders' Meeting (AGM)

The 2018 Annual General Shareholders' Meeting was held on April 20, 2018 with 7 Board members attending the meeting (the Company has 7 Board members). The total number of shareholders attending the AGM by self or through proxy totaled 47 persons representing 858,152,949 common shares or a representation of 68.91% of the Company's total outstanding common shares. (Total issued and a paid-up share is 1,245,283,691 shares).

The Company has a policy of equitable and fair treatment of shareholders to support, promote and facilitate the rights of all groups of shareholders in compliance with not only the law and regulations, but also with honesty, transparency and responsibility to all shareholders. Shareholders' meetings are conducted according to strict procedures to ensure compliance with regulations and guidelines and the Company works to encourage meeting attendance from every shareholders. Moreover, the venue, date and time of the Meeting are decided for maximum convenience to Shareholders, therefore, the Meeting will not be held on public holidays, commercial bank holidays or beyond usual working hours (between 8:30 – 16:00) and the venue will be in an easily accessible location in Bangkok or other areas where the main office is located. On the date of the Meeting, services will be provided to assist with the registration and document check to ensure convenience for shareholders and meals will also be provided for all attendees.

The Company holds the annual general meeting of shareholders within 4 months from the date of balance sheet, which the Company provided its shareholders with a letter of invitation via post mail to attend the AGM along with all documents related to the meeting for which shareholders should receive 21 days prior to the meeting date. The objective is to provide shareholders with sufficient information and time to review such information and to consider the issues prior to attending the meeting. Notice of the meeting was also placed in a daily newspaper for 3 consecutive days prior to the said meeting. In addition, all documents including the letter of invitation, the proxy forms and all applicable supplementary information both in Thai and English were placed on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) 30 days prior to the meeting date.

In case where a shareholder is either not able to attend the AGM or prefers to vote by proxy, the shareholder can do so by appointing another person in their stead or appoint one of the three Company's Independent Directors to vote on their behalf.

Detailed procedures regarding the AGM was provided to all shareholders along with the letter of invitation to attend the meeting, which provides details regarding the agenda and the necessary documents that need to be presented to attend the meeting. Staff was on hand on the day of the AGM to assist shareholders and proxies register for which the Company provided 2 hours in advance of the meeting and staff were also on hand to provide assistance throughout the meeting.

The Chairman presiding over the AGM notified shareholders about the voting process and the format in counting such votes. For the issue on voting for Board members, the Company allowed shareholders to vote by person. The Chairman discussed key issues that have been submitted for shareholders to consider and vote upon per

the sequence and only submitted issues as stipulated in the agenda. Equal and sufficient opportunity was given to shareholders to ask questions. Shareholders are allowed to attend the AGM post commencement of the meeting and vote on issues for which approval is being sought. The additional votes brought in by the shareholder due to late arrival will form a quorum starting at the time for which participation at AGM commences unless the AGM sees otherwise.

A comprehensive minute to the AGM was kept, recording not only the issues and discussions but also including the voting outcome on each issue. The comprehensive minute is sent to relevant persons within 14 days after the AGM along with disclosing such information on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th). For fiscal 2018, the Company was recognized for the highest achieved in preparing for and executing the AGM by receiving 100 points from the SEC in conjunction with Thai Investors Association which was in an excellence level.

The Company's financial auditor (Dharmniti Auditing Co, Ltd.) and the lawyer were also invited to attend the AGM to not only assist in answering questions but also listen to thoughts and comments for which shareholders may have. For transparency purposes in aggregating votes, an internal audit's external consultant was assigned to ensure integrity of vote count.

Chair of stakeholders will be responsible for appointment and compensation of auditors based on recommendation of company's Board of Director. Auditor must not be Board, employees, contractors, or persons who take any position in company. Independent auditors from Dharmniti Co., Ltd. are invited to attend the meeting to discuss and share ideas with shareholders for purpose of voting transparency.

Since the last annual shareholders meeting, company has given the minority shareholders an opportunity to propose additional agenda as well as to name a proper individual to be a member of company's director. NCH sent out letters to all minority shareholders to ask for any additional agenda they might have and the name of the individual to be elected to be a member of company board of directors via SET's channels of communication on September 25, 2018. All criteria and methodologies concerned were published in the company's web site and also through SET's system.

## 2. Equitable Treatment of All Shareholders

The Company's policy towards its shareholders is one of support, equitable and ethical treatment which abides by all guidelines and legal requirements. Details of activities facilitating shareholders in attending the AGM is disclosed as the first item in the Shareholder's Rights section.

### Control of Internal Information

The Company has in place policies against the Company's Board of Directors, senior management and staff using insider information for personal gains or benefits as per the section of "Internal Information Control". Members of the Board are required to disclose any conflicts of interest that they may have for the Board of Directors to consider. A clear policy has also been set in regards to members of the Company's Board serving as members of the Board of other company's in the "Board Member's Qualifications".

### Conflicts of Interest

The Company holds in contempt for any use of the Company's information or position by members of the Board, senior management and/or staff for personal benefits. A policy has been issued to prohibit members of the Board, senior management and staff from undertaking activities that is deemed to have conflicts of interest with the Company. However, should it be impossible to avoid such transactions, the Board of Directors mandates that such transactions be undertaken in lieu of the guidelines stipulated by the SET and must be submitted for approval by the Board of Directors with the attendance of members of the Audit Committee. This is to ensure such transactions are taken on an arms length basis.

Persons who are involved in such transaction may not be involved in the review or approval process. A summary of related party transactions has been disclosed in both the Company's annual report (56-2 report) and also that of the Company's annual information disclosure under the 56-1 report format.

In addition to prohibiting any member of the Board, senior management and staff from using information or position for personal benefits, the Company also prohibits its Board Members, senior management and staff from undertaking businesses that is construed to be in direct competition with the Company or related businesses. Establishment of business group structures which do not support related transactions with potential conflicts of interest.

### 3. Stakeholders' Rights

The Company puts emphasis on the rights of all its stakeholders whether internal or external. These stakeholders include all staff, management of the Company and that of its subsidiaries along with its external stakeholders including customers, counter parties, competitors, creditors and regulatory entities. This also encompasses responsibility towards social and environmental concerns. The emphasis of these rights has been stated clearly in the Company's good corporate governance policies and in the Company's handbook on ethics to serve as reference. In fairness to its stakeholders and related persons, the Company provides a channel for such persons to launch a complaint for unfair treatment or for any misconduct on the Company's part through the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th). In addition, individual can contact directly to company's board of directors by sending an email to [bod@ncgroup.co.th](mailto:bod@ncgroup.co.th) or to the secretary office at [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th). Company emphasizes the important of the rights and benefit of all stakeholders as follows:

**Shareholders:** The Company is focused in operating its business with the utmost honesty, integrity and ethics along with the utmost transparency to ensure sustainable growth for the Company and ultimately increasing the shareholders' long-term value and wealth. This takes into consideration shareholder's rights and equality as disclosed in section 1 "Shareholders' Rights" and section 2 "Equitable Treatment of All Shareholders"

**Employees / Executives:** In considering its human capital to be at the forefront in ensuring the Company's future success, the Company's policies include equitable treatment of all staff, provide growth opportunities, comparable compensation, appointment process, re-assignment process and policies on ongoing personal development. Such staff policy is to enhance their effectiveness and efficiency while providing all with the skills necessary to become candidates for career enhancement opportunities as stipulated in the section of "Personnel Development Policy".

Good health, safety and amiable work environment are key concerns for the Company. A committee on safety has been established to ensure safety and hygiene in the work place. Another committee on staff benefits was established to oversee the policies on staff benefits, breaking human's right protection, including yearly health check-ups, providing a place for exercise, providing staff insurance and setting pension fund policies.

"The company places importance on employees. Therefore, the company has policies for providing remuneration and welfare to help and raise quality of life for employees and families together with building working morale and encouragement as follows:

- 1) The company set payment of fair remuneration as commensurate with duties, responsibilities and company performance.
- 2) The company has stipulated consistent consideration in reviewing employee remuneration and welfare for competitive capacity within the industry."

Where in terms of managing the returns and creating opportunities in such career advancement, the Company applies KPIs and competencies as the indicators on the individual KPIs for performance evaluation and determining remuneration for executives and employees based on their performances which will be evaluated on the basis of both the individual and department level twice a year for us as a criteria for considering salary increases and position promotions.

**Customers:** The ISO 9001:2008 certification received reflects the efforts put forth by the Company in seeking to provide the best product, service and after sales service at an appropriate price while ensuring long-term customer satisfaction. Emphasis is placed on courteous treatment and efficient service for its customers and strictly abiding



to service agreements as stipulated within each contract. A channel for customer complaints for its products and services has been put in place (CFR: Customer Feedback Records) while emphasizing customer privacy. At every transfer of title deed, a feedback form is provided to each customer to provide thoughts and comments about the Company's products and services. The Company also provides its customers with an annual survey form reflecting residents' level of satisfaction on the Company's products and services for which the results will be used to improve such products and services to enhance overall customer satisfaction.

**Suppliers:** At the heart of the Company's emphasis is the ethical and equitable treatment of all its business partners while ensuring that all parties receive appropriate returns for both parties. This includes avoiding situations leading to disputes on applicable fees and strictly abiding by the terms as stipulated in all of the contracts.

**Creditors / Financial institutions:** The Company abides strictly by the terms and conditions as set forth in the contracts for borrowing money

**Competitors:** Fair and ethical competition is emphasized in running the Company's operations. The Company prefers open competition and enables suppliers to charge for goods and services at competitive market prices, by promoting business operation under fair competition, intellectual property or trade copyright. The Company is not engaged in any illegal actions in acquiring of competitor's information and avoids making reference to its competitors. In 2014, there were no legal infringements made against its competitors.

**Independent Auditors:** NCH has realized the importance of having independent auditors as the investors' tool for investigating the operation of management team as well as having the correct and reliable financial report. One of the NCH policies is to fully support the operations of the independent auditors as well as providing the correct information needed by the auditors.

**Community and Society:** The Company believes in managing the environment, making social contributions and supporting events that benefit communities. Support and contributions are made by the Company and/or in conjunction with State entities to local communities for which the Company operates as stipulated under the section of "Social Contributions". As a good corporate Samaritan, the Company abides by all applicable legal guidelines, including the conscious campaign of the efficient use of the resource. The meeting of the board of directors passed a resolution to approve the assignment of the Management Department to consider guidelines for promoting environmental education and training for employees.

Beside, company had set the self treatment policy and policy of treating to immediate supervisor, colleagues, as well as company to protect the participation or concealment the activities that make conflict of interest, corruption for self-interest. The reason behind this approval was that company believed that employees are keys to business success. They need to be trained and developed continuously until they are the best at what they do. Furthermore, employees have to behave well and give their shares to build a proper company culture and sustainable growth

#### 4. Information Disclosure and Transparency

The Board of Directors' directive is to ensure the disclosure of both financial and non-financial information that pertains to the Company's operations. Information integrity, completeness and transparency of disclosure through the various designated channels along with the abidance with all SEC and legal guidelines are a must. The composition, tasks and responsibilities along with remuneration for members of the Board and the members of various Committees have been disclosed in the "Management Structure". Reports of the various Committees have also been included in the annual report and details on remuneration for members of the Board are disclosed. A report on good corporate governance and adherence report has also been included.

Additionally, a new policy has been put in place that mandates full disclosure of shares trading by the directors and top executives to the Board, investor relations, or Secretary Company at least 24 hours prior to transaction. The meeting of the board of directors passed a resolution to set policies for company directors to make quarterly reports on the purchases-sales of shares/holdings in company securities to the meeting of the board of directors.

### Quality of Financial Disclosure

The Company's Board of Directors has exercised due care in ensuring that the disclosed financial information are correct, transparent and complies with generally accepted accounting principles ensuring appropriateness to the Company's operations and applying such accounting standards on a consistent basis. To further provide a higher level of confidence, the Board has put in place a risk management function and also an effective internal audit function. The Audit Committee is charged with the responsibility of ensuring quality of financial disclosure and establishing a robust internal audit process. A Board of Directors' duties on financial disclosure report along with the Audit Committee's report has been included in the 2015 annual report.

### Relationship with Investors

An Investor Relations Department has been established to serve as the Company's representative to communicate on the Company's behalf with shareholders, fund managers, equity analysts and the general public community through a number of channels either directly or indirectly. The Company utilizes channels via the SEC, the SET, media, e-mail, telephone, fax, IR Newsletter and posting information on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) both in Thai and English. Interested persons can contact the Company via the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) or via the Investor Relations Department's E-Mail: [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th), contact by phone: 02-993-5080-7 ext. 401, 403 and 404 or contact by fax: 02-993-5089.

## 5. Duties of the Board of Directors

### Structure of the Board of Directors

Board of Directors must possess qualifications based on Public Company Act and related laws. Board must not show any characteristic that is not suitable to manage company with public stockholding as specified by Securities and Exchange Commission.

The Company's Board of Directors comprise of knowledgeable and capable individuals with business experiences and the variety of qualifications of directors, i.e., the specialization of skills and profession for responsibility is to consider and approve the Company's vision, strategies, policies, business and financial budget as well as supervise the management team to effectively and efficiently execute policies. This is in observance of all legal guidelines, purpose, Company's Articles of Association and resolutions approved by shareholders to increase the Company's overall value and the utmost stability for shareholders.

The number of Board members has been determined to suit the size of the Company's operations. As of December 31, 2017, there were a total of 7 Board members with 3 members holding management positions within the Company and another 4 who do not hold any management positions and are Independent Directors. Stakeholders can be rest assured that the representation on the Company's Board is sufficient to maintain counter balance and effectively represent shareholders' interest.

The Board Chairman is an Independent Director and is not the same person holding the Managing Director position. There is a clear cut difference in the operating roles and responsibilities of the Board of Directors and that of management.

Independent Directors refer to persons possessing the qualities and is independent as per the definition stipulated by the SET regarding qualifications and responsibilities as a member of the Audit Committee as disclose in the "Board Member's Qualifications"

The definition of the term "Independent Director" as per the Company's guidelines is compliance of the SET's guidelines as shown in the information under the "Board Member's Qualifications"

The Company's policy and guidelines for its Board members sitting on other Company's Board of Directors has been disclosed in the annual report under the "Board Member's Qualifications". To date, the Company has not specified the number times a Board member can be re-elected to sit on the Company's Board. However, upon reaching the term for retirement, the Nomination Committee may consider the appropriateness in re-selecting the outgoing Board members by taking into consideration the individual Board member's performance and the value of contribution made to the Company in the previous term(s).

#### **Subcommittee.**

The Company's Board of Directors appoints the suitably knowledgeable and experienced to be members of 2 Subcommittees as follows to help in the study of and scrutiny on the work in various subject matters:

1. Audit Committee;
2. Nomination and Remuneration Committee.

Provided that the elements of the members, roles, duties and responsibilities of each Group have appeared in the Subject Topic on the Company's Director Structure. The Company has determined that the Subcommittees have duty to report the performances of duties in accordance with the Charter in the previous year to the Company Board of Directors and report the shareholders in the Annual Report. Even though the Company has not yet established the Risk Management Committee and the Corporate Governance Committee, however, a Working Group has already been established to clearly be responsible for the relevant matters.

#### **Board Meetings**

There were a total of 6 Board meetings held in 2018. At the Board of Directors' Meeting No. 6/2018 held on December 17<sup>th</sup> 2018, the Company's Mission and Vision were put under review and revision for an improved efficiency on management policy and Board and subcommittee meetings for 2018 were announced, all as parts of the meeting agenda items. All members of the Board are required to attend meetings except in cases of emergency. The Chairperson and the Managing Director are responsible for determining the appropriate agendas and its sequence while allowing other Board Members to submit other agendas for consideration. The agenda of each Board meeting is clear and the Company sends agendas and related documents to the Board seven days prior to the meeting date so that Board members have sufficient time to study the issues beforehand. Additional information on each agenda can be sought from the Company's Secretariat.

The Chairman emphasizes due care and careful judgment and provides sufficient time for the thorough discussion and consideration of matters. The Company Secretary is charged with issuing invitations and supporting Board members with all necessary documentation in preparation for Board meetings. The minutes to all Board meetings are prepared by the Company Secretary, which must be approved by the Board of Directors prior to safekeeping and for future reference by stakeholders.

In 2018, the Board of Directors met in ordinary Board meeting total 4 times and 2 times in an extraordinary Board meeting. Attendance record of Board members is disclosed in the "Management Structure".

#### **The Monitoring of Implementation**

The board of directors has maintained close monitoring on the implementation of strategy through twice meetings a year. The agenda included the acknowledgement of operating results of the year's first half and second half, as well as the approval of next year's operation plan by which each department has to report the results of operation and request for the approval of plan from the board of directors in order to proceed to the board meeting for consideration.

#### **Charter of Board of Directors and sub committees**

To ensure clear operating procedures of Board of Directors and sub committees, company develops charter for management and regularly adapt for improvement.

### **Board Self-Assessment**

An annual self-assessment process has been implemented for the Board of Directors, the Audit Committee, the Nomination Committee and the Remuneration Committee. Furthermore, self-assessment for members of the board of directors was initiated for the first time. The assessment evaluates the performance of each a group, applying the guideline for Board self-assessment put forth by SET and conforming to good corporate governance principles, the Company had conducted a Board performance evaluation.

Which enables both entities to review the problems and obstacles encountered along with the progress made in the past year. Reflection of the review is used as reference and guideline for developing and modifying strategies and policies for the coming year.

The summary of all boards' and committees' assessments in 2018 as of meeting no. 1/2019 on February 27<sup>th</sup>, 2019 is as follows.

### **Performance Evaluation of the Company's Board of Directors**

**Criteria** The Board's Self-Evaluation Form is a form used to evaluate the performance of the board of directors as a whole. The evaluation guideline was adapted and adjusted from the Stock Exchange of Thailand to suit the characteristics and structure of the board. The evaluation result has an important role to develop the efficient and effective performance and operation of the board. Topics of evaluation are:

1. Structure and qualifications of the board of directors
2. Roles, duties and responsibilities of the board of directors
3. Board meetings
4. Board performance of duties
5. Relationship with the management
6. Self-development of directors and development of executives

**Procedure** The Company secretary submits the evaluation form for all directors to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the board meeting for consideration, acknowledgement and discussion every year.

In 2018, the summary of the board performance results in 6 topics showed that most activities were very well/ appropriately operated with the average point at the great level, equivalent to 89.14%

### **Performance Evaluation of the Company's Board of Directors as a initiated**

**Criteria** The Board's Self-Evaluation Form is a form used to evaluate the performance of the board of directors as an initiated which is seemed a form used to evaluate the performance of the board of directors as a whole. The evaluation guideline was adapted and adjusted from the Stock Exchange of Thailand to suit the characteristics and structure of the board. The evaluation result has an important role to develop the efficient and effective performance and operation of the board. Topics of evaluation are:

1. Structure and qualifications of the board of directors
2. Board meetings
3. Roles, duties and responsibilities of the board of directors

**Procedure** The Company secretary submits the evaluation form for all directors to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the board meeting for consideration, acknowledgement and discussion every year.

In 2018, the summary of the board performance results in 3 topics showed that most activities were very well/ appropriately operated with the average point at the great level, more 94.81%

### **Performance Evaluation of the Audie Committee**

**Criteria** The Audit Committee's Self-Evaluation Form is a form used to evaluate the performance of the audit committee as a whole. The objectives of this evaluation are:

1. To enable consideration and revision of the performance, problems and obstacles during the previous year.
2. To increase effectiveness of the audit committee's performance since they will realize their responsibilities more clearly.
3. To help improve the relationship between the audit committee and the management.

#### **There are 6 topics to be evaluated namely:**

1. Component of the audit committee
2. Training and resources
3. The audit committee meetings
4. The audit committee activities
5. Relationship with Internal Audit Manager, Auditor and executives
6. Future rules of the audit committee

**Procedure** The audit committee secretary submits the evaluation form for all committee members to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the audit committee meeting for consideration, acknowledgement and discussion every year and report to Board of Directors for acknowledge at the next meeting

In 2018, the summary of the audit committee performance results in 6 topics showed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 88%

### **Performance Evaluation of the Nomination and Remuneration Committee**

**Criteria** The Nomination Committee's Self-Evaluation Form is a form used to evaluate the performance of the nomination and remuneration committee as a whole. The objectives of this evaluation are:

1. To enable consideration and revision of the performance, problems and obstacles during the previous year.
2. To increase effectiveness of the nomination and remuneration committee's performance since they will realize their responsibilities more clearly.
3. To help improve the relationship between the nomination and remuneration committee and the management.

#### **There are 3 topics to be evaluated namely:**

1. Structure and qualifications of the board of directors
2. Directors do their meeting efficiently.
3. Roles, duties and responsibilities

**Procedure** The nomination committee secretary submits the evaluation form for all committee members to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the nomination and remuneration committee meeting for consideration, acknowledgement and discussion every year and report to Board of Directors for acknowledge at the next meeting

In 2018, the summary of the nomination and remuneration committee performance results in 3 topics showed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 92.54 %

### **Policy of Managing Director in taking Board of Director role of other companies**

To ensure effective management and time allocation, company sets policy to limit Managing Director in taking Board of Director role of less than 3 registered companies.

### **Senior Management Level Position Succession Plan.**

The Company recognizes the necessity and importance of the Senior Management level position successions, hence, the rules on the position succession, particularly, of the Managing Director and Deputy Managing Director are specified as follows:

1. In the case of a vacancy of the position of a Managing Director, Nomination Committee shall perform duty in making the considerations on the selection to fill the position of the Managing Director from the Company's Deputy Managing Directors. Or in the event where there is no suitable person, the selection of a person from the third parties may be made. Over in the past, the plan was mapped out and actions on the development carried on for readiness preparation for the Deputy Managing Director which has currently been promoted to the position of Managing Director already.

2. In the case of a vacancy of the position of a Deputy Managing Director which, at the present, there are 3 of them, the Executive Board of Directors Committee shall perform duty in making the considerations on the selection to fill the position of the Deputy Managing Directors from the high level Management next in line or in the event that there is no suitable person, a selection from the third parties may be the alternate choice.

### **Remuneration for Board Members and Senior Management**

The Company's Board of Directors appointed the Remuneration Committee whose responsibility is to consider and set remuneration for members of the Board and the Company's Managing Director. Clear and transparent guidelines must be established while ensuring that remuneration is competitive with that of the industry and sufficiently high to retain qualified members of the Board. Board members who take on additional responsibilities will receive additional compensation as appropriate per the approval received at the AGM. Management's remuneration follows the policies and guidelines as set forth by the Company's Board of Directors which is directly linked to the Company's financial performance along with that of individual performance. Remuneration for members of the Board and that of management for 2018 is disclosed under the heading "Remuneration for Board Members and Senior Management".

### **Assessment of the Managing Director**

The Company's Remuneration Committee is responsible for assessing the Chief Executive Officer and the Managing Director's performance by taking into consideration of the Company's operating results and adherence to policies as per Board resolution while taking into consideration the overall economic outlook. The committee uses the above information to determine remuneration for the Chief Executive Officer and the Managing Director and submits the outcome for Board approval.

### **High-level Executive Remuneration Policy (CEO & MD) on both Short-term and Long-term Status.**

According to the CEO and MD Remuneration Policy on both short-term and long-term status as well as the CEO's and MD's performances, the Nomination and Remuneration Committee shall be the party to make the evaluations which will be conducted at every yearend performance evaluation at the end of the year provided, however, that the results of the CEO's and MD's evaluations are considered the confidential information which cannot be disclosed. The rules of the conclusion on the evaluations for payments on both short-term and long-term remunerations shall be as follows:

#### **Short-Term.**

The remuneration payments shall be made in the form of salary and bonus by considering on the base of the performances and operational results of the Company in each year. For the non-monetary remuneration, it shall be the position welfare.

#### **Long-Term.**

The Company pays contributions to the Provident Fund every month.

### Internal Control and Audit Process

Much emphasis is placed on the internal control process both at the management level and at the procedural level to ensure operating efficiency. Job functions and authority have been clearly documented while asset utilization is being optimized to provide the most benefit for the Company. There are clear cut responsibilities of the administrative, management and the audit functions to ensure an effective check and balance system. The Company's Board of Directors assesses the adequacy of the internal audit process to be used for future guidance on an annual basis.

There is an Internal Audit and System Development Department whose function is to perform planned audits and assess results. An Internal Audit Manual has been drafted to ensure the adherence to guidelines regarding the Company's core operations, key financial transactions, administrative functions, management information system and legal guidelines applicable to the Company. Special audits are undertaken within stipulated guidelines to ensure efficiency and compliance with all legal guidelines and the Company's policies. The Department operates independently and can audit any function and provide audit summary, comments and suggestions to the Audit Committee. Performance review of the Department is overseen by the Audit Committee.

In addition, the company signed the contract with ANS Business Consultants, internal audit consultant service provider. This was to ensure that all operation systems of the company would be done correctly and met the international standards. The audit results would be reported to Board of Directors and responsible departments to improve the overall performances.

Great emphasis is put on risk management by the Company's Board of Directors and risk management committee election is in place along with an assessment process with corrective plans and actions have been prepared. Risks that bear effect on the Company's operations are stipulated in the "Risk Factors". The Board of Directors reviews and assesses the risk management process on a quarterly basis.

### Business Ethics

Members of the Board of Directors understand their responsibility and duty to utilize their capabilities and experiences to maximize the benefits of the Company while observing ethical standards and all applicable legal guidelines, the Company's own guidelines and resolutions reached at the shareholders' meeting. Duties must be carried out with honesty, integrity and maximizing the benefit of both the Company and its shareholders. The resolution reached at the Board meeting 1/2006 held on February 24, 2006 regarding ethical guidelines for Board members, senior management and staff were announced as reference for all to observe. Every staff member is urged to conduct their tasks with honesty, integrity and ethically and to extend such high standard of moral standard towards external parties including stakeholders, society and the environment. The Board also mandated a system to review and assess adherence on a consistent basis.

Board of Directors is responsible for Updating the company's Code of Ethics every two years. The revision was made to better incorporate international best practice, held on February 22<sup>nd</sup>, 2017, the meeting had agreed to revise and issue the 9th edition of the Code of Conduct, In line with the company's anti-corruption policy. In addition to the handbook, training on an ongoing basis is being planned while all new recruits are introduced to the Company's ethical standards during their orientation.

General guidelines have been established for all as reference in undertaking their duties with honesty and integrity while such guideline also stipulates the penalties related to misdemeanor. In the past year, No confliction against the Good Corporate Governance was reported.

## Development for Members of the Board and Senior Management

The Company's policy is to support the development of skills for members of the Company's Board, senior management and the Company Secretary by requiring their attendance of seminars of related topics beneficial to the execution of tasks in their various capacities. These include both seminars and courses that have been developed internally and seminars/courses offered by professional institutions such as that of the Thai Institute of Directors (IOD), Listed Companies Association and others. The purpose is for the attendees of such seminars and courses to internalize knowledge and experience which can be applied to improve the Company's overall performance. To build confidence in the board's ability to effectively monitor company performance with opportunities to regularly participate in training and improve knowledge together with facilitating training participation for the board of directors, the Human Resources Department and the company's secretary have been assigned the task of preparing a registry of training participation history for the board of directors and proposed proper training courses for the consideration of each director in order to support the participation of the board of directors in training courses or seminar activities to enhance work-related knowledge. Details of development courses attended by Board members and senior management have been disclosed under the "Management's Information" section along with the "Personnel Development Policy".

### The Board and Senior Management training's in 2018

No.	Name-Surname	Position	2018 Training Courses	
			In-house Training	Public Training
<b>Board</b>				
1.	Mr. Somchao Tanthathoedtham	Director and Chief Executive Officer	Outward mindset	
2.	Mr. Somnuek Tanthathoedtham	Director and Managing Director	Outward Mindset	1. Executive Integrated Medical Management Program, Class no.1 2. Advance Security for Management process, Class no.10 3. Lecturer / RE CU Junior Startup in real estate Class no 17, 18 4. Adviser / Executive Integrated Medical Management Program Class no. 2
3.	Mr. Wichian Silapacharanan	Director and Senior Executive Vice President	Outward Mindset	
<b>Senior Management</b>				
1.	Mr. Rungsarn Nuntakawong	Senior Executive Vice President	Outward Mindset	1. RE-CU CEO PREMIUM, Class No.4
2.	Mr. Warapong Nilsiri	Executive Vice President	Outward Mindset	
3.	Mr. Boonchai Rojpanich	Senior Vice President	Outward Mindset	
4.	Mrs. Nampetch Tantawiriya	Senior Vice President, Human Resource Department	Outward Mindset	1. Digital HR in Digital Business by CP ALL Business 2. Process Innovation Management & Industry Transformation by FTPI 3. Digital Disruption by AIS Academy
5.	Ms. Sumanee Boonsarana	Senior Vice President, Accounting Department	Outward Mindset	1. Cost management to increase value and sustainability, Class no. 16 2. Sales Promotion And Thai Financial Reporting Standards Topic Income from customer contract for the year 2018
6.	Mrs. Ajchara Kingsai	Senior Vice President, Sales Department	Outward Mindset	
7.	Mr. Sanit Leejunthuek	Senior Vice President, Construction Department	Outward Mindset	
8.	Ms. Nongluk Tanthathoedtham	Senior Vice President, President Department	Outward Mindset	



### **Company Secretary**

The Board of Director passed a resolution to appoint Mrs. Porn Tippa Cheewaruangroj to hold secretary office according to the meeting resolution of Board of Directors no.2/2017 on 25 May, 2017, has acted as the Company Secretary since July 1, 2017 to oversee Board activities and assist the Board and the Company in complying with related laws and regulations and in promoting good corporate governance, to oversee the organization of shareholders and Board meetings in conformity with laws and the Company's Articles of Association and procedures, and to oversee the preparation and storage of meeting support documents and follow up to ensure compliance with the shareholders' and Board resolutions. The Company has defined the Secretary's role, duties and responsibilities in the Corporate Governance Policy Manual, as it envisions the importance and necessity of secretary role in the development of its corporate governance system. The Secretary can be reached at porn Tippa.c@ncgroup.co.th, ir@ncgroup.co.th or phone number 02-993-5080-7 ext. 403

### **Required Qualifications and Experience for Company Secretary**

1. Being knowledgeable in and having an understanding of the laws and regulations concerning the company and regulatory body in relation to the law on public limited companies and the law on securities and stock exchange; passing a training course on company secretary duty performance.
2. Being knowledgeable and having an understanding of good corporate governance and corporate governance best practices.

### **Company Secretary's scope of duties and responsibilities:**

1. To produce and keep
  - Record of Directors,
  - Notice of Board of Directors meeting, minutes of Board of Directors meeting and company's annual report,
  - Notices and minutes of all shareholders' meetings.
2. To keep all interest or conflicts of interest report reported by directors or any members of management team.
3. To perform any other action as determined by Capital Market Supervisory Board.

### **Policies and guidelines about anti-corruption**

The Company recognizes the importance in conducting its business with integrity, honesty, morality and ethics by relentlessly working to support and foster anti-corruption mindset in employees at all levels; a step that is deemed essential to a sustainable reputation and business prosperity. as follow:

1. Company understands the importance of corruption and sets policies to operate based on integrity without support for corruption.
2. Company provides guideline in promoting sustainable value of integrity to employees
3. Company assigns internal audit and system development departments to monitor any action that relates to corruption, and prepare preventive actions and penalties.

### Roles and Responsibilities

1. The board of directors determines policy, supervises and monitors the operating results in order to ensure the Company has achieved the Anti-Corruption Policy, as well as reviews the policy to assure compliance with changes of business, regulations, requirements and relevant laws.
2. The Audit Committee inspects and supervises internal control, produces financial reports and other procedures related to anti-corruption measures in order to ensure that all departments have performed with efficiency and compliance with the law and regulations for which have met the good governance principle and code of conduct on business operation.
3. The management has to strictly implement, communicate and promote the policy among employees of all levels and ensure all parties have acknowledged, understood and performed their duty without misconduct or corruption.

### **Complaints**

1. In case that employee suspects any action that is likely to violate the policies or ethics, he can reports to following responsible persons;
  - Supervisor
  - Human Resource Department
  - Board of Directors or secretary
2. Company assigns Human Resource Department to receive external complaints. In case that you suspect any action that is likely to violate ethics, please directly contact
  - Human Resource Department  
N.C. Housing Plc.  
1/765 Moo 17, Soi Amporn, Paholyothin Road  
26<sup>th</sup> Kilometer, Kukot Sub-District, Lumlukka District, Patumthani Province, 12130  
Tel 02 993 5080 - 7 ext. 230  
Email: hrnc@ncgroup.co.th

Therefore, in order to build a corporate culture of good corporate governance, the company has arranged training courses on good corporate governance and company ethics for new employees by requiring new employees to sign affirmations acknowledging compliance with corporate ethics, including the dissemination of news and information on operations and activities related to good governance through various channels to promote continued knowledge and understanding.

## Structure of the Board of Directors

The Company's management structure consists of 5 committees including the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Board of Executive Directors and Risk Management Committee details are as follows:

### Board of Directors

In 2018, the Company's Board of Directors met a total of 6 times. As of December 31, 2018, there were 7 members of the Board of Directors as follows:

1.	Mr. Sudham Chatwalwong	Chairman
2.	Mr. Somchao Tanthathoedtham	Director, Member of the Nomination and Remuneration Committee and Chairman of the Board of Executive Directors
3.	Mr. Somnuek Tanthathoedtham	Director and Executive Director
4.	Mr. Wichian Silapacharanan	Director and Executive Director
5.	Mr. Piboon Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee
6.	Mr. Kobsak Pongponrat	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee
7.	Mr. Vichit Vichaisarn, Asst. Prof.	Director, Independent Director, Member of the Audit Committee

Company secretary: Ms. Pornnipa Cheewaruangroj

**Note:** Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham are members of the Tanthathoedtham Family, the majority shareholders holding 75.75% of the Company's total paid-up shares as of December 31, 2018.

### Scope of Duties and Responsibilities of the Board of Directors

- (1) To manage the Company's business in compliance with the law, the Company's objectives, Articles of Association and resolutions of shareholders in an honest manner and with the aim to maximize benefit to the Company.
- (2) To set goals, guidelines, policies, work plans and the Company's financial budget; to ensure that the Board of Executive Directors and the Senior Management are in compliance with the policies and regulations set by the Stock Exchange of Thailand. However, the following activities will be able to carried out only with the approval of the shareholders' meeting: increasing or decreasing the Company's capital, issuing debentures, selling or transferring the Company's businesses in part or in whole to a third person or vice versa, amending the company's Memorandum of Association, Articles of Association, conducting related party transactions, and the selling or purchasing of major assets following the regulations of the Stock Exchange of Thailand or other government entities.
- (3) Setting appropriate accounting policies, providing financial reporting and reviewing the Company's financial statements to ensure integrity. Assessing the appropriateness and effectiveness of the Company's internal audit and risk management processes along with processes to review performance and modify such processes to obtain the desired results.
- (4) Ensure that there is integrity in business dealings with all Company's stakeholders
- (5) Ensure ethical business operations

- (6) Abide by the fiduciary duties of a publicly listed company's board member in providing a statement on the Board's responsibilities in preparing financial information for disclosure alongside that of the Company's financial auditor's statement in the Company's annual report.
- (7) The Board of Directors may appoint a number of directors and/or the management as it deems appropriate to be the Executive Board of Directors with the authority to manage the Company as assigned by the Company Board of Directors including the assignments and distributions of powers to undertake actions as appropriate for effective management.

### Audit Committee\*

The Company's Board of Directors reached a resolution at the Board meeting 4/2006 on November 6, 2006 to appoint 3 members to the Audit Committee made up of non-executive board members and are independent directors. The appointment took effect on November 7, 2006 and a tenor of 3 years. The Board of Directors Meeting held on November 12, 2018 approved the appointment of the Audit Committee and allowed them to start their works since November 12, 2018 to November 12, 2021.

1.	Mr. Piboon Limpraphat, Ph.D.	Chairman
2.	Mr. Kobsak Pongponrat	Member
3.	Mr. Vichit Vichaisarn, Asst. Prof.	Member

(\* is the name list of qualify and professional Audit Committee. See more details of each member on Directors and Executives topic)

Secretary of the Audit Committee: Ms. Kamonwan Sawadchai

### Scope of Duties and Responsibilities of the Audit Committee

- (1) To review the Company's financial reporting process to ensure accuracy and sufficient disclosure of financial information, by coordinating with the independent financial auditor and senior management, responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest that the auditor review or examine any transactions considered necessary and significant during the audit of the Company's accounts.
- (2) Check the availability, appropriateness, and effectiveness of company's internal control system and internal audit system. Examine how independence of internal audit team and give a recommendation on the appointment, transfer, termination of internal audit department head and any other departments that relevant to internal audit functions.
- (3) To ensure that the Company's business practice is in compliance with the securities and exchange laws, the rules and regulations of the Stock Exchange of Thailand, or related business laws.
- (4) Making considerations, selections, nominations for the appointment of independent person to perform duties as the Company's auditor and proposal on the remuneration for such person by taking into account the reliability, resource adequacy and quantity of the audit workload of such particular Audit Office including the experiences of personnel assigned to audit the Company's accounts as well as attending the meeting with the outsourced auditor without the management attending the meeting, at least once a year. Provided, however, that such person shall have a right to terminate the outsourced auditor if being detected to be deficient in performing duties whereby a proof can be established that such deficiency may cause damage to the Company.

- (5) Examine every detail that is relevant or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand.
- (6) Prepare the annual internal audit report and published in the company annual report. This report must be signed by chairman of the audit committee and must have the following detail:
  - a) The committee's opinion regarding to the accuracy, completeness, and the reliability of the company annual report.
  - b) The committee's opinion regarding to the sufficiency of the company's internal audit system.
  - c) The committee's opinion regarding to the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand, or other business laws compliance.
  - d) The committee's opinion regarding to the appropriateness of the auditor.
  - e) The committee's opinion regarding to issues that may conflict with the company's interests.
  - f) The number of audit committee meetings and participation of each member.
  - g) Add their opinions or observations derived from their field work as written in the charter.
  - h) Any other information that investors should know under committee's duty and responsibility.
- (7) Carry out the assignment given by the board of directors under the permission of audit committee.

During 2018, the Audit Committee held a total of 4 meetings which reported to the Board of Directors with progress reports and reported to Shareholder in the Annual Report

### Nomination and Remuneration Committee

At the Company Board of Directors' Meeting, 6/2017, on 22 December 2017, the Board handed down a resolution approving the consolidation of the Sub-committees to be the same set of the Committee and approving the appointments of 2 independent directors and 1 executive director as a member of the Nomination and Remuneration Committee by fixing the term of office for a period of 2 years effective from 1 January 2018 to 31 December 2019. All 3 directors are:

1.	Mr. Piboon Limpraphat, Ph.D.	Chairman
2.	Mr. Kobsak Pongponrat	Member
3.	Mr. Somchao Tanthathoedtham	Member

Secretary of the Nomination and Remuneration Committee: Ms. Porntippa Cheewaruangroj

### Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

- (1) To draft guidelines and qualifications of candidates to be appointed to the Company's Board of Directors, the various Committees and the Board of Executive Directors.
- (2) To seek and screen persons with qualifications appropriate to be appointed to the Company's Board of Directors, the various Committees and the Board of Executive Directors in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval.
- (3) Draft guidelines for assessing the performance of the Board of Directors, the various Committees, the Board of Executive Directors, the Chief Executive Officer and the Managing Director.

- (4) Determine the level of remuneration for members of the Board, the various Committees and the Board of Executive Directors which includes the monthly remuneration, meeting allowance, annual bonus and other cash and non-cash benefits. The proposal is to be submitted for Board and/or shareholder consideration and approval.
- (5) Determine remuneration for the Chief Executive Officer and the Managing Director which includes the monthly salary, annual bonus and other cash and non-cash benefits to be submitted for Board consideration and approval.
- (6) To make considerations on the Employees Remuneration Policy, both monetary and non-monetary, for submission to the Company Board of Directors for approval.
- (7) To undertake other related activities as assigned by the Company's Board of Directors.

During 2018, the Nomination and Remuneration Committee held a total of 2 meetings which reported to the Board of Directors with progress reports and reported to Shareholder in the Annual Report

### Board of Executive Directors

As of December 31, 2018, there were 4 members of the Board of Executive Directors as follows:

1.	Mr. Somchao Tanthathoedtham	Chairman
2.	Mr. Somnuek Tanthathoedtham	Member
3.	Mr. Wichian Silapacharanan	Member
4.	Mr. Rungsarn Nuntakawong	Member

### Scope of Duties and Responsibilities of the Board of Executive Directors

- (1) To determine rule- and law-abiding policies, directions, strategy and business operations to parallel the business goals set by the Board of Directors.
- (2) To set the Company's organization structure and management authority, which include the nomination, employment, training and layoff of personnel, excluding the Chairman of the Board of Executive Directors and the Managing Director.
- (3) To consider and review the annual budget proposed by the Managing Director before presenting to the Board of Directors for approval.
- (4) To examine and monitor management's adherence to company policies to ensure maximum effectiveness.
- (5) To review and consider the business investment opportunities related to the core business or other businesses before presenting to the Board of Directors for approval.
- (6) To approve plans to obtain loans or advances from financial institutions for the running of normal business operations, for investments, purchasing of properties, land and construction and business operations for an amount not exceeding THB 500 million. If the transaction amount exceeds THB 500 million, it must be presented to the Board of Directors for approval.
- (7) To allocate funds for pension, bonuses or other compensations approved by the Board of Directors.
- (8) To perform other duties assigned by the Board of Directors.

The Board of Executive Directors may delegate financial authority for transactions to senior management as the Board deems appropriate.

Transactions that may have conflicts of interest require that the issue be reviewed as set forth in the Company's guidelines (in line with the regulations of the Company, and the Securities and Exchange Commission) prior to approval of such transactions, except for normal business transactions as clearly stated in the policies regarding connected transactions. The Executive Directors in the position that may lead to a conflict of interest does not have the authority to approve such transactions.

## Risk Management Committee

In 2018, the Company's Risk Management Committee met a total of 4 times which report to Board of Directors. As of December 31, 2018, there were 4 members of the Risk Management Committee as follows:

1.	Mr. Somchao Tanthathoedtham	Chairman of the Risk Management Committee
2.	Mr. Somnuek Tanthathoedtham	Member of the Risk Management Committee
3.	Mr. Wichian Silapacharanan	Member of the Risk Management Committee
4.	Mr. Rungsarn Nuntakawong	Member of the Risk Management Committee

Secretary of the Risk Management Committee: Mr. Warapong Nilsiri

## Scope and Responsibilities of the Risk Management Committee.

- (1) Acknowledging and giving suggestions on the policy, strategy, as well as the direction of risk management of the Company.
- (2) Reviewing and recommending the risk management plan of the Management including the overall picture of risk management process of the Company.
- (3) Acknowledging the important risks and making considerations as to whether the Management has responded appropriately to the risk or not.
- (4) Making follow-ups on the result of implementations in compliance of the organizational risk management framework.
- (5) Performing other duties as assigned by the Company Board of Directors.

## Nomination of Directors and Senior Management Positions

The Nomination and Remuneration Committee was appointed by the Company's Board of Directors to screen persons with suitable qualifications to be appointed to the Independents Director, Board of Directors, the various Committees, Chairman, the Board of Executive Directors, Company's Managing Director and Chief Executive Officer in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval. The Committee must ensure that the selection process is clear and transparent through the screening of persons with the necessary qualifications, expertise of various backgrounds, strong social standing, is a visionary, is an ethical person, is able to make independent contributions and has sufficient time to meaningful contribution to the Company and In consistence with the strategy in the company's business operation.

The Company has arranged to hold an orientation for new directors in order to allow the newly appointed directors to learn more about the Company's business, policy, as well as roles and responsibilities of the Company's directors. Meeting with Chairman of the Board, the board of directors and the sub-committee will be arranged. In addition, important information necessary for the roles of directors will be given, including articles of association, the Company's objectives, code of conduct, a handbook for the directors of listed company, the good governance policy, the Company's organizational structure, laws relating to financial statements, notes to financial statements and the acknowledgement of information on the Company's business operation.

For other management positions within the Company, appointments are made by the Company's Board of Directors based on the Company's guidelines in selecting persons that are able to make meaningful contributions to the Company.

## The Composition and the Appointment of Directors

- (1) The Board of Directors shall compose of at least five Directors, and at least half must be of Thai nationality. Persons appointed to the Board of Directors must possess qualifications as stated in article 68 of The Public Company Act of 1992 and guidelines as set forth by the Securities and Exchange Commission. The qualifications of each candidate are reviewed including their experiences, knowledge and capability for the business, and present the name list to the shareholders' meeting for the final selection.
- (2) At least one third of the Company's Board of Directors must be independent board members.
- (3) At every annual general shareholder's meeting, one third of the Directors has to retire. If the number of Directors cannot be divided exactly by three the number closest to one third shall be retired.

Directors to retire in the first two years following the registration of the Company shall retire by a draw. In every subsequent year, the Directors who have been in the office for the longest term shall retire. A retired director is eligible for being re - elected.

- (4) The election of Directors will be voted at the shareholders' meeting under the following conditions and procedures:
  - (4.1) The number of individual's vote equals to the number of shares s/he is holding.
  - (4.2) Each individual's vote can be cast to vote for one or more nominees but the vote cannot be divided to preferred nominees.
  - (4.3) After the vote, the nominated persons shall be ranked in descending order from the highest number of votes received to the lowest and shall be appointed as Directors in that order. The number of newly elected Directors must equal to the number of the vacating Directors. If two or more Directors are eligible for the same seat and earn the same number of votes, the Chairman has the power to make the final decision as to who will be elected.
- (5) In case of vacancy on the Board of Directors other than through retirement by rotation, the Board of Directors shall elect any person who is qualified and is not subject to prohibition under laws governing public companies as a substitute Director at the next Board meeting by a vote not less than three quarters of the number of Directors remaining, unless the remaining term of the said director is less than two months. The substitute director shall hold the position only for the remaining term of the director he replaces.
- (6) A resolution may be passed at the shareholders' meeting to remove directors from office prior to retirement by rotation, by a vote not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half the number shares held by shareholders attending the meeting and having the right to vote.



## Board Members' Qualifications

- (1) Each board member shall possess knowledge and capability, vision, honesty and integrity. Each member must possess high ethical standards, must possess a clean and transparent record of previous responsibilities and must have sufficient time to make meaningful contributions to the Company.
- (2) Each board member must possess the qualities and must not have been disqualified in relation to the guidelines set forth for publicly listed companies and/or any other applicable laws and regulations
- (3) Board members may serve as a board member for other Companies as long as such positions will not hamper the board member from fulfilling his/her duties as a member of the Company's board.
- (4) Board members must not operate, be partner in or be a shareholder in any business entity that operates in the same industry as that of the Company or is a competitor of the Company unless such position is disclosed to shareholders at the shareholders' meeting prior to the appointment to the Company's board.
- (5) The qualification of an independent director is similar to that of a member of the Audit Committee which complies with the Stock Exchange of Thailand's guidelines regarding the qualifications and responsibilities of members of the Audit Committee. The independent director's responsibility is to ensure that the interests of all shareholders are upheld. The independent directors are also to be allowed to freely provide thoughts and comments at Board meetings.

## Definition of Independent Committee

Independent Committee is a committee that none of its member works in the same business, related businesses as company. So they can make their own decisions independently.

### Each independent director shall comply with the following rules:

- (1) holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
- (3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary company;
- (4) neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculat-

ed according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- (5) neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- (6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- (7) not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;
- (8) not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;
- (9) not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

The Company Board of Directors prescribes the definition of the independent directors to be in accordance with the Regulations of the Stock Exchange of Thailand and in the Notification of the Capital Market Supervisory Board Governing the Granting and Permission on the Offerings of Newly Issued Shares.

### **The Appointment of Members of the Board of Executive Directors**

The Company's Board of Directors has the power to appoint members of the Board of Executive Directors.

### **The Appointment of Members of the Audit Committee**

The Board of Directors and/or the shareholders' meeting are responsible for appointing members of the Audit Committee by appointing at least three individuals whose qualifications meet the minimum requirement as stipulated by the Stock Exchange of Thailand and each appointed member has a three-year tenure.

### **The Appointment of Members of the Nomination and Remuneration Committees**

The Board of Directors appoints at least 3 members to each of the Nomination and Remuneration Committees with the majority of the members being Independent Directors and has a term of 2 years.

## Corporate Governance in Subsidiary and Associated Companies

To comply with the corporate governance principle that enables control, management and operation of subsidiary and associated companies and to maintain the benefit of Company's investment, the Company assigned its authorized person to represent the Company in the boards of its subsidiary and associated companies in proportion to its shareholding according to the Company's regulations. Also, the Company's authorized persons in the boards of such subsidiary and associated companies shall play a part to set up important policies for business operation.

## Remuneration for the Company's Financial Auditor

- Audit fee: The remuneration for the Company's financial auditor for their auditing work for the accounting period as follows.

Company Name	Amount (Baht)
N.C. Housing Plc. (NCH)	1,190,000
N.C. Property Management Co., Ltd. (NCPM)	30,000
Quality Living Management Co., Ltd. (QLM)	66,000
<b>Total</b>	<b>1,286,000</b>

- Non-audit fee: The Company and its subsidiaries compensated the Company's financial auditor for services including transportation fees for the accounting period as follows.

Company Name	Amount (Baht)
N.C. Housing Plc. (NCH)	19,610
N.C. Property Management Co., Ltd. (NCPM)	831
Quality Living Management Co., Ltd. (QLM)	776
<b>Total</b>	<b>21,217</b>

## Internal Information Control



Company applies corporate governance in managing internal data, thus identifying operating guidelines for Board of Committee, management, and employee regarding the use of internal data (Insider Trading) which are not supposed to be publicly exposed for personal interest. The guidelines include **“Policy to expose information technology, Management Manual, Employee Manual, Company Ethics”** Main contents are as follows;

- Directors, senior management and employees need to report their stock ownership along with their spouses' ownership and under aged children's stock ownership. Penalties under the Securities and Stock Exchange Act 1992 section 275, and those under the Stock Exchange of Thailand have been informed to directors, executive directors, and senior management.
- Require Directors, executive directors and senior management to report any change of their Company stock ownership, according to the section 59, to the Securities and Exchange Commission and the Stock Exchange of Thailand. And the report copy must be sent to the Company.
- Establish **“Executive Manual”**, aiming that the executives make use of the fundamental information in compliance with regulations and rules required by the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). They include executive's qualification, role and responsibility, internal data policy, security holding reporting, personal data reporting, and disclosure policy. This is to enable the executives follow it correctly and ensure that the company operates performance system equitably and transparently to all shareholders and stakeholders.
- As stipulated in both the Company's employee handbook and that of the Company's code of ethics, the Company's board members, management and staff are prohibited from making any purchase or sale transaction of the Company's shares in the event that such person(s) has access to information that may have significant bearing on the Company's share price one month prior to the release of such information and 48 hours post the release of such information to the general public. Internally, the Company has distributed reminders concerning the prohibition of disclosing such critical information to all its board members, management and staff.
- Complaints
  1. In case that employee suspects any action that is likely to violate the policies or ethics, he can reports to following responsible persons;
    - Supervisor
    - Human Resource Department
    - Board of Directors or secretary
  2. Company assigns Human Resource Department to receive external complaints. In case that you suspect any action that is likely to violate ethics.

During 2018, Board of Directors, senior management and employees do not have the offense.



## Corporate Social Responsibilities



In 2018, the company had the policy concerning the support of environment, society and public activity either run by company itself or cooperated with public sector and local community. Moreover, we also supported local activity where we settled our business including put a high effort on building a quality house and developed our work process. In order to create CSR in Process, we developed the so called “Precast”, a readymade construction system, to help decreasing noise and dust pollution and traffic congestion around the construction site. Furthermore, the company also issued the magazine called “NC Happy Home” for project members to publicize company’s information and others useful knowledge. Moreover, the Company is committed to acting as a good citizen by complying with all relevant laws and regulations. Company has been aware of the importance of honest, fair, and ethical business operations for sustainable growth and increase of value and maximum return for all stakeholders.

## Business Philosophy

### Vision

To be a leading real estate company with a variety of international standard and high -quality goods and services, using modern management and technology to expand its business through domestic and international cooperation

### Missions

- Planning good investment and business expansion
- Developing product and service development
- Focusing on customer satisfaction and maximizing return for all stakeholders
- Building personnel and teams
- Applying reliable systems and good practices to the management
- Building a network of work and business

### Practices of Social Responsibility

#### 1. Policy and Treatment of Business Partners and Creditors

- **Conflict of Interests**

The Company has a policy to supervise its directors, management, and staff members to prevent them from exploiting their position in the Company to seek personal gains.

- **Responsibility to Shareholders**

The Company has a policy to use integrity, fairness, ethics, morality and transparency in business operations for sustainable growth to increase economic value and highest return on investment to its shareholders in the longrun, by taking account of the right and equitability of shareholders.

- **Policy and Treatment of Oneself**

All employees are considered a critical success factor of the organization; thus, it is essential for them to regularly seek knowledge and develop competency, and adhere to disciplines and ethics.

- **Policy and Treatment of the Company**

The Company would like all employees to take part in sustainable development and growth of the Company as well as to create a good culture within the organization.

- **Policy on Treatment of Business Partners**

The Company has a policy to treat its business partners fairly and equitably, taking account of common interests and based on fair benefits generated by both sides. Any situations that may lead to conflict of interests shall be avoided.

- **Policy on Treatment of Creditors**

The Company shall keep all its promises and perform in accordance with the terms and conditions agreed with its creditors for the repayment of principal and interest, as well as keeping all collaterals in good condition

- **Policy and Treatment of Trade Competitors**

The Company has a policy of free and fair competition which is against monopoly and does not require its business partners to sell their products to the Company only. It has no policy to and will not acquire information about its competitors by any illegal or unethical methods.

- **Policy and Treatment of Independent Auditor**

The Company is aware of the importance of independent auditors who are used by shareholders as a mechanism to examine performance of the management as well as to verify correctness and completeness of financial reports. The Company has a policy to fully cooperate with the auditors by providing them with accurate and complete information and facilitating them in carrying out the audit.

- **Policy and Guidelines on Breach of Copyrights and Intellectual Properties, and Use of Information and Communication Technology**

The Company stresses the importance of proper use of copyright materials, intellectual properties, information technology and communication by strict adherence to the law, moral and ethical standards.

## 2. Policy and Guidelines on Corruption

The Company recognizes the importance in conducting its business with integrity, honesty, morality and ethics by relentlessly working to support and foster anti-corruption mindset in employees at all levels; a step that is deemed essential to a sustainable reputation and business prosperity as follows:

- The Company realizes the importance of and has a policy to promote the employees' integrity, as well as does not encourage an act of corruption.
- The Company has determined a procedure to constantly encourage the employees to work with integrity.
- The Company has formed the Audit and System Development Department as a section to investigate any acts that may lead to corruption and has also determined proper guidelines of protection and penalties.
- Company showed the intention to join the Collective Action Coalition of Thailand private sector to anti-corruption according to the meeting resolution of Board of Directors no.6/2014 on 25 December, 2014.

## 3. Policy and Guidelines on Human Rights

The Company vows to treat all employees fairly and without discrimination and is committed to offer equal employment opportunities for all. Any form of discrimination, whether based on nationality, religion, race or gender, is strictly forbidden and an explicit ban on the use of any child or forced labor is observed at all time. Welfare and compensation for employees are determined based on the following guideline:

- The Company has a policy to strictly comply with the principles of human rights and will not support any acts in relation to violation of the human rights.
- The Company will enhance the employees' knowledge and understanding on principles of human rights in order to enable them to apply to their work correctly and properly.

## 4. Fair Employee Treatment

### Policy and Treatment of Employees

Realizing that the employees are the most valuable assets and critical success factor of the Company, The Company has a policy to treat its employees fairly, either in terms of opportunity, remuneration, appointment, transfer, or continuous training and development to enhance their performance potential and career path. The following regulations shall be adhered to:

- Treat all employees with politeness and respect for individuality.
- Provide all employees with fair remuneration.
- Consider the employment, promotion and transfer as well as rewarding and punishment of all employees in a fair manner based on ethical standards and human resource management for the highest benefits of the Company.

- Provide all employees with equitable and regular opportunities to enhance their knowledge, competency and capabilities for their duties.
- Maintain regularly safe working environments for the life and property of employees.
- Foster a good work culture and atmosphere.
- Listen to sound opinions and recommendations of the employees.
- Adhere strictly to labor laws and regulations.
- Avoid any unfair acts that may affect occupational security of the employees or threaten and pressure their mental health.

#### **Administration of Employee Remuneration and Benefits**

Always valuing its employees, the Company has a policy to provide remuneration and benefits that support and improve the living standard of employees and their family members, as well as creating incentives and motivation to work as follows:

- The Company offers fair and appropriate remuneration based on job position and responsibility as well as the Company's performance.
- The Company constantly revises employee remuneration and benefits to remain at the competitive standard in the industry.

#### **5. Policy and Treatment of Customers**

Customer satisfaction and consumer confidence are very important to the Company, which aims to provide high quality goods and services at reasonable prices, and maintain a good and long-term relationship with the customers. The Company has thus determined the following guidelines:

- Deliver high quality goods and services, which meet or exceed customers' expectation, at reasonable prices.
- Provide complete and accurate disclosure of all information pertaining to its products and services without any distortion, which may cause any misunderstanding of the quality or any conditions of the products to the customers.
- Comply fairly with all agreements and conditions made with the customers.
- In case of failure to comply with any conditions, the Company shall give the customers an advance notice to jointly find solutions.
- Communicate with customers politely and efficiently, and provide a system and process to allow customers to file complaints regarding quality of the products or services, as well as respond to customer demands quickly and efficiently.
- Directors, management, and staff members shall not disclose any information on customers without prior permission from those customers or authorized persons of the Company unless such information is requested by third parties in accordance with the provisions of law.

#### **6. Policy and Guidelines on Safety, Occupational Health and Environment**

The Company is committed to safety, occupational health and protecting the environment by conducting its business in strict compliance with regulatory requirements, while constantly evaluating impacts on environment. The guidelines are as follows:

- Comply with laws and regulations regarding safety, occupational health and environment
- Conserve and maintain working environment for highest level of safety to the lives and the livelihoods of all employees



- Promote, educate and train employees on environment conservation and raise awareness for an effective and efficient use of natural resources among employees.
- Promote efficient use of natural resources and design and develop more environment-friendly products.

## 7. Community participation and development

The Company strives to grow and prosper in a sustainable matter following our business strategy and, at the same time, gives back to the society, communities and environment. The company believes that a strong relationship amongst people living within a community is the basis for a good society.

- To this end, the Company supported a number of events in and around the communities of the Company's projects including charitable events and providing support for relief efforts of those affected by natural disasters.

- Project to Enhance and Develop Youth -The Company would like to see children growing up in a healthy environment where they are given the opportunity not to only think but also act upon their thought by supporting the following projects:

- Education - With educational support being at the core of its emphasis, the Company's activities to support this area include:

## 8. Innovation and Disseminations.

Innovation and technology play a very important role in nowadays' society due to the needs of conveniences and raising level of the quality of life for the betterment. The Company understands and knows what the villagers or customers are wanting. So, attention is paid to every detail of the products and services by firmly striving for quality home construction and making developments in every working process in order to create developments in products and services based principally on the customers' needs. Technology is adopted for use to increase comfort and raise the quality of living and services to enable the customers to receive the best thing. The company has continuously developed products and services to meet new demands simultaneously with the development of the quality system by applying the ISO system for use. We are the first Company to adopt this ISO system for use and are currently developing the quality system under ISO 9001: 2015 to develop products and services for much better quality which, in this respect, the Company has joined hands with partners such as SCG to study and apply innovative designs that are eco-friendly to develop the products and services which are Smart Homes, Eco Homes, and Care Homes for use in residential design development because the Company recognizes the importance of promoting the innovation for housing, responding to the needs of customers who take into account the energy consumptions. At present, SCG's home cooling system has been tested to pleasantly cool home environment with the Active Airflow System. The equipments to be attached to homes will function to push hot air inside and pull it up to the upper floor and then transfer it to the roof hall which is a system to help suitably adjust home temperature. The air circulation system will function as a natural air conditioner for homes. This system will be installed along with a small solar cell to power the exhaust fan without depending on the electricity. This innovation responds to the new generations who care for energy consumptions. Such a concept is piloted at Thanyathani Home on Green Project.

Nevertheless, the Company has still continued to develop home designs to meet the needs of the elderly society in the near future. The designs also take into account the integration of every generation in the same home. In addition, the Company has as well adopted the IT system for use in the developments of the quality of products and services within the organization. Those include Real Estate ERP, MANGO and the addition of LINE @ system to respond quickly to the customers' needs in the after-sales service as well.

**Note:** The detail on the Company's CSR activities can be found in Sustainability Report 2018.

## Social Activities:

### The aspects of Education and Learning Skills;

- “NC Scholarship 2017” Program.

Educational scholarships were presented to good conduct students lacking financial supports, in Bachelor Degree level of the Faculty of Architecture and Faculty of Engineering, University of Technology, Rajamangala Thanyaburi, which was the continuous scholarship presentation until completing the Bachelor Degree. At present, there are 27 scholarship students which 19 of them have already graduated. Such program is implemented to enhance Thai youths to grow up to be personnel of real estate profession line both being smart and good people.



- Continuing activity on “Creating Smart, Good People for Community Program”.

The Company is firmly determined to focally place the emphasis on a happy coexistence under the slogan, “A Happy Living Community” by beginning from the developments of children and youths in the areas around the Projects. We therefore organize activities in conjunction with the schools in Bangkok and its perimeter by holding admonishing trainings and doing activities in the activities, “Creating Smart, Good People for Community Program” conducted by NC voluntary employees in conjunction with Thammasart University with the aim to instill the systematically thinking process in the positive direction in the younger generation youths; melt their mental developments to be righteous people in leading their lives with public awareness; create them to be persons of good leadership and good followers having the emotion maturity; creating interactive between them; providing assistances and supports to one another which is yet another activity to further creation good foundation to the society, N. C. community and good citizen of the country. School students participating in the “Creating Smart, Good People for Community Program” were evaluated and that Certificate of Achievement was presented to them on 30 May 2018 at Klong 5 school, Pathum Thani.



• **NC Family Workshop Activities:**

A variety of ideas are selected to open new skills and concepts in doing family activities together or even increasing the opportunity to interact with each other through the workshops whether planting the auspicious trees, dyed tied fabrics making, decorative patterns on multi-purpose wooden boxes and, more special, that in 2018, we have a concept of more health care. Members are therefore encouraged to learn how to take care of themselves through the selections of food cooked by themselves with a simple menu that can easily be prepared as well as introducing the making of healthy recipe salads and herbal drink menu or homemade healthy spreads which are suitable for spreading on breads in the rush morning.



• **NC Family Trip Activities - Farm Day Fun Day**

At the Father's Home of the Sufficiency Economy Learning Center, Phra Nakhon Si Ayutthaya Province.



Cultural tourism activities and sufficiency economy learning and sightseeing tours of the area and the management of the new theoretical agriculture in accordance with the royal initiative of His Majesty King Bhumibol Adulyadej Boromnat Bophit are conducted in order that the knowledge learned can be adjusted for use as guidelines for each family. Members have all fun with the activities from local wisdom, such as weaving carps from palm leaves, planting rice, seeing the demonstrations on making Roti Saimai (Thai cotton candy burrito pancake) and inviting customers to dress with Thai fabric as appropriate to create colorful atmosphere in doing the activities.

## Social and Community Aspect.

Activities on Creating Family and Community Relations Including Tradition and Cultural Promotions.

In 2018, the guidelines for conducting the social activities on the part of the Customer Relations Department had focused on building relationships in families and communities to be more intimate, enhancing new learning skills including maintaining activities on tradition and cultural promotions.

- **Merit Making Activities by Offering Foods to Monks on New Year's Day and National Children's Day, 2018.**

Activities for children and the families were organized to enable children and family members to have fun with various activities and performances which included the storytelling and hand puppet shows, winning the prizes with various game booths, enjoying a variety of face painting styles together with filling up stomachs with a variety of snacks available for choosing from many menus.



- **Loy Krathong Day Activities.**

Continuing the beauty of Loi Krathong tradition with Krathong (Floating Cups) making activity from the environmentally friendly natural materials in order to encourage everyone to pay attention on the environment together with providing facilitations on the place so that our members could join the Loy Krathong together with warmth of the whole family.





- **Computer Donation Activities.**

Investor Relations Department and Office of the Managing Director jointly donated the unused computers with equipments to Phra Dabos Foundation under His Majesty the King's Initiative Project that has the purpose to help the disadvantaged lacking funds for pursuing educations, having no occupation nor basic knowledge sufficient to continue their studies in professional institutions, but, are willing and interested in pursuing education with serious perseverance to be able to receive the opportunity for professional and moral training in order that they can be engaged in carrying on honest occupations, building own self and making a living to help families, societies and nation under the Computer Program for Children in accordance with the Company's Policy that foresees the importance in providing supports to corporate social activity (CSR), especially, the promotions on and supports to young people in remote areas who are in need to receive educational opportunities which eventually leading the Company to jointly participate in donating the unused computers with equipments to Phra Dabos Foundation, on 18 May 2018.



## Internal Control & Risk Management



The Company Board of Directors has assigned the Audit Committee to verify and assess the internal control system and monitor controls over the operations of the Audit Section and system development directly in order to enable the Committee to perform their duties in conducting the audit independently on the assessment of the sufficiency of the internal system existing in such working system including the compliance with the rules, regulations relating to the Company's business operations. In addition, we have contracted a consultancy company: namely; ANS Business Consultants Co., Ltd., to perform duties to audit working process in accordance with the Audit Plan 2018 which have already been approved the Company's Board of Director and to report the result of the audits directly to the Audit Committee.

Audit Committee had reviewed the internal audit system and found no significant flaws in the process. The results are congruent with the recommendation from company's auditor. So, the Audit Committee approved that NCH had sufficient, efficient and effective internal control system. There were some recommendations to improve overall performance of the company from internal audit consultant which were already done by the company.

## 1. Organizational Control

- 1.1 The company's corporate infrastructure gives importance to establishing corporate infrastructure that supports internal control systems and corresponds with the regulations in compliance with good governance principles, whether in terms of the infrastructure for the company's board of directors, audit committee, executive committee, committee for consideration of remuneration, recruitment committee or system auditing and development department.

Board of director appointed executive directors and also appointed 3 independent directors to be audit committee. Executive directors would have a meeting monthly. Board of directors would have a meeting quarterly. Audit committee would have a meeting with Internal Audit and System Development and Internal Auditor quarterly.

- 1.2 The company provides the organizational structure and environment that boosts the internal control effectively, formulates the organization-level strategies, business goal, annual plan, KPIs plan for each department/project, and communicates the management policy to the executives and all employees as practices. KPI committee was to review and to examine all departments' KPIs to make sure that all KPIs suited the situation as well as company's policy.
- 1.3 To achieve company mission and respond to stakeholders, society and public sector, the company had set the business ethics of board of directors, executives, and all personnel in doing their duties honestly, loyally and morally. Social activity is partial strategy in management. The employees' compensation policy has been set forth consistently with the company's profits. The company also provides and encourages training and educating for knowledge and competency improvement, cheer-up and encouragement that employees cooperatively work to achieve the organization's goal as whole.
- 1.4 To control internal flow of documents and quality of work, company implemented ISO and set the standard operation procedures for finance, procurement, and general administration.

## 2. Risk Assessment

The company has set risk management policy and established a risk management work committee to consider annual risk management operational plans together with setting risk management issues as main agendas for every quarterly meeting of the company's board of directors in order to assure that sufficient risk management measures have been taken and that the aforementioned measures are at a suitable level.

### Risk Management Policy:

1. The Risk Management Work Committee has duties and responsibilities as set forth in overall risk management policy, which must cover key risks and the arrangement of risk assessment schedules, the setting of risk indicators and the preparation of reports about risks in line with the risk management process practiced by the company.
2. The risk management work plan must correspond with the policy and strategies set forth by the company with ability to assess and oversee the magnitude of the company's risks remains at a suitable level.
3. Sufficient review of risks by the risk management work plan, including the effectiveness of the system and practice in compliance with set policy.
4. Practice in compliance this risk management policy requires strict and continual adherence under the control of the company's board of directors and the company's management department.

### 3. Operation Control

- 3.1 Chart of Authority of all management levels were already implemented and redesigned the organization structure to enable cross-controlling system.
- 3.2 The company provides planning and KPIs performance report on monthly basis, and strategy review is made biyearly. Reported the KPI results and reviewed plans and goals every 6 months.
- 3.3 Company operates its business under the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand as well as other relevant laws such as Consumer Protection Act, Environmental Laws, City Plan Act, etc. The meeting also stipulated that consideration be given to related business transactions as a main agenda in the meetings of the board of directors every quarter in order to assure that the company had already given proper consideration to the aforementioned transactions in the maximum interests of the company, shareholders and stakeholders.

### 4. Information technology and communication systems:

- 4.1 The company improves the information technology reporting system through Enterprise Resources Planning (ERP) to ensure of the accuracy and speediness in performing duties and reporting data that supports the executive's decision. Additionally, the company is seeking for reducing cost, improving performance, and provides the customers with maximum satisfaction.
- 4.2 The organizational structure constitutes of a work unit that is responsible for internal and external communication and update information accurately and completely available to the Investor Relationship and Public Relationship, and having the PR billboard and company's message billboard installed in visual place
- 4.3 The company has set policy and guidelines about not violating copyrights, intellectual property and the use of information technology and communications in writing as a guideline for controlling the efficiency of the company's information technology and data communications.
- 4.4 Submitting the meeting agenda and concerned documents 7 days prior to the meeting is the company's rule.
- 4.5 Top management is responsible for company information technology.

### 5. Follow up System

- 5.1 Management meeting had been held at least once a month to review all projects' performance. Company used sub-meeting to consider and solved any problems as well as report the progress of all projects.
- 5.2 Performance and quality evaluation were done by quality management team and Internal Audit and System Development periodically as planned.
- 5.3 The company has established channels of complaints for suspicious incidents or actions are noticed concerning the abovementioned violations or failure to comply with professional ethics (details appearing under the topic of corporate governance)



## >> Internal Audit Supervisor and Corporate Governance Supervisor

The Audit Committee has appointed ANS Business Consultants Co., Ltd. to be the Company's auditor. ANS Business Consultants Co., Ltd. has assigned Mr. Amornpong Nualwiwat to be the responsible auditor for the Company.

The Audit Committee has reviewed the qualifications of ANS Business Consultants Co., Ltd. and Mr. Amornpong Nualwiwat and agreed that they have the appropriate qualifications to work in the position because of their independence and internal audit experience. The Company also set up the Audit and System Development Department to coordinate with the audit Company.

Also, the consideration, approval, appointment, removal, and transfer of the Company's internal audit supervisor must be done through the Audit Committee.



## Audit Committee's Good Corporate Governance Report

### To Shareholders,

The Company Board of Directors has announced the Corporate Governance Policy since 24 February 2006 and has determined to review, update it regularly every year to be in compatibility with the development of Corporate Governance Principles by the Stock Exchange of Thailand in order to cause the creation of the system that provides the structure and process of the relationships among the Board of Directors, Management and shareholders. The business is overseen to be carried on in an appropriate direction as it should be by having measures on checking and balancing as well as on the use of resources for maximum benefit in order to create competitiveness which will lead to growth and value addition to shareholders in the long-term as well as building confidence in the shareholders, investors and related parties in conducting the business of the enterprise.

The Company's concept of the Corporate Governance Policy is based on the basic principles of good corporate governance in relation to the transparency, honesty responsibility for the performances in accordance with the duty and competitive ability as well as providing care and supports to the Management and employees to carry on their work carefully with the ethics in doing business properly and righteously by dividing it into 5 sections;

- Section 1 Board of Directors
- Section 2 Shareholders' rights and equality
- Section 3 Disclosure of information and Transparency
- Section 4 Risk Management and Control
- Section 5 Ethics

Audit committee was appointed to be a subcommittee by Board of Directors in their meeting. Subcommittee was an independent mechanic in balancing the power of management. Internal audit department and system development department reported the efficiency of the existing control system to the audit committee. They also supported to make continuously self audit happened in all levels of the company. This would build an audit culture and control environment. Then employee participation followed. Participated employees would keep or improved this audit system. Good audit system impacted directly to human resource development and was important fundamental to company's efficiency and effectiveness improvement.

Mr. Piboon Limpraphat, Ph.D.

**Chairman of the Audit Committee**



## Audit Committee's Report

### To Shareholders,

N.C. Housing Public Company Limited's Audit Committee was appointed by the Company's Board of Directors on November 7, 2006 for a period of 3 years. The Audit Committee is made up of 3 Independent Directors possessing qualities as stipulated by the Stock Exchange of Thailand (SET) along with the guidelines relevant to the Audit Committee. Members of the Audit Committee include:

- |               |                         |          |
|---------------|-------------------------|----------|
| 1. Mr. Piboon | Limpraphat, Ph.D.       | Chairman |
| 2. Mr. Kobsak | Pongponrat              | Member   |
| 3. Mr. Vichit | Vichaisarn, Asst. Prof. | Member   |

The Board of Directors Meeting no.5/2018 held on November 12, 2018 approved the appointment of the Audit Committee and allowed them to start their works since November 12, 2018.

Activities were undertaken as per the given responsibilities by the Company's Board of Directors and as per the responsibilities stipulated in the Audit Committee's Charter, which parallels the guidelines as stipulated by the SET.

In 2018, the Audit Committee met total of 4 times which includes three persons who had series of meetings with audit committee group of NC N.C. Housing Public Company Limited with the attendance of senior management, the internal audit's external consultant, Head of Internal Audit and System Development and the Company's financial auditor as necessary. Key activities undertaken for the year include:

1) Reviewed the Company's quarterly and full year financial statements for fiscal year 2018. To provide a level of confidence that the Company and its consolidated financial statements have been prepared in accordance with generally accepted accounting principles with sufficient and complete disclosure of financial information. The review is also to ensure that the disclosure is with integrity and review transactions between the Company and its subsidiaries and that of related party transactions or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand or other laws which are liable to company policies .

2) Reviewed and approved the annual internal audit plan and ensured the adherence to the approved audit plan and make necessary adjustments to better risk control with the changing risk resulting from the change in operating environment. Made recommendations to improve effectiveness of the internal audit process while approval was given to further clarify the guidelines outlining the Department's responsibilities and duties.

3) Reviewed and assessed the effectiveness of the Company's internal control process and sufficiency of the company's internal audit system through the audit reports made by internal audit's external consultant and the Internal Audit Department's reports. The Committee oversaw the ongoing development of the internal control process and assessed the Company internal control process in accordance with the internal control sufficiency form used to minimize the risk of any mishaps. Ensured the compliance with both the Committee's resolutions and also that of the Board of Directors' resolutions.

4) Reviewed the policies and risk management procedures along with the progress of managing such risks as submitted by senior management on a quarterly basis to ensure confidence that the Company's risks have been minimized to an acceptable level.

5) Reviewed the effectiveness of the Company's good corporate governance by ensuring transparent information disclosure and follows the laws as stipulated by the guidelines of the Securities and Exchange Act. which it is announce of SEC, SET and Laws related to business operations.

6) Reviewed and performed a self-assessment in relation to the Audit Committee's Charter and in line with guidelines stipulated by the SET.

7) Reviewed the re-appointment Consider, select, and propose and remuneration of Dharmniti Auditing Company Limited as the Company's financial auditors to be submitted for Board review before submitting for shareholder approval at the Company's 2018 AGM.

8) To undertake other related activities as assigned by the Company's Board of Directors.

The Company's Audit Committee believes that the Company's internal audit process is sufficient, appropriate and provides a level of confidence in the integrity of the Company's financial statements in its totality and this report approved by Audit Committee meeting on 27 February, 2019.



(Mr. Piboon Limpraphat, Ph.D.)

**Chairman of the Audit Committee**



## Nomination And Remuneration Committee's Report

### To Shareholders,

The Nomination and Remuneration Committee of NC Housing Public Company Limited is appointed by the Company Board of Directors. The Committee consists of 2 non-executive and independent directors and 1 executive director with the Committee Chairman being the independent director. At present, the Nomination and Remuneration Committee consists of 3 directors having the duties as follows:

1. Mr. Piboon Limpraphat, Ph.D. Chairman
2. Mr. Kobsak Pongponrat Member
3. Mr. Somchao Tanthathoedtham Member

In 2018, the Nomination and Remuneration Committee undertook activities in accordance with responsibilities bestowed upon the Committee by the Company's Board of Directors and according to the Nomination and Remuneration Committee's Charter. The Committee held a total of 1 meetings and all 3 members of the Committee were present. A report was provided to the Company's Board of Directors per the Committee's decisions and undertakings.

1. Making considerations on the nomination of qualified directors for submission to the Company Board of Directors for considerations on the appointment to hold the posts of directors to replace the directors who retire by rotation in 2018.
2. Making considerations on the nomination of qualified directors to hold the posts in the Company Board of Directors for proposing to the Board of Directors to make considerations for approval to submit to the Shareholders Annual General Meeting for further approval.
3. Making considerations on the nomination of qualified directors suitable to be the Subcommittee members for submission to the Company Board of Directors for further considerations on the appointments as appropriate.
4. Making considerations on the structure and the remuneration rates of the Company Board of Directors, Subcommittee, Chief Executive Officer and the Managing Director of the year 2018 for submission onto the Shareholders Ordinary Meeting for approval (Mr. Somchao Tanthathoedtham abstained to cast his vote in this matter due to the reason of being a stakeholder).
5. Making considerations on the draft report on the performance of the Nomination and Remuneration Committee for the year 2018 to submission to the Company Board of Directors and shareholders in the Annual Report.
6. Making considerations on the self-assessment of the entire Board as defined under the Charter of the Nomination and Remuneration Committee and good practice guidelines of the Stock Exchange of Thailand.

In 2018, the Nomination and Remuneration Committee executed its duties with due care, to the best of each member's ability, independently and transparently for the appropriate benefit of the Company, shareholders and stakeholders.

(Mr. Piboon Limpraphat, Ph.D.)

**Chairman of Nomination and Remuneration Committee**

## Related Parties Transactions



Summary of related party transactions and transactions with persons with potential conflicts of interest for fiscal year 2018 as noted by the financial auditor in the notes to the financial statements are as follows:

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
1. Mr. Somchao Tanthathoedtham	Director, Member of the Remuneration Committee, Chairman of the Board of Executive Directors, Chief Executive Officer and major shareholder of the Company holding 1.88% of shares as of December 28, 2018	The Company borrowed funds from Mr. Somchao Tanthathoedtham at an interest rate of 5.75% per annum - Balance, beginning of year - Outstanding borrowings during 2018 - Refund during 2018 - Ending balance at December 31, 2018 - Interest payable	16.90 1.50 (18.40) 0.00 0.00	The Company borrowed funds from Mr. Somchao Tanthathoedtham to support its operating cash and increase liquidity. The interest rate paid is benchmarked to commercial bank's MLR.
2. NCH 2555 Holding Co., Ltd.	Chief Executive Officer and major shareholder of share 2 of the same directors: Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham	The Company borrowed funds from NCH 2555 Holding Co., Ltd. at an interest rate of 5.75% per annum - Balance, beginning of year - Outstanding borrowings during 2018 - Refund during 2018 - Ending balance at December 31, 2018 - Interest payable	276.00 51.10 (98.10) 229.00 7.14	The Company borrowed funds from NCH 2555 Holding Co., Ltd. to support its operating cash and increase liquidity. The interest rate paid is benchmarked to commercial bank's MLR.

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
3. Sap Namchai Pattana Co., Ltd.	<ul style="list-style-type: none"> <li>NCH 2555 Holding Co., Ltd. major shareholder and others within the Tanthathoedtham group hold 100% shareholding in Sap Namchai Pattana Co., Ltd.</li> <li>The Company and Sap Namchai Pattana Co., Ltd. share 2 of the same directors: Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	<p>The Company rented land from Sap Namchai Pattana Co., Ltd. in the amount of THB 55,000 per month.</p> <ul style="list-style-type: none"> <li>- Total rental fee</li> <li>- Ending balance</li> </ul>	<p>0.66</p> <p>0.66</p>	<p>The Company rented 11 rais of land from Sap Namchai Pattana Co., Ltd. contracted for 3 year since Jan. 1, 2016 to Dec. 31, 2018 (in the amount of THB 660,000 baht since Oct, 2016 – Dec 2016) for use as a sales office, mock-up models and parking lot for the Baan Pha Piyarom project because it is convenient for customers to visit.</p>
4. Namchai Golf Management Co., Ltd./ Engaged in the business of providing Golf course management services	<ul style="list-style-type: none"> <li>NCH 2555 Holding Co., Ltd. major shareholder, and others within the Tanthathoedtham group hold 100% shareholding in Namchai Golf Management Co., Ltd./ The Company and Namchai Golf Management Co., Ltd. share 2 of the same directors: Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	<p>Acquisition of golf membership cards for holding marketing promotions, the price of which is the market price.</p> <ul style="list-style-type: none"> <li>- Total purchases</li> <li>- Account Payable</li> </ul>	<p>0.58</p> <p>0.10</p>	<p>Acquisition of golf membership cards for holding marketing promotions, the price of which is the market price.</p>

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
5. S.C. Construction and Decoration Co., Ltd. (SC) / Supplier of Construction Material	<ul style="list-style-type: none"> <li>Mr. Namchai Tanthathoedtham, the Ex - Chairman, Mr. Somchao Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Director and major shareholder, and Mrs. Nongluck Tanthathoedtham, major shareholder holds 94.98% in SC</li> <li>The Company and SC share 2 of the same directors</li> <li>Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	Construction materials were purchased from S.C. Construction and Decoration Co., Ltd. <ul style="list-style-type: none"> <li>- Total purchases</li> <li>- Account Payable</li> </ul>	0.005 0.002	<ul style="list-style-type: none"> <li>The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arms length basis.</li> <li>Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited service if necessary.</li> </ul>
6. Sathaporn Wattana Trading Co., Ltd. / Supplier of Construction Material	<ul style="list-style-type: none"> <li>Mr. Namchai Tanthathoedtham, the Ex - Chairman, Mr. Somchao Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Mr. Wichian Silapacharanan, Mr. Rungsarn Nuntakawong, Director and major shareholder, and others within the Tanthathoedtham group hold 100% shareholding in Sathaporn Wattana Trading Co., Ltd.</li> <li>The Company and Sathaporn Wattana Trading Co., Ltd. share 2 of the same directors:</li> <li>Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	Construction materials were purchased from Sathaporn Wattana Trading Co., Ltd. <ul style="list-style-type: none"> <li>- Total purchases</li> <li>- Account Payable</li> </ul>	13.61 3.22	<ul style="list-style-type: none"> <li>The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arms length basis.</li> <li>Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited</li> </ul>



Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
7. Precast Station Co., Ltd./ Manufacturer of Precast Concrete	<ul style="list-style-type: none"> <li>Mr. Pasakorn Jeadsadaranggoon, Precast Station Co., Ltd.'s Director, the kinfolk of (Mr.Somchao Tanthathoedtham Director, Member of the remuneration Committee, Chairman of the Executive Board, Chief Executive Officer and major shareholder of the Company holding 1.88% of shares as of December 30, 2017)</li> </ul>	<ul style="list-style-type: none"> <li>Precast Station Co., Ltd. rented land from the Company for use as a office in the amount of THB 20,000 – 40,000 per month. <ul style="list-style-type: none"> <li>- Total rental fee</li> </ul> </li> <li>The Company hired Precast Station Co., Ltd., contractor by price agreed upon <ul style="list-style-type: none"> <li>- Total rental fee</li> <li>- Account Payable</li> </ul> </li> </ul>	0.72	<ul style="list-style-type: none"> <li>Precast Station Co., Ltd. rented land from the Company for use as a manufacturer of Precast Concrete office contracted for 3 year (June. 1, 2016 to May. 31, 2019)</li> <li>The Company hired Precast Station Co., Ltd., contractor by Price agreed upon</li> </ul>

**Note:** 1. Items 1, 2, 3 and 4 are standalone transactions and occur irregularly  
2. Items 5, 6 and 7 are transactions performed on a regular basis

\* Mr. Namchai Tanthathoedtham passed away on October 2, 2007

Manager of legacy Mr. Namchai Tanthathoedtham

- Mr. Somchao Tanthathoedtham
- Mr. Prasit Tanthathoedtham
- Mr. Somnuek Tanthathoedtham
- Mr. Sujin Tanthathoedtha

## Necessity/Appropriateness of Related Party Transaction and Report from the Audit Committee

The Audit Committee has reviewed the related party transactions for the accounting period ending December 31, 2018 and perceives that the transactions are of necessity and is within reason to provide the Company and shareholders with maximum benefit. The terms and conditions specified for the contracts are on the same basis as other individuals or businesses and such transactions were not for the transfer of benefits between the Company and its subsidiaries or individuals.

## Approval Process for Related Party Transactions

With unanimous decision, the Company's Board of Directors' resolution relating to related party transactions or transactions with persons who may have conflicts of interest with the Company is for each issue to be approved by the Board of Directors with the attendance of the Audit Committee to ensure fairness, appropriateness and arms length pricing of these transactions putting the Company's interest in the forefront. Board members are prohibited from voting on issues deemed to be in conflict of interest. Loans to persons deemed to have conflicts of interest are also prohibited. Policies and guidelines as set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) are strictly observed by the Company.

## Policies or Guidelines on Related Party Transactions

There are 5 types of related party transactions:

1. Normal transactions of the Company

Policies towards transaction such as the purchasing of construction material, the sales of units in development projects and the purchase of land are for transactions to be done at arms length, which are comparable to market prices used as reference. The best price, terms and conditions must be sought for the Company and its subsidiaries and must be submitted for approval by the Audit Committee in regards to adherence to the Company's procedures and guidelines. Upon receiving clearance from the Audit Committee, the matter is then submitted to the Board of Directors for final approval.

2. Supporting transactions for the Company's normal business

Supporting transactions of the Company's normal business include sub-contracting a related company to manage communities of developed projects or to construct pre-sales units.

3. Short-term renting and rental of land

Land rental for temporary establishment of a sales office for the Baan Pha Piyarom project.

4. Transactions related assets or services

The outsourcing of gardening care to the Company's subsidiary

5. Financial support

Financial support comes in the form of borrowing funds from sister companies, borrowing funds from persons who may have conflicts of interest, and having commercial banks issuing letters of guarantee on the Company's subsidiary's behalf for government entities. Comments from the Audit Committee are sought for the appropriateness and of such transactions. Input from independent experts or the Company's financial auditor is sought for transactions for which the Audit Committee may have difficulty in assessing the appropriateness of such transactions. Such inputs from specialists are taken into consideration by the Board of Directors or shareholders upon making decisions.

To make the process of purchasing land for the Company's future projects transparent, the Board of Directors has made it a policy that land title to be purchased for future projects will be in the name of the Company. No persons related to the Company may hold title to the pieces of land to be purchased by the Company. However, should there be need to purchase such pieces of land from a related person, the process must be submitted for the Audit Committee, the Board of Directors and shareholders' approval while observing both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)'s established guidelines.

All future related party transactions that may occur must abide by the guidelines as established by both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Internal Audit Department will undertake checks through random sampling to ensure the integrity of such transactions. The findings of the Internal Audit Department should be made to the Audit Committee at the next meeting. The Company also discloses all related party transactions in the notes to the financial statements section of the financial disclosure reviewed by the Company's financial auditor. Such disclosure is to ensure compliance with generally accepting accounting practice and such information is also disclosed in the Company's annual 56-1 report and annual report (56-2).



# Management Discussion and Analysis

## Overall Summary of the Company's Operations

The Company's full scale property development business includes residential and condominium development, property project management and community management. Currently all of the Company's revenue is derived from its property development business.

The Company holds 99.99% stakes in each of its 2 subsidiaries - The first is N.C. Property Management Co., Ltd. provides comprehensive project management services including sales and marketing, construction, title transfer, undertaking rehabilitation projects and the co-management of assets with the land owner. The second is Quality Living Management Co., Ltd. provides community management services for various property projects and condominiums post title transfer.

As of December 31, 2018, the Company and its subsidiaries launched a total of 13 property development projects and a total of 7 projects are during development and future development with 68.85% or 9,375.98 million baht backed by sales contracts.

## Operations Analysis

### 1. Revenue

Revenue earned by the Company for fiscal year 2018 totaled million 1,782.19 baht, reflecting a 22.32% increase from the previous year's 1,456.96 million baht, Due to sell and transfer of Chatuchot land ownership.

Of the Company's revenue which is derived from property development, the largest proportion of revenue is derived from the sale of landed residential units. The proportion of revenue derived from sales, service and other income for 2018 were 97.4%, 1.3% and 1.4%, respectively as compared to revenue derived from sale, service and other income were 97.8%, 1.4% and 0.8% in 2017.

#### Revenue Breakdown

Revenue	Operated	2018		2017		2016	
		THB mn.	%	THB mn.	%	THB mn.	%
Sales Revenue	NC	1,735.3	97.4	1,425.1	97.8	1,401.7	97.6
Service Revenue	QLM*	22.3	1.3	21	1.4	20.6	1.4
Other Revenue**	NC, NCPM*, QLM*	24.7	1.4	10.9	0.8	13.7	1.0
<b>Total Revenue</b>		<b>1,782</b>	<b>100.0</b>	<b>1,457</b>	<b>100.0</b>	<b>1,436.0</b>	<b>100.0</b>

**Remark** \* The Company hold a 99.99% stake in NCPM and QLM

\*\* Other Revenue: Rental fees, fees for altering contracts, interest receivables, gain from sales of assets and Other non-core business transaction form a large part of the Company's other revenue.

NC: N.C. Housing Plc. / NCPM: N.C. Property Management Co., Ltd / QLM: Quality Living Management Co., Ltd.

## Sales Revenue

In 2018 proportion of single detached houses, duplexes, townhouses and condominium were 42.8%, 12.0%, 14.2%, 11.2% and Vacant land were 20.3% respectively as compared to the proportion of single detached houses, duplexes and townhouses for the previous year 2017 were 57.3%, 10.8%, 15.2% and 16.8% respectively.

### Sales Revenue by Type of Residential Units

Type	2018		2017		2016	
	THB mn.	%	THB mn.	%	THB mn.	%
Sales Revenue :						
Single Detached Houses	735.6	42.4	816.5	57.3	508.8	36.3
Duplexes	207.6	12.0	153.2	10.8	205.4	14.7
Townhouses	245.6	14.2	216.3	15.2	291.9	20.8
Condominium	194.2	11.2	239.1	16.8	395.7	28.2
Vacant land	352.3	20.3	-	-	-	-
<b>Total Sales Revenue</b>	<b>1,735.2</b>	<b>100.0</b>	<b>1,425.1</b>	<b>100.0</b>	<b>1,401.7</b>	<b>100.0</b>

The proportion of the Company's revenue earned on sales of pre-built units, semi-pre-built units and pre-sales units for 2018 were 99.09%, 0.91% and 0% respectively while compared to last year's 95.3%, 1.9% and 2.8% respectively.

### Sales Revenue by Customer's Payment Preference

Type	Down Payment Installment	% of Sales Revenue		
		2018	2017	2016
1. Pre-built units	(0-2 Payments)	99.09	95.3	77.8
2. Semi Pre-built units	(3-6 Payments)	0.91	1.9	2.9
3. By order units	(> 7 Payments)	0.00	2.8	19.3
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>

A large proportion of the Company's sales revenue is derived from the sale of landed residential units at the Company's project: Baanfah Greenery Pinklao-Sai5, Baanfah Piyarom Niva (P.14), NC Royal Pinklao, Natureza North Pattaya Condominium P.2, NC on Green Charm, Baan Pha Piyarom Lake Grande (P.13), Baan Pha Greenery Pakkred-Ratchapruak, Baan Pha Piyarom Tendo (P.1) projects constituting 80.4% and from condominium project as 19.6% of total sales revenue.

#### Revenue from Projects Sales

Project	2018		2017		2016	
	THB mn.	%	THB mn.	%	THB mn.	%
Baan Pha Green Park, Pracha Uthit	-	-	-	-	-	-
Thanyathani Home on Green 2	-	-	15	1.1	-	-
NC Royal Pinklao	56.7	2.7	235.6	16.5	113.8	8.1
NC on Green Charm	170.0	8.0	130.9	9.2	74.5	5.3
Baan Pha Greenery North Pattaya	-	-	-	-	9.6	0.7
Baan Pha Piyarom Terre (P.12)	-	-	2.4	0.2	110.9	7.9
Baan Pha Piyarom Lake Grande (P.13)	128.5	6.1	110.69	7.8	57.7	4.1
Baan Pha Piyarom Niva (P.14)	244.6	11.5	235.7	16.5	282.7	20.2
Baan Pha Greenery Pinklao-Sai5	465.3	21.9	237.3	16.7	285.2	20.3
Baan Pha Greenery Pakkred-Ratchapruak	136.5	6.4	86.6	6.1	71.6	5.1
Baan Pha Piyarom Tendo (P.15)	280.3	13.2	74.1	5.2	-	-
Baan Pha Townee Donwai	224.5	10.6	153.5	10.7	-	-
Natureza North Pattaya Condominium (P.1)	21.0	1.0	11.5	0.8	140.3	10.0
Natureza North Pattaya Condominium (P.2)	290.0	13.7	80.1	5.6	200.6	14.3
Diamant Condominium	103.6	4.9	51.8	3.6	54.8	3.9
<b>Total</b>	<b>2,121.0</b>	<b>100.0</b>	<b>1,425.1</b>	<b>100.0</b>	<b>1,401.7</b>	<b>100.0</b>

#### Rental income and service revenue

Rental income and service revenue derived from property investment and the operation of the Quality Living Management Co., Ltd, a subsidiary, which provides the services of community management for housing and condominium project after residing. In 2018, the company earned 22 million baht rental income and service revenue.

#### Other Incomes

In 2018 the company earned 24.68 million Baht other incomes.

## 2. Cost

The Company and its subsidiaries' cost of sales earned for the year 2018 totaled THB 1,161.05 million, increase from the year 2017 totaled THB 941.28 million or increase of 219.77 million baht, 23.35 percent

## 3. Expenses

### Sales and Administrative Expenses

In 2018, the company and its subsidiaries' selling expenses amounting to 209.68 million baht, increase of 18.02 million baht, or 9.40% from 2017. The major reason is specific business tax, transfer fee and selling expenses were increased.

The Company and its subsidiaries' administrative expenses amounting to 174.85 million baht, increase of 4.63 baht million, or 2.72% from 2017 as a result of personnel costs were increased.

### Financial Costs

The Company' financial costs was decreased 21.02 million baht or 26.38%. Because the decrease in loans from financial institutions and loans from other companies.

### Tax expenses

The Company and its subsidiaries' tax expenses was increased 15.96 million baht or 868.84% from the year 2018. Because of in the year 2017 the Company' posted a net profit increased.

## 4. Net Profit

In 2018, the Company made a net profit of 96.30 million baht. When compared with the 2017 net profit of 24.01 million baht, the Company' net profit increased by 72.29 million baht, or 301.05%. Because the Company' sales was increased 325.23 million baht or 22.32%. Due to sell and transfer of Chatuchot land ownership

## 5. Shareholder Wealth

Earnings per share (EPS) for 2018 was at 0.077 baht and return on equity (ROE) at 3.72% as compared to the previous year's EPS at 0.015 baht and ROE at 0.96% in 2017

## Financial Status

### 1. Assets

As of December 31, 2018 the company's total assets stood 4,249.63 million baht, which was a 515.59 million baht or 10.82% decrease from 2017. Because of inventory was decreased.

#### 1.1 Inventory

Inventory in the form of property for sale was stated at cost or the net value that the Company is likely to receive whichever is lower. Asset stated at cost reflects the cost of land acquisition plus cost in land development, construction cost and other directly related cost including interest expense. As of December 31, 2018 as compared to the same period in 2017 inventory was 311.75 at million baht versus 486.36 million baht or constitutes 7.34% and 10.21% of total assets respectively. The Company had inventory release management policy to reduce the interest cost and improve the operating liquidity in core projects such as Diamant Condominium and Natureza Condominium, The transfer was completed gradually during the period.

### 1.2 Land Held for Development and Property Development Cost

As of December 31, 2018 the Company is total property development cost and land held for development 3,551.81 million baht (37.60% and 45.98% of total assets) decreased 491.91 million baht or 23.54% from 2017.

### 1.3 Property, Building and Equipment Net

Land and property for office use along with club house owned by the Company in residential projects forms the largest proportion of the Company's property, building and equipment. As of December 31, 2018, the Company's property, building and equipment net stood at 106.71 million baht declined from 117.76 million baht posted a year earlier constitutes 9.39% of total assets for 2017 and 2.47% of total assets for the year earlier. The decline in asset value was mostly the result of depreciation.

## 2. Asset Quality

### 2.1 Asset

Upon review of the Company's asset value, should there be any event or change in condition which puts integrity of asset value into question, the Company will immediately expense the loss on the asset value.

### 2.2 Accounts Receivables

Income from housing estate sales with land and income from the sales of condominiums is perceived as income when there are transfers of risks and returns which were already significant in the ownership of buyers as of 31 December 2018. The Company has trading debtors before deducting allowances for doubtful debts amounting to 1.0 million baht from the real estate and community management businesses. At the same time, as of 31 December 2017, the Company had debtors before deducting allowances for doubtful debts amounting to 1.0 million.

Trade Accounts receivables of 1.0 million baht is not considered to be a significant sum and bears little impact on the Company's financial performance. The Company will issue contact letters to follow-up on accounts that have been delinquent for over 2 months. The responsible department will work with the delinquent account owner(s) to resolve all outstanding debt. A loss reserve has also been set aside based on the Company's historical loss rate.

## 3. Liquidity

The Company's cash is derived mainly from the revenue on sale of landed residential units and asset backed credit line from financial institutions. As of December 31, 2018, the Company's cash and cash equivalents totaled 29.22 million baht, which is an 7.50 million baht increase from the previous year. Details on cash movement are as follows:

As of 31 December 2018, the Company had net cash used in business operation amount to 723.79 million baht, an increase of 246.55 million baht or 51.66% from 2017.

The net cash used in investment activities amounted to 4,522.74 million baht, an increase of 4.13 million baht, or 47.71%, from 2017, from the ability to repay the debt even more.

Net cash income in financing activities in the amounting of 711.76 million baht, because the loans form the financial institutions.

The liquidity rate decreased from 3.64 times in 2017 to 2.83 times in 2018 due to decreased current liabilities by 495.86 million baht, or 11.27%, from inventory decrease of 174.61 million baht, or 35.90% and land held for development was decreased by 491.91 million baht or 23.54 % from 2017.



## Sources of Funds

### Appropriate Capital Structure

#### 1. Liabilities

As of December 31, 2018, the company has total liabilities of 1,663.99 million baht, decreased from the amount as of December 31, 2017 by 611.89 million baht, or decrease of 26.89%, because Short-term and Long-term loans from the financial institutions, loans from Directors and Payables to related parties were decreased.

Which the current liabilities increased by 71.79 million baht, or increase of 5.48%, because short-term loan from the financial institutions increased by 249.31 million baht or 170.63% and short-term loans from Directors and Payables to related parties increased by 13.90 million baht or 82.25%

Debt/Equity ratio decreased by 0.64 times in 2018 to 0.91 times in 2017

#### 2. Shareholder's Equity

As of December 31, 2017, the Company's shareholder's equity totaled 2,489.34 million baht which is a 3.87% increase from last year's 2,585.64 million baht

#### 3. Legal reserves

In 2018 the company allotted 1.1 million Baht legal reserves, resulting that as of December 31, 2018, the legal reserves shown in the company's financial statement accounted for 74.15 million Baht (5.95% of registered capital)

#### 4. Commitment and Contingent Liabilities

- The Company has entered into lease for the commercial buildings, sale office building, land and other services. As at December 31, 2018, the Company is obligated to pay the rent and service as follows: Payable within: 1 year 2.68 Million Baht and payable within 2 to 3 years 3.35 million baht.

- As at December 31, 2018, the Company had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties, 173.94 million baht including guarantees for electricity, water and others amount 12.93 million baht and guarantees fund for maintenance to public utilities amount 161.01 million baht.

- As at December 31, 2018, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to 0.65 million baht and gasoline amounting to 0.20 million baht.



## Board of Directors' Duties on Financial Disclosure

### To The Shareholders

As a publicly listed company on the Stock Exchange of Thailand (SET), the Company's Board of Directors understands the importance of ensuring integrity in information disclosure and ensuring complete, transparent, sufficient disclosure of the Company's financial statements. Such disclosure observes generally accepted accounting principles with discretion observed on the suitability, appropriateness and circumspect of accounting principles, which is applied on a consistent basis. Such robust accounting guidelines also serve to protect against fraud or abnormal transactions where due consideration was given in determining the appropriateness and comprehensiveness of guidelines to best reflect the Company's true financial performance.

The Company's Board of Directors appointed the Audit Committee with members including Independent Directors with qualifications as stipulated by the SET and was charged with the responsibility to oversee that the financial and operating information provided by the Company maintains integrity and is sufficient and to report its findings and suggestions to the Company's Board of Directors. The Committee is also responsible for the transparent, correct and complete disclosure of information regarding related party transactions and transactions that may have conflicts of interest. Ensuring a comprehensive risk management system, a robust internal audit process and a comprehensive and appropriate corporate governance policy along with having an effective assessment process on abiding with all applicable legal guidelines and that of the SET are all part of the Audit Committee's responsibility. A report by the Audit Committee has been provided in the Company's 2018 annual report.

The Company's Board of Directors believes the Company's overall internal audit process to be sufficient and should provide a level of comfort that the Company's financial statements and the consolidated financial statements for the period ending December 31, 2018 for which the Company's Audit Committee, Company's management and the Company's financial auditors have reviewed and audited to be correct, complete, appropriate and employs generally accepted accounting principles and abides by all applicable laws and related guidelines.

(Mr. Sudham Chatwalwong)

**Chairman**

(Mr. Somchao Tanthathoedtham)

**Chief Executive Officer**



# Report And Consolidated Financial Statements and Separate Financial Statements

## INDEPENDENT AUDITOR'S REPORT

To **The Shareholders and Board of Directors of  
N.C. Housing Public Company Limited**

### Opinion

I have audited the consolidated financial statements of N.C. Housing Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of N.C. Housing Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of N.C. Housing Public Company Limited and its subsidiaries as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of N.C. Housing Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

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

### Project cost estimate

- **Risk**

The Company is engaged in real estate business with projects in Bangkok and other provinces. It sells detached house, twin house, townhouse and condominium. The Company has to prepare the project cost estimate which consists of land cost, cost of construction, cost of borrowing, and cost of public utility to prepare individual land plot cost estimate, calculate inventory and recognize cost of sale for the transferred plot. Such estimate is complicated and requires significant judgment in estimating the cost of borrowing and cost of public utility. These require the assumptions is estimating the cash flow receipt and payment throughout the project as well as experience in building the public utility in the past. I paid special attention in the preparation and review of the project cost estimate in accordance with the requirements of the financial reporting standards because it is significant to the financial statements as at December 31, 2018. According to the consolidated financial statements, the Company's inventory amounted to Baht 311.75 million (see Note 9) and cost of land development Baht 1,597.71 million (see Note 10)

totaling Baht 1,909.46 million or 45.00 percent of total assets. For the year ended December 31, 2018, the Company recognises cost of sale in the amount of Baht 1,161.05 million or 69.60 percent of total expense.

- **Risk response**

Regarding my audit approach on such matter, I have considered the reasonableness of the assumption and the method used by the management in calculating the project cost estimate and reviewing the estimate regularly by auditing the supporting evidence which represents the best estimates of the management, especially the forecast of cash flow receipt and payment estimates throughout the project period in order to prepare the borrowing cost estimate and utilities construction information to prepare the central utilities cost estimate. In addition, I have compared the actual cost with such estimates. I have given importance to the adequacy of the information disclosure of the accounting policy regarding the use of judgment and significant accounting estimates in Note 5.20 in the notes to the financial statements.

### **Other Information**

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.

**Dharmniti Auditing Company Limited**

Bangkok, Thailand

February 27, 2019



(Mr. Peradate Pongsathiansak)

**Certified Public Accountant**  
**Registration No. 4752**



# THE STATEMENTS OF FINANCIAL POSITION

## N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As At December 31, 2018

### ASSETS

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	29,218,701.62	21,714,361.81	26,623,080.12	19,752,661.50
Short-term investments	8	945,822.90	939,105.87	706,153.78	701,558.01
Trade accounts receivable		-	64,200.00	-	-
Short-term loan to related parties	6	-	-	-	55,000,000.00
Inventories	9	311,754,062.17	486,362,416.24	311,754,062.17	486,362,416.24
Property development costs	10	1,597,713,904.42	2,089,623,894.45	1,597,713,904.42	2,089,623,894.45
Land held for development	11	1,954,095,684.81	1,793,634,688.71	1,880,688,125.81	1,720,227,129.71
Other current assets	6, 12	11,816,538.47	9,069,547.30	11,860,906.48	15,227,267.28
Total current assets		3,905,544,714.39	4,401,408,214.38	3,829,346,232.78	4,386,894,927.19
<b>NON-CURRENT ASSETS</b>					
Deposit pledged as collateral	13	9,241,903.52	9,156,986.60	9,241,903.52	9,156,986.60
Investment in subsidiaries	14	-	-	71,864,497.95	11,864,497.95
Investment property	15	194,085,729.74	204,099,866.45	194,085,729.74	204,099,866.45
Property, plant and equipment	16	106,705,098.29	117,764,699.12	106,698,380.14	117,733,310.77
Intangible assets	17	4,764,199.37	5,751,581.58	4,764,199.37	5,751,581.58
Withholding tax		11,178,273.67	17,989,884.03	10,988,898.33	17,753,926.40
Deferred tax assets	26	14,095,140.39	4,935,861.59	12,373,567.83	3,214,289.03
Other non-current assets		4,011,905.36	4,113,624.36	4,011,905.36	4,113,624.36
Total non-current assets		344,082,250.34	363,812,503.73	414,029,082.24	373,688,083.14
<b>TOTAL ASSETS</b>		<b>4,249,626,964.73</b>	<b>4,765,220,718.11</b>	<b>4,243,375,315.02</b>	<b>4,760,583,010.33</b>

Notes to financial statements form an integral part of these statements

# THE STATEMENTS OF FINANCIAL POSITION (CONT)

## N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As At December 31, 2018

### LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
CURRENT LIABILITIES					
Bank overdrafts and short - term loans					
from the financial institutions	18	456,424,790.85	404,185,123.84	456,424,790.85	404,185,123.84
Trade notes payable		24,301,426.51	48,970,139.77	24,301,426.51	48,970,139.77
Trade accounts payable and other payable	19	59,113,730.58	85,714,256.91	59,107,730.58	85,714,256.91
Payable to related parties	6	39,738,055.52	42,640,694.10	41,355,320.57	44,284,709.15
Accrued expenses	6	36,348,984.21	38,227,949.00	35,371,981.40	37,111,819.31
Corporate income tax payable		9,013,835.54	-	9,013,835.54	-
Current portion of liabilities under					
the finance lease agreement	20	1,070.00	820,867.71	1,070.00	820,867.71
Current portion of long-term loan from					
the financial institutions	21	395,424,412.59	146,110,632.70	395,424,412.59	146,110,632.70
Short-term loan from other company	22	48,161,777.52	162,125,422.40	48,161,777.52	162,125,422.40
Short-term loan from related parties	6	230,000,000.00	276,000,000.00	229,000,000.00	276,000,000.00
Short-term loan from the director	6	3,000,000.00	16,900,000.00	-	16,900,000.00
Advance received from customers		3,076,657.00	5,855,873.37	3,076,657.00	5,855,873.37
Retention from contractors		74,043,498.74	81,795,521.38	73,784,853.41	81,536,876.05
Other current liabilities		3,004,890.45	520,586.85	2,914,263.10	441,725.23
Total current liabilities		1,381,653,129.51	1,309,867,068.03	1,377,938,119.07	1,310,057,446.44

Notes to financial statements form an integral part of these statements

# THE STATEMENTS OF FINANCIAL POSITION (CONT)

## N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As At December 31, 2018

### LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
	Note				
NON-CURRENT LIABILITIES					
	20	-	14,445.57	-	14,445.57
	21	162,292,556.34	879,590,301.05	162,292,556.34	879,590,301.05
	23	55,789,238.00	38,008,941.00	54,111,667.00	36,904,041.00
	24	19,527,351.90	16,255,358.69	19,527,351.90	16,255,358.69
	25	42,740,740.00	32,146,940.00	39,198,150.00	28,604,350.00
		1,985,592.00	-	1,985,592.00	-
		282,335,478.24	966,015,986.31	277,115,317.24	961,368,496.31
TOTAL LIABILITIES		1,663,988,607.75	2,275,883,054.34	1,655,053,436.31	2,271,425,942.75
SHAREHOLDER'S EQUITY					
Share capital					
Authorized share capital					
		1,245,284,305 ordinary shares			
		of Baht 1.00 each	1,245,284,305.00	1,245,284,305.00	1,245,284,305.00
Issued and paid-up share capital					
		1,245,283,691 ordinary shares			
		of Baht 1.00 each	1,245,283,691.00	1,245,283,691.00	1,245,283,691.00
		Premium on share capital	577,530,000.00	577,530,000.00	577,530,000.00
Retained earnings					
	27	Appropriated - legal reserve	74,150,000.00	69,150,000.00	74,150,000.00
		Unappropriated	688,674,665.98	597,373,972.77	691,358,187.71
		Other components of equity	-	-	-
		Total equity attributable to company's shareholders	2,585,638,356.98	2,489,337,663.77	2,588,321,878.71
		Non-controlling interests	-	-	-
TOTAL SHAREHOLDER'S EQUITY		2,585,638,356.98	2,489,337,663.77	2,588,321,878.71	2,489,157,067.58
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,249,626,964.73	4,765,220,718.11	4,243,375,315.02	4,760,583,010.33

Notes to financial statements form an integral part of these statements





# THE STATEMENTS OF COMPREHENSIVE INCOME

## N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2018

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
REVENUES	6				
Sales		1,735,259,801.00	1,425,065,047.04	1,735,259,801.00	1,425,065,047.04
Rental and service income		22,252,087.68	20,976,132.10	16,963,887.68	16,708,932.10
Other income		24,680,602.39	10,918,141.27	26,137,410.45	14,048,061.41
Total Revenues		1,782,192,491.07	1,456,959,320.41	1,778,361,099.13	1,455,822,040.55
EXPENSES	6				
Cost of sales		1,161,053,504.71	941,283,625.15	1,161,053,504.71	941,283,625.15
Cost of for rent and service		21,061,744.39	21,320,390.52	17,102,785.31	17,214,146.28
Selling expenses		209,683,932.56	191,659,072.07	209,683,932.56	191,659,072.07
Administrative expenses		174,845,808.13	170,219,489.01	172,754,413.27	168,738,310.57
Management benefit expenses		42,788,614.54	32,138,963.05	42,788,614.54	32,138,963.05
Finance costs	31	58,661,939.70	79,682,490.55	58,016,783.78	79,646,190.55
Total Expenses		1,668,095,544.03	1,436,304,030.35	1,661,400,034.17	1,430,680,307.67
Income (loss) before tax expenses		114,096,947.04	20,655,290.06	116,961,064.96	25,141,732.88
Tax expenses (income)	26.3	17,796,253.83	1,836,861.35	17,796,253.83	1,836,861.35
Profit (loss) for the year		96,300,693.21	18,818,428.71	99,164,811.13	23,304,871.53
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains (loss) from post-employee benefit, net of income tax					
Items that may be reclassified subsequently to profit or loss		-	5,193,695.60	-	4,951,385.60
Total comprehensive income for the year		96,300,693.21	24,012,124.31	99,164,811.13	28,256,257.13
Profit (loss) attributable to					
Shareholders' equity of the parent company		96,300,693.21	24,012,124.31	99,164,811.13	28,256,257.13
Non-controlling interests		-	-	-	-
		96,300,693.21	18,818,428.71	99,164,811.13	23,304,871.53
Total comprehensive income attributable to					
Shareholders' equity of the parent company		96,300,693.21	24,012,124.31	99,164,811.13	28,256,257.13
Non-controlling interests		-	-	-	-
		96,300,693.21	24,012,124.31	99,164,811.13	28,256,257.13
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY	32				
Profit (loss) for the year (Baht per share)		0.077	0.015	0.080	0.019

Notes to financial statements form an integral part of these statements

# THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

## N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2018

In Baht

Note	Consolidated Financial Statements							Non-controlling interests	Total
	Shareholders' equity of the parent company								
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of equity	Total			
		Appropriated legal reserve	Unappropriated						
Balance as at January 1, 2017	1,245,283,691.00	577,530,000.00	68,050,000.00	574,461,848.46	-	2,465,325,539.46	-	2,465,325,539.46	
Appropriated - legal reserve	-	-	1,100,000.00	(1,100,000.00)	-	-	-	-	
Stock dividend	-	-	-	-	-	-	-	-	
Comprehensive income	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	18,818,428.71	-	18,818,428.71	-	18,818,428.71	
Other comprehensive income for the year	-	-	-	5,193,695.60	-	5,193,695.60	-	5,193,695.60	
Total comprehensive income for the year	-	-	-	24,012,124.31	-	24,012,124.31	-	24,012,124.31	
Balance as at December 31, 2017	1,245,283,691.00	577,530,000.00	69,150,000.00	597,373,972.77	-	2,489,337,663.77	-	2,489,337,663.77	
Appropriated - legal reserve	-	-	5,000,000.00	(5,000,000.00)	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	
Comprehensive income	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	96,300,693.21	-	96,300,693.21	-	96,300,693.21	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	96,300,693.21	-	96,300,693.21	-	96,300,693.21	
Balance as at December 31, 2018	1,245,283,691.00	577,530,000.00	74,150,000.00	688,674,665.98	-	2,585,638,356.98	-	2,585,638,356.98	

Notes to financial statements form an integral part of these statements

# THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Cont.)

## N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2018

	In Baht					
	Separate Financial Statements					
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Total	
Note			Appropriated legal reserve	Unappropriated	Other components of equity	
Balance as at January 1, 2017	1,245,283,691.00	577,530,000.00	68,050,000.00	570,037,119.45	-	2,460,900,810.45
Appropriated - legal reserve	27	-	1,100,000.00	(1,100,000.00)	-	-
Dividend paid		-	-	-	-	-
Comprehensive income		-	-	-	-	-
Profit for the year		-	-	23,304,871.53	-	23,304,871.53
Other comprehensive income for the year		-	-	4,951,385.60	-	4,951,385.60
Total comprehensive income for the year		-	-	28,256,257.13	-	28,256,257.13
Balance as at December 31, 2017	1,245,283,691.00	577,530,000.00	69,150,000.00	597,193,376.58	-	2,489,157,067.58
Appropriated - legal reserve	27	-	5,000,000.00	(5,000,000.00)	-	-
Dividend paid		-	-	-	-	-
Comprehensive income		-	-	-	-	-
Profit for the year		-	-	99,164,811.13	-	99,164,811.13
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	99,164,811.13	-	99,164,811.13
Balance as at December 31, 2018	1,245,283,691.00	577,530,000.00	74,150,000.00	691,358,187.71	-	2,588,321,878.71

Notes to financial statements form an integral part of these statements



## THE STATEMENTS OF CASH FLOWS

### N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2018

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) for the year	96,300,693.21	18,818,428.71	99,164,811.13	23,304,871.53
<b>Add</b> (less) Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities :				
Depreciation and amortization	23,642,941.28	26,301,303.52	23,618,272.08	25,314,463.38
Unrealized gain from trading securities	(3,341.89)	(4,104.86)	(3,341.89)	(4,104.86)
Allowance for declining in value of inventories	671,397.16	-	671,397.16	-
(Gain) loss from sale and amortization of fixed assets	(104,765.36)	-	(30,000.00)	-
Transferred fixed assets to the juristic person of housing estate	2,442,718.66	5,875,239.61	2,442,718.66	5,875,239.61
Loss from declining value of property, plant and equipment	514,675.08	280,924.56	514,675.08	-
Loss from written-off withholding tax	15,902.31	-	-	-
Gain from written-off accounts payable and accrued expenses	(11,211,351.49)	-	(11,211,351.49)	-
Provision for compensation for housing estate juristic persons	3,271,993.21	1,753,217.42	3,271,993.21	1,753,217.42
Employee benefit expenses	16,622,645.00	4,005,104.00	16,085,882.00	3,839,509.00
Interest income	(1,600,823.13)	(3,306,482.93)	(1,595,860.93)	(3,300,626.23)
Interest expenses	58,661,939.70	79,682,490.55	58,016,783.78	79,646,190.55
Tax expenses (income)	17,796,253.83	1,836,861.35	17,796,253.83	1,836,861.35
Income from operating activities before changes in operating assets and liabilities	207,020,877.57	135,242,981.93	208,742,232.62	138,265,621.75
Decrease (increase) in operating assets				
Trade accounts receivable	64,200.00	(64,200.00)	-	-
Inventories	173,936,956.91	136,512,076.30	173,936,956.91	136,512,076.30
Property development costs	536,063,253.09	240,000,028.56	536,063,253.09	240,000,028.56
Land held for development	(135,297,531.79)	-	(135,297,531.79)	-
Other current assets	(8,925,032.25)	6,134,988.55	(2,811,680.28)	2,861,850.63
Other non-current assets	101,719.00	(22,829.00)	101,719.00	(22,829.00)

Notes to financial statements form an integral part of these statements

## THE STATEMENTS OF CASH FLOWS (CONT)

### N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2018

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Increase (decrease) in operating liabilities				
Trade notes payable	(24,668,713.26)	1,475,814.98	(24,668,713.26)	1,475,814.98
Trade accounts payable and other payable	(15,929,029.11)	(21,034,964.22)	(15,935,029.11)	(21,033,893.16)
Payable to related parties	(2,902,638.58)	3,307,501.72	(2,929,388.58)	1,629,632.42
Accrued expenses	9,002,488.74	7,507,133.04	8,082,670.41	7,562,890.21
Advance received from customers	(2,779,216.37)	(17,797,060.01)	(2,779,216.37)	(17,797,060.01)
Retention from contractors	(7,752,022.64)	1,484,170.89	(7,752,022.64)	1,610,111.24
Other current liabilities	2,484,303.60	24,644.76	2,472,537.87	32,784.12
Other non-current liabilities	1,985,592.00	-	1,985,592.00	-
Cash receivable (paid) from the operations	732,405,206.91	492,770,287.50	739,211,379.87	491,097,028.04
Cash received from interest income	7,778,864.21	118,462.42	7,773,902.01	112,605.71
Withholding taxes refunded from Revenue department	6,890,053.65	169,076.02	6,765,028.07	-
Income tax expenses paid	(18,036,042.81)	(14,845,305.29)	(17,941,697.21)	(14,737,847.31)
Cash paid for employee benefits obligation	-	(636,800.00)	-	(636,800.00)
Cash paid for provision for compensation for housing estate juristic persons	-	(341,600.00)	-	(341,600.00)
Cash paid for liabilities form purchasing the real estate project	(5,250,000.00)	-	(5,250,000.00)	-
Net cash provided by (used in) operating activities	723,788,081.96	477,234,120.65	730,558,612.74	475,493,386.44
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash received from short-term loan from related parties	-	-	55,000,000.00	-
Cash paid for short-term loan to related parties	-	-	-	2,000,000.00
Increase in temporary investment	(3,375.14)	(1,364.42)	(1,253.88)	(1,364.42)
Increase in short-term investments	(84,916.92)	(933,689.41)	(84,916.92)	(933,689.41)
Cash paid for investment property	(123,472.71)	-	(123,472.71)	-
Proceeds from sales of fixed assets	154,766.36	-	80,000.00	-
Cash paid for purchase of fixed assets	(4,384,969.26)	(5,710,583.24)	(4,384,969.26)	(5,710,583.24)
Cash paid for purchase of intangible assets	(80,774.30)	(2,004,110.00)	(80,774.30)	(2,004,110.00)
Cash paid for increase of capital in subsidiary	-	-	(60,000,000.00)	-
Net cash provided by (used in) investing activities	(4,522,741.97)	(8,649,747.07)	(9,595,387.07)	(6,649,747.07)

Notes to financial statements form an integral part of these statements

# THE STATEMENTS OF CASH FLOWS (CONT)

## N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

For The Year Ended December 31, 2018

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	52,239,667.01	(767,002,392.70)	52,239,667.01	(767,002,392.70)
Cash paid for liabilities under finance lease agreement	(834,243.28)	(834,243.36)	(834,243.28)	(834,243.36)
Cash received from short-term loan from other company	50,000,000.00	236,000,000.00	50,000,000.00	236,000,000.00
Cash paid for short-term loan from other company	(163,963,644.88)	(73,874,577.60)	(163,963,644.88)	(73,874,577.60)
Cash received from short-term loan a related party	52,100,000.00	306,000,000.00	51,100,000.00	306,000,000.00
Cash paid for short-term loan a related party	(98,100,000.00)	(30,000,000.00)	(98,100,000.00)	(30,000,000.00)
Cash paid for short-term loan a related party	55,600,000.00	181,900,000.00	1,500,000.00	181,900,000.00
Cash paid for short-term loan from the director	(69,500,000.00)	(246,000,000.00)	(18,400,000.00)	(246,000,000.00)
Cash received from long-term loans	534,529,832.08	963,340,640.35	534,529,832.08	963,340,640.35
Cash received from long-term loans	(1,002,513,796.90)	(915,333,272.54)	(1,002,513,796.90)	(915,333,272.54)
Interest paid	(121,318,814.21)	(114,069,023.04)	(119,650,621.08)	(114,069,023.04)
Net cash provided by (used in) financing activities	(711,761,000.18)	(459,872,868.89)	(714,092,807.05)	(459,872,868.89)
Net increase (decrease) in cash and cash equivalents	7,504,339.81	8,711,504.69	6,870,418.62	8,970,770.48
Cash and cash equivalents, beginning of year	21,714,361.81	13,002,857.12	19,752,661.50	10,781,891.02
Cash and cash equivalents, end of year	29,218,701.62	21,714,361.81	26,623,080.12	19,752,661.50
<b>Supplemental disclosures of cash flows information</b>				
1) Cash and cash equivalents consisted of				
Cash on hand	627,000.00	437,000.00	627,000.00	437,000.00
Cash at bank	28,591,701.62	21,277,361.81	25,996,080.12	19,315,661.50
Total	29,218,701.62	21,714,361.81	26,623,080.12	19,752,661.50

2) In year 2018 and 2017 the Company had transferred property development costs as past of land held for development amounted Baht 45.55 million and Baht 328.80 million, respectively.

Notes to financial statements form an integral part of these statements

# N.C.HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

### 1. GENERAL INFORMATION

#### (a) Legal status and address of the Company

The Company was registered to be a limited company on February 2, 1994 and converted to be The Public Company Limited under the Limited Public Company Act with the Ministry of Commerce on November 27, 2003, and the Company name was changed to N.C. Housing Public Company Limited.

The address of its registered office is as follows:

1/765 Moo 17, Soi Amporn Paholyotin Rd. K.M. 26, Tambol Kukod, Aumpur Lumlookka, Patumtanee, 12130, Thailand

#### (b) Nature of the Company's business

The Company and subsidiaries operate its principal business as a real estate developer for trade in various areas such as house for sell including the land development, providing construction services, condominium for sell, providing rental space in club house, etc.

#### (c) Parent company

The major shareholder company is NCH 2555 Holding Company Limited represented 51% shareholding.

### 2. BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND OPERATIONS

- 2.1 The accompanying consolidated financial statements include the accounts of N.C. Housing Public Company Limited and the following subsidiaries are owned directly and indirectly by the Company :-

	Percentage of Holding by direct and indirect		Nature of Business
	2018	2017	
<u>Subsidiaries</u>			
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service

- 2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated statements of financial position		Percentage of total revenues included in consolidated statements of comprehensive income for the year	
	2018	2017	2018	2017
<u>Subsidiaries</u>				
N.C. Property Management Co., Ltd.	1.82	1.63	0.08	0.54
Quality Living Management Co., Ltd.	0.05	0.03	7.71	26.89

- 2.3 The acquisition of subsidiaries are recorded by Purchase Method.
- 2.4 Significant inter company transactions between the Company and subsidiaries have been eliminated.
- 2.5 The consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.
- 2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

### 3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce,

re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

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

### 4. THE FINANCIAL REPORTING STANDARDS ARE EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance



TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs

TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company and its subsidiaries evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

## 5. SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Recognition of revenues and expenses

Revenue from sales of land, land and houses and sale of condominiums are recognized as income when the significant risk and rewards of ownership have been transferred to the buyer.

The installment payment collected before transferring the significant risks and rewards of ownership to the buyer is recorded as unrealized income.

Cost of sales are based on the estimated cost of real estate project. However, cost of sales will be adjusted to be close to the actual cost in the event that the factors of the actual cost are significantly changed.

In determining the cost of land, land and houses and cost of condominiums, the total development costs are attributed to units sold on the basis of the salable area.

A subsidiary recognizes the revenue from construction on the percentage of completion method. Payment received more than the percentage of work completion is recorded as advance received and the part of undue is recorded as accrued income.

A subsidiary recognizes property manager services income when service are completed according to the duration of the contract.

The Company and subsidiaries are recognized other revenues and expenses on the accrual basis.

## 5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and deposits at financial institutions which are promissory notes with original maturity of 3 months or less and excluded deposits which are pledged as collateral.

## 5.3 Allowance for doubtful accounts

The Company and subsidiaries provide allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on the historical collection experience coupled with a review of the current status of existing receivables.

## 5.4 Inventories

Inventories are real estate for sale which are stated at the lower of cost or net realizable value. Cost is included land, land developing, construction, borrowing costs and direct expense.

Construction materials are valued at cost (first-in, first-out method) or net realizable value, whichever is lower.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

## 5.5 Property development and land held for development

Property development is stated at cost. Cost is included land, land developing, construction, borrowing costs and direct expense.

Land held for development, the Company intends to hold for future benefit. Cost consists of land cost and related expenses for land acquisition including borrowing costs which incurred during the development of projects period.

Property development and land held for development are stated at the lower of cost or net realizable value.

The Company and its subsidiaries records the loss on decline in value (if any) of property development in the statement of comprehensive income.

## 5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the costs of the respective assets. Capitalization ceases when the projects are ready for their intended use or sale, when the physical construction of the projects is complete, or when construction is suspended and until active development resumes. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs include the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, interest costs are calculated by multiplying the capitalization rate to the expenditures on that project. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity during the year other than borrowings made for specific purposes.

## 5.7 Investments

### Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

### Investments in debt securities and marketable equity securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of comprehensive income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

## 5.8 Investment property

Investment property, cost is included land, land developing, construction, borrowing costs and direct expense.

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Land is not depreciated.

Depreciation of investment property under residential building for lease category is calculated by the straight-line method over the estimated useful life :

Residential building for lease	30 years
Utility	10 years
Furniture and fixtures	5 years

Depreciation of investment property is included in determining income.

## 5.9 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the Company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Buildings	20 years
Building improvement	20 years
Machineries and equipment	5 years
Sample house and sale office buildings	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

### 5.10 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software licenses	5 - 10	years
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### 5.11 Trade payables and other payables

Trade and other payables (including balances with related parties) are stated at cost.

### 5.12 Impairment of assets

At each the statements of financial position date, the Company and its subsidiaries will assess the impairment of property, plant, and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an assets is less than the carrying amount. The recoverable amount of an assets is the higher of the fair value less costs to sell and its value in use.

In determining value in use, the Company and its subsidiaries estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, a conservative valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in the statement of comprehensive income. Impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization.

### 5.13 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

#### 5.14 Provisions for estimated liabilities

A Provision for estimated liabilities is recognized in the statements of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a part event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 5.15 Finance lease

Leases of assets that substantially transfers to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations by the effective rate.

#### 5.16 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the statements of financial position include cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade accounts receivable, trade accounts payable include notes receivable and notes payable, loan. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 5.17 Employee benefits

##### **Short-term employment benefits**

The Company and its subsidiaries recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

##### **Post-employment benefits (Defined contribution plans)**

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

##### **Post-employment benefits (Defined benefit plans)**

The Company and its subsidiaries has obligations in respect of the severance payments it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized in other comprehensive income.

#### 5.18 Earnings per share

Earnings per share of the Company and its subsidiaries are basis earnings per share which is calculated by dividing the net earnings for the period by the weighted average number of ordinary shares held by outside parties in issue and paid-up during the year.

## 5.19 Income tax

Income tax comprises current income tax and deferred tax.

### Current tax

The Company and a subsidiary record income tax expense (if any) based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

In addition to the Company and its subsidiaries computed corporate income tax based on the revenue and expense recognition principle in accordance with the Revenue Code and Instruction of the Revenue Department regarding the calculation of net profit and net income for real estate business, which differs from the accounting principles selected to apply in certain cases, such as recognition of revenue and cost of sales, capturing of interest expense and depreciation of assets under utilities system development for common facilities.

The one subsidiary records income tax expense (if any) based on the amount currently payable under the Revenue Code. Income tax is calculated at the tax rates from net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. Income tax is calculated at the rates as follows.

	Tax rate	
	2018	2017
Net profit before income tax (Baht)		
1 - 300,000	Exempt	Exempt
300,001 - 3,000,000	15%	15%
More than 3,000,000	20%	20%

### Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company and its subsidiaries offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

## 5.20 Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates would affect to the amount relating to incomes, expenses, assets, liabilities and disclosures of data relating to contingent assets and liabilities. The actual results may differ from amounts already estimated. Significant judgments and estimates are as follows:

### 5.20.1 Estimated cost for house construction project

The Company and its subsidiaries estimate costs of house construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to complete the construction service, overhead expense, borrowing costs and center public utilities taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### 5.20.2 House building contracts

The subsidiary hiring of building house within housing project as an income by reference to the stage of completion of the construction contract activity, base on determining of the project's engineer, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to surveys of works and estimates performed by the project's engineer. The management is required to make judgment and estimates based on past experience and information obtained from the project's engineer.

### 5.20.3 Estimated losses for house construction projects

In determining estimated expenses for house construction projects, the management is required to use judgment and relevant information to estimate losses that may be incurred from warranties and claims on the construction contract works. The estimates are made through a combination of specific reviews of construction projects, analysis of actual claims incurred and historical statistic information, among others. However, the use of different estimates and assumptions could affect the amounts of estimated expenses for construction projects.

### 5.20.4 Allowance for declining-in value of inventories, property development and land held for development

#### Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

#### Allowance for declining-in value of property development and land held for development

The Company and its subsidiaries treat property development and land held for development as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost. The management determines the devaluation of such property development and land held for development based on net realizable value.



#### **5.20.5 Contribution to the housing estate juristic person**

The Company has estimated the contribution to the housing estate juristic persons by using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation. It has already recognized the liabilities by the ownership transfer area proportion.

#### **5.20.6 Leases**

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

#### **5.20.7 Allowance for doubtful accounts**

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

#### **5.20.8 Allowance for impairment of investments**

The Company will set the allowance for impairment of investments when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment

#### **5.20.9 Investment property/Depreciation**

In determining depreciation of investment property, the management is required to make estimates of the useful lives and residual values of the investment property and to review the useful lives and residual values when there are any changes.

In addition, the management is required to review investment property for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### **5.20.10 Property plant and equipment/Depreciation**

In determining depreciation of land building and equipment, the management is required to make estimates of the useful life and residual value and to review estimate useful life and residual value when there are any changes incurred to it.

In addition, the management is required to review land, building and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### **5.20.11 Intangible assets**

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### **5.20.12 Deferred tax assets**

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

### 5.20.13 Post-employment benefits under defined benefit plans

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

### 5.20.14 Liabilities from purchasing the real estate project

The Company and its subsidiaries have estimated the value of land purchase in real estate project. The management has estimated from the value of land purchase from the existing customers of project in the past.

## 6. TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

The Company has certain transactions with its related parties and companies. A portion of the Company's assets, liabilities, revenues, cost and expenses arose from the transactions with the related parties and companies which are related through common shareholdings and/or directors. The effects of these transactions, which are in the normal course of business, were reflected in the accompanying financial statements on the basis determined by the related parties and companies.

Detail of relation between the Company and its related parties and companies are summarized as follow :

Company's name	Country of incorporation	Type of relation
NCH 2555 Holding Co., Ltd.	Thailand	Parent company
N.C. Property Management Co., Ltd.	Thailand	Subsidiary
Quality Living Management Co., Ltd.	Thailand	Subsidiary
S.C. Construction And Decoration Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Trading Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Homemart (1999) Co., Ltd.	Thailand	Co-shareholder and director
Sap Namchai Pattana Co., Ltd.	Thailand	Co-shareholder and director
Namchai Golf Management Co., Ltd.	Thailand	Co-shareholder and director
Namchai Property Development Co., Ltd.	Thailand	Co-shareholder and director
Tanyacart Management Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Transport Partnership	Thailand	Co-shareholder and director
Precast station Co., Ltd.	Thailand	Director's relative
Mr. Somchao Tanthathoedtham	Thailand	Director
Mrs. Patcharin Tanthathoedtham	Thailand	Director's relative
Mrs. Onusa Tanthathoedtham	Thailand	Director's relative

The significant transactions between the Company and its related parties and companies for the years ended December 31, 2018 and 2017 are summarized as follows :-

	Pricing basis	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
<b>Transaction during the year</b>					
<b>Subsidiaries</b>					
Interest income					
Quality Living Management Co., Ltd.	At the rate of 5.75% p.a.	-	-	82,705.47	172,499.96
N.C. Property Management Co., Ltd.	At the rate of 5.75% p.a.	-	-	1,382,504.79	3,015,520.56
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	60,000.00	60,000.00
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	16,822.44	16,822.44
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 20,000 per project	-	-	2,130,000.00	2,185,000.00
Related parties					
Other income - office rental					
Precast station Co., Ltd.	Baht 20,000 per month and Baht 40,000 per month	720,000.00	720,000.00	720,000.00	720,000.00
Construction cost					
Precast station Co., Ltd.	At per agreement	68,064,840.00	51,673,420.00	68,064,840.00	51,673,420.00
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	13,609,759.61	31,946,000.88	13,609,759.61	31,946,000.88
S.C. Construction And Decoration Co., Ltd.	Market price	4,683.39	7,773.55	4,683.39	7,773.55
Land rental expense					
Sap Namchai Pattana Co., Ltd.	Baht 55,000 per month	660,000.00	660,000.00	660,000.00	660,000.00
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	580,000.00	742,237.60	580,000.00	742,237.60
Interest expenses					
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	1,107,906.82	1,097,682.87	501,494.52	1,097,682.87
N.C.H. 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	14,921,234.25	13,415,773.98	14,918,398.63	13,415,773.98

The significant outstanding balance as at December 31, 2018 and 2017 are as follow:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Short-term loan to related parties				
- N.C. Property Management Co., Ltd.				
Balance, beginning of year	-	-	52,000,000.00	54,000,000.00
Addition during the year	-	-	-	-
Deduction during the year	-	-	(52,000,000.00)	(2,000,000.00)
Balance, ending of year	-	-	-	52,000,000.00
- Quality Living Management Co., Ltd.				
Balance, beginning of year	-	-	3,000,000.00	3,000,000.00
Addition during the year	-	-	-	-
Deduction during the year	-	-	(3,000,000.00)	-
Balance, ending of year	-	-	-	3,000,000.00
	-	-	-	55,000,000.00
Accrued rental				
- Quality Living Management Co., Ltd.	-	-	-	78,000.00
Accrued interest				
- Quality Living Management Co., Ltd.	-	-	82,705.47	172,499.96
- N.C. Property Management Co., Ltd.	-	-	-	6,010,246.59
	-	-	82,705.47	6,182,746.55
Payable to related persons and parties				
- Quality Living Management Co., Ltd.	-	-	-	26,750.00
- N.C. Property Management Co., Ltd.	-	-	1,617,265.05	1,617,265.05
- S.C. Construction And Decoration Co., Ltd.	2,329.39	4,370.96	2,329.39	4,370.96
- Sathaporn Wattana Trading Co., Ltd.	3,220,470.68	5,444,092.96	3,220,470.68	5,444,092.96
- Precast station Co., Ltd.	35,755,555.45	36,532,230.18	35,755,555.45	36,532,230.18
- Namchai Golf Management Co., Ltd.	99,700.00	-	99,700.00	-
- Namchai Pattana Co., Ltd.	660,000.00	660,000.00	660,000.00	660,000.00
	39,738,055.52	42,640,694.10	41,355,320.57	44,284,709.15
Accrued interest				
- Mr. Somchao Tanthathoedtham	-	2,631,278.76	-	1,569,497.94
- N.C.H. 2555 Holding Co., Ltd.	7,145,202.08	13,415,773.98	7,142,366.46	13,415,773.98
	7,145,202.08	16,047,052.74	7,142,366.46	14,985,271.92
Short-term loan from related parties				
- N.C.H. 2555 Holding Co., Ltd.				
Balance, at the beginning of the period	276,000,000.00	-	276,000,000.00	-
Addition during the period	52,100,000.00	306,000,000.00	51,100,000.00	306,000,000.00
Deduction during the period	(98,100,000.00)	(30,000,000.00)	(98,100,000.00)	(30,000,000.00)

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Balance, at the end of the period	230,000,00.00	276,000,000.00	229,000,000.00	276,000,000.00
Short-term loan from directors				
- Mr. Somchao Tanthathoedtham				
Balance, beginning of year	16,900,000.00	81,000,000.00	16,900,000.00	81,000,000.00
Addition during the year	55,600,000.00	181,900,000.00	1,500,000.00	181,900,000.00
Deduction during the year	(69,500,000.00)	(246,000,000.00)	(18,400,000.00)	(246,000,000.00)
Balance, ending of year	3,000,000.00	16,900,000.00	-	16,900,000.00

Loan from the directors and short-term loan from related parties incurred mainly intended to utilize for the Company's working capital and loan repaid.

Loan from the directors and short-term loan from related parties are promissory notes, which carried interest rates at 5.75% per annum and will be paid at call.

#### COLLATERAL WITH RELATED COMPANIES

As at December 31, 2018 and 2017, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.

#### MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management, such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised the managing director, deputy managing directors and senior managers.

Management benefit expenses for the years ended December 31, 2018 and 2017.

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<b>Management</b>				
Management benefit expenses				
Short-term employee benefits	39,111,550.54	30,946,858.05	39,111,550.54	30,946,858.05
Post-employment benefits	3,677,064.00	1,192,105.00	3,677,064.00	1,192,105.00
Total	42,788,614.54	32,138,963.05	42,788,614.54	32,138,963.05

## 7. CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Cash in hand	627,000.00	437,000.00	627,000.00	437,000.00
Cash at bank - current accounts	21,505,559.50	10,647,118.21	20,689,921.06	10,521,728.22
Cash at bank - savings accounts	7,086,142.12	10,630,243.60	5,306,159.06	8,793,933.28
Total	29,218,701.62	21,714,361.81	26,623,080.12	19,752,661.50

Bank accounts are carried interest at the floating rate, which are set by the bank.

## 8. SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	In Baht			
	Consolidated			
	2018		2017	
	At cost	Fair value	At cost	Fair value
Fixed deposit for 6 months	239,669.12	239,669.12	237,547.86	237,547.86
Fixed deposit for 12 months	127,909.42	127,909.42	126,655.54	126,655.54
Investments in securities held for trading				
- SCB savings fixed income fund	498,517.00	578,244.36	498,517.00	574,902.47
Total	866,095.54	945,822.90	862,720.40	939,105.87

	In Baht			
	Separate Financial Statements			
	2018		2017	
	At cost	Fair value	At cost	Fair value
Fixed deposit for 12 months	127,909.42	127,909.42	126,655.54	126,655.54
Investments in securities held for trading				
- SCB savings fixed income fund	498,517.00	578,244.36	498,517.00	574,902.47
Total	626,426.42	706,153.78	625,172.54	701,558.01

## 9. INVENTORIES

Inventories consist of

	In Baht	
	Consolidated/Separate Financial Statements	
	2018	2017
Cost of houses and condominium for sales	316,146,458.32	490,083,415.23
<u>Less</u> allowance for declining value of inventories	(4,392,396.15)	(3,720,998.99)
Inventories - net	311,754,062.17	486,362,416.24

Changes in the allowance for declining value of inventories during the years are as follows:-

	In Baht	
	Consolidated/Separate Financial Statements	
	2018	2017
Beginning balance	3,720,998.99	3,720,998.99
Increase	671,397.16	-
Decrease	-	-
Ending balance	4,392,396.15	3,720,998.99

The Company has commitment under the signed purchase and sale contract as follow:-

	Consolidated/Separate Financial Statements			
	2018		2017	
	Unit	In Million Baht	Unit	In Million Baht
House and condominium for sales	163	316.15	283	490.08
The selling contracted house and condominium	(25)	(51.42)	(50)	(75.92)
House and condominium for sale - net	138	264.73	233	414.16

As at December 31, 2018 and 2017, inventories of the Company in amount of Baht 219.01 million and Baht 471.56 million, respectively, are mortgaged as collateral for some long-term loans with local financial institutions, as discussed in Note 21.

## 10. PROPERTY DEVELOPMENT COSTS

### 10.1 Actual property development costs consist of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Lands and land development costs	2,962,707,367.99	3,128,940,568.15	2,962,707,367.99	3,128,940,568.15
Utilities	1,140,774,908.78	1,148,446,802.46	1,140,774,908.78	1,148,446,802.46
Construction in progress	5,705,995,141.05	5,343,855,891.57	5,705,995,141.05	5,343,855,891.57
Interest capitalization	491,776,329.18	457,147,853.64	491,776,329.18	457,147,853.64
Total	10,301,253,747.00	10,078,391,115.82	10,301,253,747.00	10,078,391,115.82
<b>Less</b> transfer to inventory	(311,754,062.17)	(486,362,416.24)	(311,754,062.17)	(486,362,416.24)
transfer to cost of sale	(8,391,785,780.41)	(7,502,404,805.13)	(8,391,785,780.41)	(7,502,404,805.13)
Property development costs, net	1,597,713,904.42	2,089,623,894.45	1,597,713,904.42	2,089,623,894.45

As at December 31, 2018 and 2017, almost of the Company's land and construction in the projects are mortgaged as collateral against credit facilities for some long-term loans with local financial institutions, as discussed in Note 21.

For the years ended December 31, 2018 and 2017, the Company recorded the related interest expense amounting to approximately Baht 53.47 million and Baht 59.33 million, respectively, as part of property development costs. The capitalization rate for calculate interest is 7.01% and 6.45%, respectively.

### 10.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated/Separate Financial Statements	
	2018	2017
Number of projects on hand, beginning of year	20	22
Number of newly open projects	2	-
Number of closing projects	(1)	(1)
Number of project, transfer to land held for development	-	(1)
Number of projects on hand, ending of year	21	20
Total current projects value (In million Baht)	13,933.31	13,617.71
Contracted sales value (In million Baht)	10,660.44	9,375.98
As percentage of total current projects value	76.51	68.85

As at December 31, 2018 and 2017, the Company has the obligation and the commitment to complete the public utility development project for projects on hand in the amount of Baht 38.88 million and Baht 54.22 million, respectively.



## 11. LAND HELD FOR DEVELOPMENT

Land held for development consist of the following :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Beginning balance	1,793,634,688.71	1,464,839,032.71	1,720,227,129.71	1,391,431,473.71
<b>Add</b> during the year	153,625,457.00	-	153,625,457.00	-
Liabilities from purchasing the real estate project	15,843,800.00	-	15,843,800.00	-
Transfer from property development costs	45,546,972.93	328,795,656.00	45,546,972.93	328,795,656.00
Total	2,008,650,918.64	1,793,634,688.71	1,935,243,359.64	1,720,227,129.71
<b>Less</b> during the year	(36,227,308.62)	-	(36,227,308.62)	-
Transfer to property development costs	(18,327,925.21)	-	(18,327,925.21)	-
Land held for development	1,954,095,684.81	1,793,634,688.71	1,880,688,125.81	1,720,227,129.71

As at December 31, 2018 and 2017, almost of the Company's land held for development in the total amount Baht 1,880.69 million and Baht 1,700.23 million, respectively are mortgaged as collateral against the credit facilities for long-term loans with a local commercial bank, as discussed in Note 21.

## 12. OTHER CURRENT ASSETS

Other current assets consist of the following :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Prepaid expense	3,285,467.68	4,281,351.50	3,276,179.28	4,188,766.45
Receivables - the Revenue Department	244,646.85	217,207.62	244,646.85	217,207.62
Short-term loans to employee	446,277.16	506,184.71	433,264.29	498,834.63
Advance payments on contracts				
to build condominiums	41,670.00	2,136,576.27	41,670.00	2,136,576.27
Accrued interest		-	82,705.47	6,182,746.55
Other account receivable	6,859,312.97	1,010,298.75	6,844,754.97	1,010,298.75
Other current assets	1,549,719.81	1,528,484.45	1,548,241.62	1,603,393.01
Total	12,427,094.47	9,680,103.30	12,471,462.48	15,837,823.28
<b>Less</b> Allowance for doubtful accounts	(610,556.00)	(610,556.00)	(610,556.00)	(610,556.00)
Net	11,816,538.47	9,069,547.30	11,860,906.48	15,227,267.28

Changes in the allowance for doubtful accounts during the years are as follows:-

	In Baht	
	Consolidated /Separate Financial Statements	
	2018	2017
Beginning balance	610,556.00	2,037,556.00
Increase	-	-
Decrease	-	(1,427,000.00)
Ending balance	610,556.00	610,556.00

### 13. DEPOSIT PLEDGED AS COLLATERAL

As at December 31, 2018 and 2017, the Company had fixed deposit amounting to Baht 9,241,903.52 and Baht 9,156,986.60, respectively, which are pledged as collateral for maintenance to public utilities, customer's loan and gasoline, as discussed in note 35.3

Bank deposits are carried interest at the floating rate of the bank.

### 14. INVESTMENTS IN ASSOCIATED COMPANY AND SUBSIDIARIES

	Paid Paid up shares (In Baht)		Ownership (%)		EQUITY METHOD Dividend (In Baht)		AT COST Amount (In Baht)	
	2018	2017	2018	2017	2018	2017	2018	2017
	<b>Subsidiaries</b>							
N.C. Property Management Co., Ltd.	70,000,000.00	10,000,000.00	100	100	72,665,121.91	15,105,749.21	71,864,497.95	11,864,497.95
Quality Living Management Co., Ltd.	1,000,000.00	1,000,000.00	100	100	(3,840,756.69)	(3,136,341.51)	-	-
					68,824,365.22	11,969,407.70	71,864,497.95	11,864,497.95
<b>Less</b> Allowance for declining value of investment								
					-	-	-	-
Investments in subsidiaries- net					68,824,365.22	11,969,407.70	71,864,497.95	11,864,497.95

On July 19, 2018 the board of directors had approved the registered capital increase of N.C. Property Management Co., Ltd. for Baht 60 million from the former registered capital of Baht 10 million to Baht 70 million so that N.C. Property Management Co., Ltd. can have the capital to repay the loan from land purchase and reduce long-term loan. On August 24, 2018, the Company paid such capital increase amount of Baht 60 million and registered the capital increase with the Department of Business Development, Ministry of Commerce on August 24, 2018.

## 15. INVESTMENT PROPERTY

Property investment consist of the following :

Consolidate/Separate Financial Statements (In Baht)					
	Balance as at December 31, 2017	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2018
<b>At cost</b>					
Land	45,360,472.19	-	-	-	45,360,472.19
Residential building for lease	152,629,634.13	-	-	-	152,629,634.13
Utility	26,022,173.24	58,940.00	-	-	26,081,113.24
Furniture and fixtures	10,544,960.32	64,532.71	-	-	10,609,493.03
Total	234,557,239.88	123,472.71	-	-	234,680,712.59
<b>Less Accumulated depreciation</b>					
Residential building for lease	(14,760,476.46)	(4,910,973.51)	-	-	(19,671,449.97)
Utility	(9,365,348.09)	(3,117,511.87)	-	-	(12,482,859.96)
Furniture and fixtures	(6,331,548.88)	(2,109,124.04)	-	-	(8,440,672.92)
Total	(30,457,373.43)	(10,137,609.42)	-	-	(40,594,982.85)
Property investment-net	204,099,866.45				194,085,729.74

Consolidate/Separate Financial Statements (In Baht)					
	Balance as at December 31, 2016	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2017
<b>At cost</b>					
Land	45,360,472.19	-	-	-	45,360,472.19
Residential building for lease	152,629,634.13	-	-	-	152,629,634.13
Utility	26,022,173.24	-	-	-	26,022,173.24
Furniture and fixtures	10,544,960.32	-	-	-	10,544,960.32
Total	234,557,239.88	-	-	-	234,557,239.88
<b>Less Accumulated depreciation</b>					
Residential building for lease	(9,849,502.95)	(4,910,973.51)	-	-	(14,760,476.46)
Utility	(6,247,836.22)	(3,117,511.87)	-	-	(9,365,348.09)
Furniture and fixtures	(4,222,558.06)	(2,108,990.82)	-	-	(6,331,548.88)
Total	(20,319,897.23)	(10,137,476.20)	-	-	(30,457,373.43)
Property investment-net	214,237,342.65				204,099,866.45

	In Baht	
	2018	2017
Depreciation for the year	10,137,609.42	10,137,476.20

Investment property is the residential building for lease and is presented at cost. The fair value of land and building structures (exclude furniture and fixtures) as at December 31, 2018 and 2017 amounting to Baht 206.52 million and Baht 207.89 million respectively, which have been determined based on valuations is performed by an accredited independent valuer. The fair value has been determined based on cost approach using level 3 input (see note 36.6)

For the year ended December 31, 2018 and 2017, the Company has the rental revenue from properties amounting to Baht 16,963,887.68 and Baht 16,708,932.10, respectively, and has the operating expenses and the financial cost amounting for Baht 24,204,206.87 and Baht 23,809,244.48, respectively which are recognized in the statements of comprehensive income.

As at December 31, 2018 and 2017, total amount of Company's investment property is mortgaged as collateral against facilities for long-term loans with local commercial bank, as discussed in note 21.

## 16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following :

Consolidated Financial Statement (In Baht)					
	Balance as at December 31, 2017	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2018
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	62,860,365.55	-	-	(2,209,508.37)	60,650,857.18
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	112,304,579.01	-	-	(2,726,255.33)	109,578,323.68
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	-	-	-	12,018,286.51
Machinery and equipment	9,115,811.44	117,768.70	-	-	9,233,580.14
Office equipment	16,443,789.99	2,003,658.06	-	-	18,447,448.05
Office equipment - under finance lease agreement	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	15,573,931.11	504,542.50	-	-	16,078,473.61
Vehicles	25,947,447.63	1,759,000.00	(1,543,412.00)	-	26,163,035.63
<b>Total</b>	<b>311,554,935.48</b>	<b>4,384,969.26</b>	<b>(1,543,412.00)</b>	<b>(4,935,763.70)</b>	<b>309,460,729.04</b>
<b>Less Accumulated depreciation</b>					
Building - office	(10,203,301.02)	-	-	-	(10,203,301.02)
- clubhouse	(82,472,841.66)	(4,866,350.07)	-	2,493,045.04	(84,846,146.69)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(5,859,444.80)	(868,116.50)	-	-	(6,727,561.30)
Machinery and equipment	(8,357,185.71)	(188,908.60)	-	-	(8,546,094.31)
Office equipment	(11,262,332.05)	(2,759,358.07)	-	-	(14,021,690.12)
Office equipment - under finance lease agreement	(962,209.37)	-	-	-	(962,209.37)
Furniture and fixtures	(10,707,664.80)	(2,027,996.78)	-	-	(12,735,661.58)
Vehicles	(17,071,795.13)	(1,726,445.33)	1,493,411.00	-	(17,304,829.46)
<b>Total</b>	<b>(190,820,377.81)</b>	<b>(12,437,175.35)</b>	<b>1,493,411.00</b>	<b>2,493,045.04</b>	<b>(199,271,097.12)</b>
<b>Net</b>	<b>120,734,557.67</b>				<b>110,189,631.92</b>
<b>Less Allowance for declining value</b>					
- building clubhouse	(2,688,933.99)	(2,403,609.07)	1,888,933.99	-	(3,203,609.07)
- machinery and equipment	(280,924.56)	-	-	-	(280,924.56)
<b>Total</b>	<b>(2,969,858.55)</b>	<b>(2,403,609.07)</b>	<b>1,888,933.99</b>	<b>-</b>	<b>(3,484,533.63)</b>
<b>Property, plant and equipment - net</b>	<b>117,764,699.12</b>				<b>106,705,098.29</b>

Consolidated Financial Statement (In Baht)					
	Balance as at December 31, 2016	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2017
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	67,825,520.89	-	-	(4,965,155.34)	62,860,365.55
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	115,462,002.70	-	-	(3,157,423.69)	112,304,579.01
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	-	-	-	12,018,286.51
Machinery and equipment	8,916,500.10	199,311.34	-	-	9,115,811.44
Office equipment	14,142,951.00	2,300,838.99	-	-	16,443,789.99
Office equipment - under finance lease agreement	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	12,855,698.20	2,718,232.91	-	-	15,573,931.11
Vehicles	25,455,247.63	492,200.00	-	-	25,947,447.63
Total	313,966,931.27	5,710,583.24	-	(8,122,579.03)	311,554,935.48
<b>Less Accumulated depreciation</b>					
Building - office	(10,203,301.02)	-	-	-	(10,203,301.02)
- clubhouse	(79,407,866.34)	(5,312,314.74)	-	2,247,339.42	(82,472,841.66)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(4,991,328.30)	(868,116.50)	-	-	(5,859,444.80)
Machinery and equipment	(7,239,348.76)	(1,117,836.95)	-	-	(8,357,185.71)
Office equipment	(8,396,700.99)	(2,865,631.06)	-	-	(11,262,332.05)
Office equipment - under finance lease agreement	(461,449.60)	(500,759.77)	-	-	(962,209.37)
Furniture and fixtures	(8,609,615.11)	(2,098,049.69)	-	-	(10,707,664.80)
Vehicles	(14,852,869.84)	(2,218,925.29)	-	-	(17,071,795.13)
Total	(178,086,083.23)	(14,981,634.00)	-	2,247,339.42	(190,820,377.81)
Net	135,880,848.04				120,734,557.67
<b>Less Allowance for declining value</b>					
- building clubhouse	(2,688,933.99)	-	-	-	(2,688,933.99)
- machinery and equipment	-	(280,924.56)	-	-	(280,924.56)
Total	(2,688,933.99)	(280,924.56)	-	-	(2,969,858.55)
Property, plant and equipment - net	133,191,914.05				117,764,699.12

	In Baht	
	2018	2017
Depreciation for the year	12,437,175.35	14,981,634.00

Separate Financial Statement (In Baht)					
	Balance as at December 31, 2016	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2017
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	62,860,365.55	-	-	(2,209,508.37)	60,650,857.18
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	112,304,579.01	-	-	(2,726,255.33)	109,578,323.68
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	-	-	-	12,018,286.51
Machinery and equipment	2,744,960.50	117,768.70	-	-	2,862,729.20
Office equipment	15,647,760.13	2,003,658.06	-	-	17,651,418.19
Office equipment - under finance lease agreement	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	15,409,038.59	504,542.50	-	-	15,913,581.09
Vehicles	24,458,035.63	1,759,000.00	(360,000.00)	-	25,857,035.63
Total	302,733,750.16	4,384,969.26	(360,000.00)	(4,935,763.70)	301,822,955.72
<b>Less Accumulated depreciation</b>					
Building - office	(10,203,301.02)	-	-	-	(10,203,301.02)
- clubhouse	(82,472,841.66)	(4,866,350.07)	-	2,493,045.04	(84,846,146.69)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(5,859,444.80)	(868,116.50)	-	-	(6,727,561.30)
Machinery and equipment	(2,278,530.44)	(177,681.49)	-	-	(2,456,211.93)
Office equipment	(10,483,239.43)	(2,749,085.98)	-	-	(13,232,325.41)
Office equipment - under finance lease agreement	(962,209.37)	-	-	-	(962,209.37)
Furniture and fixtures	(10,543,730.52)	(2,027,043.54)	-	-	(12,570,774.06)
Vehicles	(15,584,604.89)	(1,724,228.57)	310,000.00	-	(16,998,833.46)
Total	(182,311,505.40)	(12,412,506.15)	310,000.00	2,493,045.04	(191,920,966.51)
Net	120,422,244.76				109,901,989.21
<b>Less Allowance for declining value</b>					
- building clubhouse	(2,688,933.99)	(2,403,609.07)	1,888,933.99	-	(3,203,609.07)
Total	(2,688,933.99)	(2,403,609.07)	1,888,933.99	-	(3,203,609.07)
Property, plant and equipment - net	117,733,310.77				106,698,380.14

Separate Financial Statement (In Baht)					
	Balance as at December 31, 2016	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2017
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	67,825,520.89	-	-	(4,965,155.34)	62,860,365.55
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	115,462,002.70	-	-	(3,157,423.69)	112,304,579.01
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	-	-	-	12,018,286.51
Machinery and equipment	2,545,649.16	199,311.34	-	-	2,744,960.50
Office equipment	13,346,921.14	2,300,838.99	-	-	15,647,760.13
Office equipment - under finance lease agreement	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	12,690,805.68	2,718,232.91	-	-	15,409,038.59
Vehicles	23,965,835.63	492,200.00	-	-	24,458,035.63
<b>Total</b>	<b>305,145,745.95</b>	<b>5,710,583.24</b>	<b>-</b>	<b>(8,122,579.03)</b>	<b>302,733,750.16</b>
<b>Less Accumulated depreciation</b>					
Building - office	(10,203,301.02)	-	-	-	(10,203,301.02)
- clubhouse	(79,407,866.34)	(5,312,314.74)	-	2,247,339.42	(82,472,841.66)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(4,991,328.30)	(868,116.50)	-	-	(5,859,444.80)
Machinery and equipment	(2,079,887.86)	(198,642.58)	-	-	(2,278,530.44)
Office equipment	(7,643,904.73)	(2,839,334.70)	-	-	(10,483,239.43)
Office equipment - under finance lease agreement	(461,449.60)	(500,759.77)	-	-	(962,209.37)
Furniture and fixtures	(8,448,559.34)	(2,095,171.18)	-	-	(10,543,730.52)
Vehicles	(13,404,150.50)	(2,180,454.39)	-	-	(15,584,604.89)
<b>Total</b>	<b>(170,564,050.96)</b>	<b>(13,994,793.86)</b>	<b>-</b>	<b>2,247,339.42</b>	<b>(182,311,505.40)</b>
<b>Net</b>	<b>134,581,694.99</b>				<b>120,422,244.76</b>
<b>Less Allowance for declining value</b>					
- building clubhouse	(2,688,933.99)	-	-	-	(2,688,933.99)
<b>Total</b>	<b>(2,688,933.99)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,688,933.99)</b>
<b>Property, plant and equipment - net</b>	<b>131,892,761.00</b>				<b>117,733,310.77</b>

	In Baht	
	2018	2017
Depreciation for the year	12,412,506.15	13,994,793.86

As at December 31, 2018 and 2017, land, building and sale office's building including land and some of the clubhouse building in the total amount of Baht 100.52 million, net book value amount of Baht 41.53 million and Baht 45.53 million, respectively, are mortgaged as collateral against the overdrafts and loans from two commercial banks in the total amount of Bath 25 million, as discussed in note 18.

During the year 2018 the Company had transferred the land and clubhouse building as a cost of Baht 4,935,763.70 (Book value of Baht 2,442,718.66) to the housing estate juristic person.

The fixed assets had been fully depreciated but still in use, as follows:

Transaction assets	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Building - office	10,203,302.00	10,203,302.00	10,203,302.00	10,203,302.00
Building - clubhouse	9,624,108.07	9,624,108.07	9,624,108.07	9,624,108.07
Sample house and sale office building	20,763,000.01	14,763,000.01	20,763,000.01	14,763,000.01
Machinery and equipment	3,156,598.75	4,800,333.00	2,104,655.24	1,859,363.83
Office equipment	8,179,624.24	5,668,588.60	7,250,613.07	5,006,929.20
Furniture and fixtures	9,686,889.43	4,893,074.30	9,686,889.43	4,742,574.30
Vehicles	16,551,369.23	5,540,676.30	16,245,369.23	4,070,264.30
Total	78,164,891.73	55,493,082.28	75,877,937.05	50,269,541.71

## 17. INTANGIBLE ASSETS

Intangible assets consist of the following :

	In Baht			
	Consolidated/Separate Financial Statement			
	Balance as at December 31, 2017	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2018
<b>At cost</b>				
Software licenses	11,951,108.85	80,774.30	-	12,031,883.15
Software licenses in progress	-	-	-	-
Total	11,951,108.85	80,774.30	-	12,031,883.15
<b>Less</b> Accumulated amortization	(6,199,527.27)	(1,068,156.51)	-	(7,267,683.78)
Intangible assets - net	5,751,581.58			4,764,199.37

	In Baht			
	Consolidated/Separate Financial Statement			
	Balance as at December 31, 2016	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2017
<b>At cost</b>				
Software licenses	7,646,498.85	4,304,610.00	-	11,951,108.85
Software licenses in progress	2,300,500.00	-	(2,300,500.00)	-
Total	9,946,998.85	4,304,610.00	(2,300,500.00)	11,951,108.85
Less Accumulated amortization	(5,017,333.95)	(1,182,193.32)	-	(6,199,527.27)
Intangible assets - net	4,929,664.90			5,751,581.58

	In Baht	
	2018	2017
Amortization for the year	1,068,156.51	1,182,193.32



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

This account consist of :-

	In Baht	
	Consolidated/Separate Financial Statement	
	2018	2017
Bank overdrafts from the financial institutions	37,255,899.85	63,755,123.84
Short-term loans from the financial institutions	419,168,891.00	340,430,000.00
<b>Total</b>	<b>456,424,790.85</b>	<b>404,185,123.84</b>

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at December 31, 2018	As at December 31, 2017			
<b>Bank Overdraft</b>					
The parent company					
- The first bank	25.00	25.00	MOR per annum	At call	- By the mortgage of the Company's land and the clubhouse building.
- The second bank	20.00	20.00	MOR less 1% per annum	At call	- By the mortgage of the project's land.
- The third bank	15.00	15.00	MOR less 0.50% per annum	At call	- By the mortgage of the director's relatives land.
- The fourth bank	5.00	5.00	MOR per annum	1 year (revised annually)	- By the mortgage of the project's land.
Total Credit line	65.00	65.00			
<b>Short-term loans</b>					
The parent company					
- The first bank	35.00	35.00	MLR per annum	Mar 27, 2019	- By the mortgage of the director's land and construction thereon.
- The second bank	10.43	10.43	MLR less 0.50% per annum	Feb 1, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The third bank	25.00	25.00	MLR less 1.62% per annum	Feb 28, 2019	- By the mortgage of the Company's land.
- The fourth bank	120.00	120.00	MLR - 0.25% per annum	May 15, 2019	- By the mortgage of the director's relatives land.
- The fifth bank	90.00	100.00	MLR per annum	Jan 10, 2019 and Apr 19, 2019	-By the mortgage of the project's land and construction thereon and construction in the future.
- The sixth bank	50.00	50.00	MLR per annum	Apr 26, 2019	-By the mortgage of the Company's land
- The seventh bank	50.00	236.00	10% per annum	Jun 15, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The eight bank	55.59	-	MLR less 1.00% per annum	Mar 25, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The ninth bank	33.15	-	MLR per annum	May 4, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
	469.17	576.43			
Total Credit line	534.17	641.43			

Under the terms of the agreements, the Company shall strictly comply with the conditions of agreements.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) to maintain debt-to-equity ratio is not over than 1.5:1, (4) not to pay dividend except the lender assess the payment not affect to ability of repayment loan, (5) not to decrease registered capital and (6) to grant beneficiary of the asset protection insurance to the lender, etc.

## 19. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLE

This account consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Trade accounts	53,013,624.13	79,033,948.74	53,013,624.13	79,033,948.74
Other payable	2,992,448.40	3,164,134.76	2,992,448.40	3,164,134.76
Withholding tax	915,929.30	1,616,747.80	909,929.30	1,616,747.80
Other	2,191,728.75	1,899,425.61	2,191,728.75	1,899,425.61
Total	59,113,730.58	85,714,256.91	59,107,730.58	85,714,256.91

## 20. LIABILITIES UNDER FINANCE LEASE AGREEMENT

Liabilities under finance lease agreements consisted of :

	Consolidated / Separate Financial Statements (In Baht)					
	2018			2017		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	1,070.00	-	1,070.00	820,867.71	25,852.29	846,720.00
Current portion due after one year not over three years	-	-	-	14,445.57	45,894.83	60,340.40
Total	1,070.00	-	1,070.00	835,313.28	71,747.12	907,060.40

As at December 31, 2018 and 2017, the Company has finance leasing office equipment with the local leasing company in the amount of Baht 2,503,800.00 (Included VAT), respectively, with a term of repayment of 36 months at Baht 70,560.00 per month (Included VAT).

Under the term of lease agreement referred to above, the Company shall have to comply with certain conditions and restrictions as specified in the lease agreement.

Liabilities under finance lease agreement is guaranteed by the director of the Company.

Liabilities under finance lease agreement for the portion due within one year are presented under "current liabilities" in the statement of financial position.

## 21. LONG-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consists of :

	In Baht	
	Consolidated/Separate Financial Statements	
	2018	2017
Long-term loans from local banks		
The first bank	451,370,183.00	520,535,846.90
The second bank	91,666,785.93	353,765,086.85
The third bank	-	124,000,000.00
The fourth bank	14,680,000.00	27,400,000.00
Total	557,716,968.93	1,025,700,933.75
<b>Less</b> Current portion due within one year	(395,424,412.59)	(146,110,632.70)
Long-term loans from the financial institutions - net	162,292,556.34	879,590,301.05

Movements in the long-term loans account during the year ended December 31, 2018 and 2017 are summarized below.

	In Baht	
	Consolidated/Separate Financial Statements	
	2018	2017
Balance forward as at January 1,	1,025,700,933.75	977,693,565.94
Add: Additional borrowings during the year	534,529,832.08	963,340,640.35
Less: Repayment during the year	(1,002,513,796.90)	(915,333,272.54)
Balance as at December 31,	557,716,968.93	1,025,700,933.75

Credit line (Million Baht)		Interest rate	Guarantee
As at December 31, 2018	As at December 31, 2017		

### Long-term loans

Parent company

#### The first bank

- The first credit line	264.00	264.00	MLR less 0.50% per annum	By the mortgage of some of the project's land and construction thereon, and the land of relatives of director
- The second credit line	278.48	334.65	MLR less 0.50% per annum	
- The third credit line	260.00	354.18	MLR less 0.50% per annum	
- The fourth credit line	278.50	381.50	MLR less 0.50% per annum	
- The fifth credit line	145.00	145.00	MLR less 0.50% per annum	
- The sixth credit line	313.40	-	MLR less 0.50% per annum	
	1,539.38	1,479.33		

	Credit line (Million Baht)		Interest rate	Guarantee
	As at December 31, 2018	As at December 31, 2017		
<b>The second bank</b>				
- The first credit line	-	11.00	MLR plus 0.50% per annum	By the mortgage of some of the project's land and construction thereon and investment property. And by the land of relatives of director.
- The second credit line	80.00	80.00	MLR plus 0.50% per annum	
- The third credit line	-	126.35	MLR plus 0.50% per annum	
- The fourth credit line	144.68	347.42	MLR per annum	
- The fifth credit line	-	9.36	MLR per annum	
- The sixth credit line	83.00	242.64	MLR per annum	
- The seventh credit line	20.40	-	MLR per annum	
- The eight credit line	144.45	-	MLR per annum	
	<u>472.53</u>	<u>816.77</u>		
<b>The third bank</b>				
- The first credit line	-	379.00	MLR less 1.00% per annum	By the mortgage of some of the project's land and construction thereon
<b>The fourth bank</b>				
- The first credit line	38.00	38.00	MLR per annum	By the mortgage of some of the project's land and construction thereon
	<u>2,049.91</u>	<u>2,713.10</u>		

As at December 31, 2018 and 2017, the Company has the credit limits that have not been withdrawn amounting to Baht 234.10 million and Baht 255.00 million, respectively.

### Local bank No. 1

#### Credit loan No. 1

The Company has to repay all loans within 1 year from the first drawdown date (December 23, 2014). Subsequently, on December 24, 2015, the Company has issued an extension letter of all loans repayment to December 23, 2016. Later on December 23, 2016, the Company has issued an extension letter of all loans repayment to December 23, 2019.

As at December 31, 2018, the Company has classified such liabilities under the long-term loans from financial institutions due within one year.

#### Credit loan No. 2

The Company has to repay all loans within 4 years from the date of first drawdown (September 5, 2016). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

#### Credit loan No. 3

The Company has to repay all loans within 4 years from the date of first drawdown (January 12, 2017). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

#### Credit loan No. 4

The Company has to repay all loans within 4 years from the date of first drawdown (February 28, 2017). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Credit loan No. 5**

The Company has to repay all loans within 2 years from the date of first drawdown (February 28, 2018).

As at December 31, 2018, the Company has classified such liabilities under the long-term loans from financial institutions due within one year.

**Credit loan No. 6**

The Company has to repay all loans within 3 years from the date of first drawdown (October 16, 2018). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Local bank No. 2****Credit loan No. 1**

The Company has to repay all loans within 72 months. The first installment will be started within 1 month from the agreement signing date (April 9, 2013).

As at December 31, 2018, the Company has repaid the loans in the full amount.

**Credit loan No. 2**

The Company has to repay all loans within 96 months. The first installment will be started within 1 month from the agreement signing date (May 15, 2014).

As at December 31, 2018, the Company has classified some portion of liabilities under the long-term loans from financial institutions due within one year.

**Credit loan No. 3**

The Company has to repay all loans within 60 months. The first installment will be started within 1 month from the agreement signing date (May 19, 2014). Later on May 11, 2017, the Company has issued a letter of amendment to additional loan agreement No. 3 to relax the repayment terms within 72 months from the agreement signing date. Subsequently, on November 9, 2017, the Company has issued a letter of amendment to additional loan agreement No. 4 to relax the repayment terms within 72 months from the agreement signing date.

As at December 31, 2018, the Company has repaid the loans in the full amount.

**Credit loan No. 4**

The Company has to repay all loans within 48 months. The first installment will be started within 1 month from the agreement signing date (December 23, 2014). In 2015, the Company has fully repaid the loan. On August 7, 2015, the Company has entered into a new loan agreement, which has to be repaid all loans within 66 months from the agreement date.

As at December 31, 2018, the Company has classified some portion of liabilities under the long-term loans from financial institutions due within one year.

**Credit loan No. 5**

The Company has to repay all loans within 48 months. The first installment will be started as at the end of the third month from the agreement signing month (March 24, 2016)

As at December 31, 2018, the Company has repaid the loans in the full amount.

**Credit loan No. 6**

The Company has to repay all loans within 48 months. The first installment will be started at the end of May 2017.

As at December 31, 2018, the Company has classified some portion of liabilities under the long-term loans from financial institutions due within one year.

**Credit loan No. 7**

The Company has to repay all loans within 48 months. The first installment will be started within 1 month from the agreement signing date (February 15, 2018). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Credit loan No. 8**

The Company has to repay all loans within 48 months. The first installment will be started within 1 month from the agreement signing date (April 9, 2018). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Local bank No. 3****Credit loan No. 1**

The Company has to repay all loans within December 31, 2019.

As at December 31, 2018, the Company has repaid the loans in the full amount.

**Local bank No. 4****Credit loan No. 1**

The Company has to repay all loans within 3 years from the date of first drawdown (March 10, 2017).

As at December 31, 2018, the Company has repaid the loans in the full amount.

**Compliance with other conditions**

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) to maintain debt-to-equity ratio, (4) not to pay dividend except the lender assess the payment not affect the ability of loan repayment, (5) not to decrease registered capital and (6) to grant beneficiary of the asset protection from the insurance to policy the lender, etc.

**22. SHORT-TERM LOAN FROM OTHER COMPANY**

As at December 31, 2018, the Company has credit line of short-term loan from a company amounted Baht 50.00 million. The repayment of principal is due within June 2019, carries the interest rate 10% per annum. It has been guaranteed by land with existing buildings and continuing in the future on the project land of the company.

The change of short-term loan form other company for the year ended December 31, 2018 is described as follows:

	In Baht
	Consolidated / Separate Financial Statements
Balance as at December 31, 2017	162,125,422.40
Add: Additional loan during the period	50,000,000.00
Less: Loan repayment	(163,963,644.88)
Balance as at December 31, 2018	48,161,777.52

	In Baht	
	Consolidated / Separate Financial Statements	
Balance as at December 31, 2016		-
Add: Additional loan during the period		236,000,000.00
Less: Loan repayment		(73,874,577.60)
Balance as at December 31, 2017		162,125,422.40

## 23. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations consists of :

### The statements of financial position

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Defined benefit obligations, beginning of the years	38,008,941.00	39,885,275.00	36,904,041.00	38,739,960.00
Plus Current service costs and interest	17,780,297.00	5,192,008.00	17,207,626.00	4,990,113.00
<u>Less</u> Employee benefit obligations paid during the year	-	(636,800.00)	-	(636,800.00)
<u>Less</u> Actuarial loss from post-employee benefit	-	(6,431,542.00)	-	(6,189,232.00)
Defined benefit obligations, ending of the years	55,789,238.00	38,008,941.00	54,111,667.00	36,904,041.00

### Expense recognized in the statements of comprehensive income

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
<u>Recognized in profit (loss)</u>				
Current service costs	16,622,645.00	4,005,104.00	16,085,882.00	3,839,509.00
Interest on obligation	1,157,652.00	1,186,904.00	1,121,744.00	1,150,604.00
Total	17,780,297.00	5,192,008.00	17,207,626.00	4,990,113.00
Current service costs				
Cost of service	268,362.00	121,245.00	-	-
Selling expenses	3,788,591.00	1,238,997.00	3,788,591.00	1,238,997.00
Administrative expenses	8,888,628.00	1,452,757.00	8,620,227.00	1,408,407.00
Management benefit expenses	3,677,064.00	1,192,105.00	3,677,064.00	1,192,105.00
Finance costs	1,157,652.00	1,186,904.00	1,121,744.00	1,150,604.00
Total	17,780,297.00	5,192,008.00	17,207,626.00	4,990,113.00
<u>Recognized in other comprehensive income</u>				
Actuarial loss from post-employee benefit	-	(6,431,542.00)	-	(6,189,232.00)
Total	-	(6,431,542.00)	-	(6,189,232.00)
Total	17,780,297.00	(1,239,534.00)	17,207,626.00	(1,199,119.00)

Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2018 arise from

	In Baht	
	For the year ended December 31, 2018	
	Consolidated Financial Statements	Separate Financial Statements
Recognize in other comprehensive income		
Improvement from experience	868,161.00	737,809.00
Population assumption	(273,243.00)	(191,295.00)
Financial assumption	5,836,624.00	5,642,718.00
Total	6,431,542.00	6,189,232.00

The main assumptions in the estimates the financial assumptions for the Group of Company based on actuarial principles.

For the years ended December 31, 2018 and 2017.

	Percentage			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Discount rate	2.30 - 2.46	2.30 - 2.46	2.30	2.30
Salary increase rate	4.00	4.00	4.00	4.00
Employee turnover rate	0 - 35	0 - 35	0 - 25	0 - 25
Mortality rate	100.00 based on the table of death B.E. 2560	100.00 based on the table of death B.E. 2560	100.00 based on the table of death B.E. 2560	100.00 based on the table of death B.E. 2560
Disability rate	5.00 of the mortality rate	5.00 of the mortality rate	5.00 of the mortality rate	5.00 of the mortality rate

### Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2018 and 2017 are summarized below:

	Million Baht			
	2018			
	Consolidated Financial Statements		Separate Financial Statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(4.08)	4.66	(3.93)	4.48
Salary increase rate	5.11	(4.55)	4.92	(4.39)
Employee turnover rate	(4.28)	1.12	(4.12)	1.07



	Million Baht			
	2017			
	Consolidated Financial Statements		Separate Financial Statements	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(35.04)	41.40	(34.04)	40.17
Salary increase rate	41.31	(35.06)	40.08	(34.06)
Employee turnover rate	(34.90)	38.85	(33.91)	37.71

As at December 31, 2018 and 2017, the Company did not have any amount to be paid to the employees retiring in one year's time.

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement. The Company and its subsidiaries recognize the increase in the employee benefits obligations approximately Baht 13.54 million (Separate 13.33 million), resulting in the decrease in profit approximately Baht 10.83 million (Separate 10.51 million).

## 24. PROVISION FOR COMPENSATION FOR HOUSING ESTATE JURISTIC PERSONS

	In Baht	
	Consolidated/Separate Financial Statements	
	2018	2017
Beginning balance as at January 1,	16,255,358.69	14,843,741.26
<u>Add</u> increase during the year	3,271,993.21	1,753,217.43
<u>Less</u> decrease during the year	-	(341,600.00)
Ending balance as at December 31,	19,527,351.90	16,255,358.69

## 25. LIABILITIES FROM PURCHASING THE REAL ESTATE PROJECT

The Company had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated December 16, 2004, and its subsidiary had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated March 3, 2014. The contract to buy and to sell land requires the Company has to pay for the land, including the debt burden owing to the existing customers of the project.

Liabilities from purchasing the real estate project consists of:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Beginning balance as at January 1,	32,146,940.00	32,146,940.00	28,604,350.00	28,604,350.00
<b>Add</b> increase during the year	15,843,800.00	-	15,843,800.00	-
<b>Less</b> decrease from payment during the year	(5,250,000.00)	-	(5,250,000.00)	-
Ending balance as at December 31,	<u>42,740,740.00</u>	<u>32,146,940.00</u>	<u>39,198,150.00</u>	<u>28,604,350.00</u>

## 26. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

26.1 Deferred tax assets and deferred tax liabilities as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Deferred tax assets	15,368,525.59	11,169,666.75	15,368,525.59	11,169,666.75
Deferred tax liabilities	(1,273,385.20)	(6,233,805.16)	(2,994,957.76)	(7,955,377.72)
	<u>14,095,140.39</u>	<u>4,935,861.59</u>	<u>12,373,567.83</u>	<u>3,214,289.03</u>

26.2 Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2018 and 2017 are summarized as follows:

	In Baht			
	Consolidated Financial Statements			
	Balance as at Dec. 31, 17	Revenue (expenses) during the year		Balance as at Dec. 31, 18
In profit or loss		In other comprehensive income		
Deferred tax assets:				
Allowance for declining value-clubhouse	537,786.80	102,935.01	-	640,721.81
Provisions for employee benefits	7,380,808.20	3,441,525.20	-	10,822,333.40
Provisions for compensation for housing estate				
juristic persons	3,251,071.75	654,398.63	-	3,905,470.38
Total	<u>11,169,666.75</u>	<u>4,198,858.84</u>	<u>-</u>	<u>15,368,525.59</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade				
investments	(15,277.10)	(668.37)	-	(15,945.47)
Property development costs and inventories	(6,218,528.06)	4,961,088.33	-	(1,257,439.73)
Total	<u>(6,233,805.16)</u>	<u>4,960,419.96</u>	<u>-</u>	<u>(1,273,385.20)</u>
Net	<u>4,935,861.59</u>	<u>9,159,278.80</u>	<u>-</u>	<u>14,095,140.39</u>

## In Baht

	Consolidated Financial Statements			
	Balance as at Dec. 31, 16	Revenue (expenses) during the year		Balance as at Dec. 31, 17
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for doubtful other receivable	285,400.00	(285,400.00)	-	-
Allowance for declining value-clubhouse	537,786.80	-	-	537,786.80
Provisions for employee benefits	7,747,992.00	870,662.60	(1,237,846.40)	7,380,808.20
Provisions for compensation for housing estate				
juristic persons	2,968,748.25	282,323.50	-	3,251,071.75
Total	11,539,927.05	867,586.10	(1,237,846.40)	11,169,666.75
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade				
investments	(14,456.12)	(820.98)	-	(15,277.10)
Property development costs and inventories	(6,956,194.55)	737,666.49	-	(6,218,528.06)
Total	(6,970,650.67)	736,845.51	-	(6,233,805.16)
Net	4,569,276.38	1,604,431.61	(1,237,846.40)	4,935,861.59

## In Baht

	Separate Financial Statements			
	Balance as at Dec. 31, 17	Revenue (expenses) during the year		Balance as at Dec. 31, 18
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for declining value-clubhouse	537,786.80	102,935.01	-	640,721.81
Provisions for employee benefits	7,380,808.20	3,441,525.20	-	10,822,333.40
Provisions for compensation for housing estate				
juristic persons	3,251,071.75	654,398.63	-	3,905,470.38
Total	11,169,666.75	4,198,858.84	-	15,368,525.59
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade				
investments	(15,277.10)	(668.37)	-	(15,945.47)
Property development costs and inventories	(7,940,100.62)	4,961,088.33	-	(2,979,012.29)
Total	(7,955,377.72)	4,960,419.96	-	(2,994,957.76)
Net	3,214,289.03	9,159,278.80	-	12,373,567.83

	In Baht			
	Separate Financial Statements			
	Balance as at Dec. 31, 16	Revenue (expenses) during the year		Balance as at Dec. 31, 17
In profit or loss		In other comprehensive income		
Deferred tax assets:				
Allowance for doubtful other receivable	285,400.00	(285,400.00)	-	-
Allowance for declining value-clubhouse	537,786.80	-	-	537,786.80
Provisions for employee benefits	7,747,992.00	870,662.60	(1,237,846.40)	7,380,808.20
Provisions for compensation for housing estate				
juristic persons	2,968,748.25	282,323.50	-	3,251,071.75
Total	11,539,927.05	867,586.10	(1,237,846.40)	11,169,666.75
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade				
investments	(14,456.12)	(820.98)	-	(15,277.10)
Property development costs and inventories	(8,677,767.11)	737,666.49	-	(7,940,100.62)
Total	(8,692,223.23)	736,845.51	-	(7,955,377.72)
Net	2,847,703.82	1,604,431.61	(1,237,846.40)	3,214,289.03

## 26.3 Tax expense (income)

### 26.3.1 Major components of tax expense (income)

For the years ended December 31, 2018 and 2017 consisted of:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	26,955,532.63	3,441,292.96	26,955,532.63	3,441,292.96
Deferred tax expense (income):				
Changes in temporary differences relating to				
the original recognition and reversal	(9,159,278.80)	(1,604,431.61)	(9,159,278.80)	(1,604,431.61)
Total	17,796,253.83	1,836,861.35	17,796,253.83	1,836,861.35
Recognized in other comprehensive income				
Actuarial gain (loss) from post-employee benefit	-	1,237,846.40	-	1,237,846.40

26.3.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which are summarized as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Accounting profit (loss) for the year	114,096,947.04	20,655,290.06	116,961,064.96	25,141,732.88
The applicable tax rate (%)	20%	24%	20%	20%
Tax expense (income) at the applicable tax rate	22,819,389.41	5,028,346.58	23,392,212.99	5,028,346.58
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	(5,023,135.58)	1,115,718.82	(5,595,959.16)	1,115,718.82
Tax effect of income that are not deductible in determining tax profit:	-	(4,307,204.05)	-	(4,307,204.05)
Total reconciliation items	(5,023,135.58)	(3,191,485.23)	(5,595,959.16)	(3,191,485.23)
Total tax expense (income)	17,796,253.83	1,836,861.35	17,796,253.83	1,836,861.35

26.3.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2018 and 2017 are summarized as follows:

	Consolidated Financial Statements			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	114,096,947.04		20,655,290.06	
Tax expense (income) at the applicable tax rate	22,819,389.41	20.00	5,028,346.58	24.00
Reconciliation items	(5,023,135.58)	(4.40)	(3,191,485.23)	(15.45)
Tax expense (income) at the average effective tax rate	17,796,253.83	15.60	1,836,861.35	8.55

	Separate Financial Statements			
	2018		2017	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	116,961,064.96		25,141,732.88	
Tax expense (income) at the applicable tax rate	23,392,212.99	20.00	5,028,346.58	20.00
Reconciliation items	(5,595,959.16)	(4.78)	(3,191,485.23)	(12.69)
Tax expense (income) at the average effective tax rate	17,796,253.83	15.22	1,836,861.35	7.31

As at December 31, 2018 and 2017, a subsidiary has the accumulated tax losses less than 5 years at the amount of Baht 5.03 million and Baht 5.74 million, respectively, which the such subsidiary did not record such deferred tax assets from losses above as there is no policy to use such losses in the tax calculation for the year.

## 27. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E.2535, the Company must appropriate the reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

A subsidiary had appropriated its legal reserve as reserve fund of which the reserve reaches 10% of the authorized share capital.

According to the resolution on the Board of Directors Meeting No. 1/2019 held on February 27, 2019 the Company had appropriated its legal reserve in the amount of Baht 5.00 million of annual net income in 2018.

According to the resolution on the Board of Directors Meeting No. 1/2018 held on February 26, 2018, the Company had appropriated its legal reserve in the amount of Baht 1.10 million of annual net income in 2017.

## 28. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2017, the Group's debt-to-equity ratio was 0.92 : 1 and 0.64 : 1, respectively and the Company's was 0.92 : 1 and 0.63 : 1, respectively.

## 29. PROVIDENT FUND

The Company and its subsidiaries established a contributory registered provident fund covering all permanent employees in accordance with the provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company and its subsidiaries's contribution for the years ended December 31, 2018 and 2017 amounted to Baht 4,982,356.17 and Baht 4,507,483.57, respectively.

The Company's contributions for the years ended December 31, 2018 and 2017 amounted to Baht 4,643,557.79 and Baht 3,959,945.55, respectively.

## 30. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Changes in inventories (increase) decrease	174,608,354.07	136,512,076.30	174,608,354.07	136,512,076.30
Changes in property development costs (increase) decrease	491,909,990.03	518,923,710.87	491,909,990.03	518,923,710.87
Changes in land held for development (increase) decrease	(160,460,996.10)	(328,795,656.00)	(160,460,996.10)	(328,795,656.00)
Interest capitalization	53,472,927.37	59,326,531.72	53,472,927.37	59,326,531.72
Utilities and construction in progress	411,104,827.34	539,736,752.32	411,104,827.34	539,736,752.32
Employee benefit expenses	150,058,909.25	119,177,394.73	142,428,912.47	112,953,594.48
Depreciation and amortization expenses	23,642,941.28	26,301,303.52	23,618,272.08	25,314,463.38

## 31. FINANCE COSTS

Finance costs consists of:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Interest paid and payable to				
- Financial institutions	90,943,567.88	118,675,441.40	90,943,567.88	118,675,441.40
- Related parties	16,029,141.07	14,513,456.85	15,419,893.15	14,513,456.85
Employee benefit obligations	1,157,652.00	1,186,904.00	1,121,744.00	1,150,604.00
Fee for obtaining loans from				
financial institutions	3,932,759.00	4,561,473.00	3,932,759.00	4,561,473.00
Finance lease interest	71,747.12	71,747.02	71,747.12	71,747.02
Total	112,134,867.07	139,009,022.27	111,489,711.15	138,972,722.27
<u>Less</u> capitalized as part of property				
development costs	(53,472,927.37)	(59,326,531.72)	(53,472,927.37)	(59,326,531.72)
Net	58,661,939.70	79,682,490.55	58,016,783.78	79,646,190.55

## 32. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit (loss) for the period by weighted average number of ordinary shares that are issued and paid during the period after adjusting the number of ordinary shares to reflect the impact of the stock dividend. The prior period's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest year reported.

		Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
Profit for the year	(Baht)	96,300,693.21	18,818,428.71	99,164,811.13	23,304,871.53
Weighted average number of ordinary shares	(Shares)	1,245,283,691	1,245,283,691	1,245,283,691	1,245,283,691
Basic earning per share	(Baht per share)	0.077	0.015	0.080	0.019

## 33. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The business operation of the Company and its subsidiaries mainly involve real estate, contractor and property management services, which has main geographical operation in Thailand. Segment performance is considered by revenue and profit in each unit, and is also measured based on the group operating profit or loss, on a basis consistent with used to measure operating profit or loss in the financial statement. The Company and its subsidiaries information for the years ended December 31, 2017 and 2016 by segments are as follow.

## For the year ended December 31, 2018 (In Baht)

	Real Estate		Rental and services	Contractor	Property manager services	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment					DR.	CR.	
Revenues									
Sales	1,541,044,801.00	194,215,000.00	-	-	-	1,735,259,801.00	-	-	1,735,259,801.00
Rental income and service	-	-	16,963,887.68	-	7,418,200.00	24,382,087.68	(2,130,000.00)	-	22,252,087.68
Other income	25,651,811.14	464,214.55	21,384.76	77,275.16	7,949.48	26,222,635.09	(1,542,032.70)	-	24,680,602.39
Total revenues	1,566,696,612.14	194,679,214.55	16,985,272.44	77,275.16	7,426,149.48	1,785,864,523.77			1,782,192,491.07
Expenses									
Cost of sales	1,047,858,308.55	113,195,196.16	-	-	-	1,161,053,504.71	-	-	1,161,053,504.71
Cost for rent and service	-	-	17,102,785.31	-	3,958,959.08	21,061,744.39	-	-	21,061,744.39
Selling expenses	185,748,095.44	23,935,837.12	-	-	-	209,683,932.56	-	-	209,683,932.56
Administrative expenses	128,907,211.59	41,397,369.44	2,449,832.24	336,437.49	3,961,779.81	177,052,630.57	-	(2,206,822.44)	174,845,808.13
Management benefit expenses	37,695,818.62	4,684,118.36	408,677.56	-	-	42,788,614.54	-	-	42,788,614.54
Finance cost	49,186,198.75	4,178,995.71	4,651,589.32	1,900,540.41	209,825.77	60,127,149.96	-	(1,465,210.26)	58,661,939.70
Total expenses	1,449,395,632.95	187,391,516.79	24,612,884.43	2,236,977.90	8,130,564.66	1,671,767,576.73			1,668,095,544.03
Income (loss) by segments	117,300,979.19	7,287,697.76	(7,627,611.99)	(2,159,702.74)	(704,415.18)	114,096,947.04			114,096,947.04
Tax expenses (income)									17,796,253.83
Profit gain (loss) for the year									96,300,693.21





For the year ended December 31, 2017 (In Baht)									
	Real Estate		Rental and services	Contractor	Property manager services	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment					DR.	CR.	
Revenues									
Sales	1,401,157,439.00	23,907,608.04	-	-	-	1,425,065,047.04	-	-	1,425,065,047.04
Rental income and service	-	-	16,708,932.10	-	6,452,200.00	23,161,132.10	(2,185,000.00)	-	20,976,132.10
Other income	10,468,306.44	3,488,053.54	91,701.43	130,422.37	4,500.45	14,182,984.23	(3,264,842.96)	-	10,918,141.27
Total revenues	1,411,625,745.44	27,395,661.58	16,800,633.53	130,422.37	6,456,700.45	1,462,409,163.37			1,456,959,320.41
Expenses									
Cost of sales	794,267,359.08	147,016,266.07	-	-	-	941,283,625.15	-	-	941,283,625.15
Cost for rent and service	-	-	17,214,146.28	-	4,106,244.24	21,320,390.52	-	-	21,320,390.52
Selling expenses	170,030,075.05	21,628,997.02	-	-	-	191,659,072.07	-	-	191,659,072.07
Administrative expenses	131,800,636.07	35,928,454.26	1,009,220.24	1,368,431.28	2,374,569.60	172,481,311.45	-	(2,261,822.44)	170,219,489.01
Management benefit expenses	31,163,278.48	604,791.06	370,893.51	-	-	32,138,963.05	-	-	32,138,963.05
Finance cost	62,585,214.34	11,845,991.76	5,214,984.45	3,015,520.56	208,799.96	82,870,511.07	-	(3,188,020.52)	79,682,490.55
Total expenses	1,189,846,563.02	217,024,500.17	23,809,244.48	4,383,951.84	6,689,613.80	1,441,753,873.31			1,436,304,030.35
Income (loss) by segments	221,779,182.42	(189,628,838.59)	(7,008,610.95)	(4,253,529.47)	(232,913.35)	20,655,290.06			20,655,290.06

**For the year ended December 31, 2017 (In Baht)**

	Real Estate		Rental and services	Contractor	Property manager services	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment					DR.	CR.	
Tax expenses (income)									1,836,861.35
Profit gain (loss) for the year									18,818,428.71
Other comprehensive income									
Item that will not be reclassified to profit or loss									
Actuarial loss from post-employee benefit, net of income tax									5,193,695.60
Items that maybe classified subsequently to profit or loss									
Total comprehensive income for the year									-
As at December 31, 2017									24,012,124.31
Inventories	206,956,226.18	279,406,190.06	-	-	-	486,362,416.24			486,362,416.24
Property development costs	2,079,990,132.66	9,633,761.80	-	-	-	2,089,623,894.46			2,089,623,894.46
Investment property	-	-	204,099,866.45	-	-	204,099,866.45			204,099,866.45
Property, plant and equipment	115,530,051.30	1,670,690.26	532,569.21	14,844.22	16,544.13	117,764,699.12			117,764,699.12

### 34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	In Baht			
	Consolidated Financial Statements			
	Balance As at January 1, 2018	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2018
Bank overdrafts and short - term loans				
from the financial institutions	404,185,123.84	52,239,667.01	-	456,424,790.85
Short-term loan from other company	162,125,422.40	(113,963,644.88)	-	48,161,777.52
Short-term loan from related parties	276,000,000.00	(46,000,000.00)	-	230,000,000.00
Short-term loan from the director	16,900,000.00	(13,900,000.00)	-	3,000,000.00
Long-term loans from the financial institutions	1,025,700,933.75	(467,983,964.82)	-	557,716,968.93
Liabilities under the finance lease agreement	835,313.28	(834,243.28)	-	1,070.00
Total	1,885,746,793.27	(590,442,185.97)	-	1,295,304,607.30

	In Baht			
	Consolidated Financial Statements			
	Balance As at January 1, 2017	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2017
Bank overdrafts and short - term loans				
from the financial institutions	1,171,187,516.54	(767,002,392.70)	-	404,185,123.84
Short-term loan from other company	-	162,125,422.40	-	162,125,422.40
Short-term loan from related parties	-	276,000,000.00	-	276,000,000.00
Short-term loan from the director	81,000,000.00	(64,100,000.00)	-	16,900,000.00
Long-term loans from the financial institutions	977,693,565.94	48,007,367.81	-	1,025,700,933.75
Liabilities under the finance lease agreement	1,669,556.64	(834,243.36)	-	835,313.28
Total	2,231,550,639.12	(345,803,845.85)	-	1,885,746,793.27

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

In Baht

	Separate Financial Statements			
	Balance As at January 1, 2018	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2018
Bank overdrafts and short - term loans				
from the financial institutions	404,185,123.84	52,239,667.01	-	456,424,790.85
Short-term loan from other company	162,125,422.40	(113,963,644.88)	-	48,161,777.52
Short-term loan from related parties	276,000,000.00	(47,000,000.00)	-	229,000,000.00
Short-term loan from the director	16,900,000.00	(16,900,000.00)	-	-
Long-term loans from the financial institutions	1,025,700,933.75	(467,983,964.82)	-	557,716,968.93
Liabilities under the finance lease agreement	835,313.28	(834,243.28)	-	1,070.00
<b>Total</b>	<b>1,885,746,793.27</b>	<b>(594,442,185.97)</b>	<b>-</b>	<b>1,291,304,607.30</b>

In Baht

	Separate Financial Statements			
	Balance As at January 1, 2017	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2017
Bank overdrafts and short - term loans				
from the financial institutions	1,171,187,516.54	(767,002,392.70)	-	404,185,123.84
Short-term loan from other company	-	162,125,422.40	-	162,125,422.40
Short-term loan from related parties	-	276,000,000.00	-	276,000,000.00
Short-term loan from the director	81,000,000.00	(64,100,000.00)	-	16,900,000.00
Long-term loans from the financial institutions	977,693,565.94	48,007,367.81	-	1,025,700,933.75
Liabilities under the finance lease agreement	1,669,556.64	(834,243.36)	-	835,313.28
<b>Total</b>	<b>2,231,550,639.12</b>	<b>(345,803,845.85)</b>	<b>-</b>	<b>1,885,746,793.27</b>

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

## 35. COMMITMENT AND CONTINGENT LIABILITIES

35.1 The Company has entered into lease for the commercial buildings, sale office building, land and other services.

As at December 31, 2018, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	2.68
2 to 3 years	3.35

35.2 As at December 31, 2018, the Company and its subsidiaries had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties, are as follows:

	Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
- Guarantee for electricity, water and others	12.93	12.53
- Guarantee fund for maintenance to public utilities	161.01	161.01

35.3 As at December 31, 2018, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to Baht 0.65 million and gasoline amounting to Baht 0.22 million (see note 13).

### 35.4 Lawsuit

35.4.1 As at December 31, 2018, the Company had lawsuit in the Civil Court of Pattaya, black case number Por.564/2560 with the juristic person of Bayview Resort "Plaintiff." The plaintiff sued the Company on the servitude of the road way for cars and various utilities for the land of the plaintiff.

As at October 30, 2018, the court has scheduled for the hearing of the case. The court ordered to dismiss case against the plaintiff in every aspect. The case is now pending an appeal by the plaintiff.

35.4.2 As at December 31, 2018, the Company had a lawsuit in the Civil Court of Pattaya, black case number Por.411/2561 with the juristic person of Bayview Resort "Defendant". The Company sued the defendant on the charges of expelling, claiming the damage, with the capital amount of Baht 0.61 million. The case is under investigation.

## 36. FINANCIAL INSTRUMENTS

### 36.1 Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 5.

### 36.2 Financial risk management for financial instruments

The Company and its subsidiaries manage their financial risk that may arise in the financial assets and financial liabilities in normal course of business by using generally internal management and control system and the Company and its subsidiaries do not hold or issue any derivative instruments. The significant financial assets and financial liabilities of the Company and its subsidiaries comprise cash and cash equivalents, bank overdrafts and short-term loans from the financial institutions, trade account receivable and payable, include notes receivable and notes payable, loans, liabilities under the finance lease agreement.

### 36.3 Interest Rate Risk

The Company and its subsidiaries have the significant interest rate risks in relation to deposit at the financial institutions, bank overdrafts and short-term loans from the financial institutions, long-term loans from the financial institutions, loan from the director and short-term loan from the related parties and companies. Interest rate risk arises from the interest rate changes, which cause damage to the Company and its subsidiaries in the current period and in the future.

As at December 2018 and 2017, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

In Baht				
Consolidated Financial Statement				
As at December 31, 2018				
	Floating interest rate	Fixed interest rate	Interest - free	Total
<b>Financial assets</b>				
Cash and cash equivalents	7,086,142.12	-	22,132,559.50	29,218,701.62
Short-term investments	-	367,578.54	578,244.36	945,822.90
Trade account receivable	-	-	-	-
Deposit pledged as collateral	-	9,241,903.52	-	9,241,903.52
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans				
from the financial institutions	37,255,899.85	419,168,891.00	-	456,424,790.85
Trade notes payable	-	-	24,301,426.51	24,301,426.51
Trade accounts payable and other payable	-	-	59,113,730.58	59,113,730.58
Payable to related parties	-	-	39,738,055.52	39,738,055.52
Accrued expenses	-	-	36,348,984.21	36,348,984.21
Liabilities under the finance lease agreement	-	1,070.00	-	1,070.00
Long-term loans from financial institutions	557,716,968.93	-	-	557,716,968.93
Short-term loan from other company	-	48,161,777.52	-	48,161,777.52
Short-term loan from related parties	-	230,000,000.00	-	230,000,000.00
Short-term loan from director	-	3,000,000.00	-	3,000,000.00

## In Baht

Consolidated Financial Statement				
As at December 31, 2017				
	Floating interest rate	Fixed interest rate	Interest - free	Total
<b>Financial assets</b>				
Cash and cash equivalents	10,630,243.60	237,547.86	11,084,118.21	21,714,361.81
Short-term investments	-	126,655.54	574,902.47	939,105.87
Trade account receivable	-	-	64,200.00	64,200.00
Deposit pledged as collateral	-	9,156,986.60	-	9,156,986.60
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans				
from the financial institutions	63,755,123.84	340,430,000.00	-	404,185,123.84
Trade notes payable	-	-	48,970,139.77	48,970,139.77
Trade accounts payable and other payable	-	-	85,714,256.91	85,714,256.91
Payable to related parties	-	-	42,640,694.10	42,640,694.10
Accrued expenses	-	-	38,227,949.00	38,227,949.00
Liabilities under the finance lease agreement	-	835,313.28	-	835,313.28
Long-term loans from financial institutions	1,025,700,933.75	-	-	1,025,700,933.75
Short-term loan from other company	-	162,125,422.40	-	162,125,422.40
Short-term loan from related parties	-	276,000,000.00	-	276,000,000.00
Short-term loan from director	-	16,900,000.00	-	16,900,000.00

## In Baht

Separate Financial Statement				
As at December 31, 2018				
	Floating interest rate	Fixed interest rate	Interest - free	Total
<b>Financial assets</b>				
Cash and cash equivalents	5,306,159.06	-	21,316,921.06	26,623,080.12
Short-term investments	-	127,909.42	578,244.36	706,153.78
Short-term loan to related parties	-	-	-	-
Deposit pledged as collateral	-	9,241,903.52	-	9,241,903.52
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans				
from the financial institutions	37,255,899.85	419,168,891.00	-	456,424,790.85
Trade notes payable	-	-	24,301,426.51	24,301,426.51
Trade accounts payable and other payable	-	-	59,107,730.58	59,107,730.58
Payable to related parties	-	-	41,355,320.57	41,355,320.57
Accrued expenses	-	-	35,371,981.40	35,371,981.40
Liabilities under the finance lease agreement	-	1,070.00	-	1,070.00
Long-term loans from financial institutions	557,716,968.93	-	-	557,716,968.93
Short-term loan from other company	-	48,161,777.52	-	48,161,777.52
Short-term loan from related parties	-	229,000,000.00	-	229,000,000.00



In Baht				
Separate Financial Statement				
As at December 31, 2017				
	Floating interest rate	Fixed interest rate	Interest - free	Total
<b>Financial assets</b>				
Cash and cash equivalents	8,793,933.28	-	10,958,728.22	19,752,661.50
Short-term investments	-	126,655.54	574,902.47	701,558.01
Short-term loan to related parties	-	55,000,000.00	-	55,000,000.00
Deposit pledged as collateral	-	9,156,986.60	-	9,156,986.60
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans				
from the financial institutions	63,755,123.84	340,430,000.00	-	404,185,123.84
Trade notes payable	-	-	52,238,139.77	52,238,139.77
Trade accounts payable and other payable	-	-	85,714,256.91	85,714,256.91
Payable to related parties	-	-	41,355,320.57	41,355,320.57
Accrued expenses	-	-	35,371,981.40	35,371,981.40
Liabilities under the finance lease agreement	-	835,313.28	-	835,313.28
Long-term loans from financial institutions	1,025,700,933.75	-	-	1,025,700,933.75
Short-term loan from other company	-	162,125,422.40	-	162,125,422.40
Short-term loan from related parties	-	276,000,000.00	-	276,000,000.00
Short-term loan from director	-	16,900,000.00	-	16,900,000.00

#### 36.4 Foreign currency risk

As at December 31, 2018 and 2017, the Company has no exchange rate risk since it has no trade accounts receivable and accounts payable in foreign currency outstanding on the statement of financial position. The Company did not enter into forward contracts for hedging against exchange rate risk.

#### 36.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

#### 36.6 Fair value of financial instruments

The Company uses the market approach to measure and disclosure their assets and liabilities that are required to be measured or disclosure at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

#### **Fair value hierarchy**

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

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

As at December 31, 2018 and 2017, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	In Baht				
	Net bookvalue (Baht)	Consolidated/Separate Financial Statements			
		Fair value (Baht)			
		Level 1	Level 2	Level 3	Total
As at December 31, 2018					
<b>Assets measured at fair value</b>					
Current investments					
Open fund	498,517.00	-	578,244.36	-	578,244.36
Total	498,517.00	-	578,244.36	-	578,244.36
As at December 31, 2017					
<b>Assets measured at fair value</b>					
Current investments					
Open fund	498,517.00	-	574,902.47	-	574,902.47
Total	498,517.00	-	574,902.47	-	574,902.47

During the current period, there were no transfers within the fair value hierarchy.

#### Valuation techniques and inputs to level 2

The fair value of investments in open fund that are not listed on the Stock Exchange of Thailand has been determined by using the net assets value per unit as announced by the fund manager.

As at December 31, 2018 and 2017, the financial assets and liabilities that are not measured at fair value (fair value disclosure) represented by the fair value hierarchy are as follows :

	In Baht				
	Net bookvalue (Baht)	Consolidated/Separate Financial Statements			
		Fair value (Baht)			
		Level 1	Level 2	Level 3	Total
As at December 31, 2018					
<b>Assets disclosed at fair value</b>					
Investment property	191,916,909.63	-	-	206,520,000.00	206,520,000.00
As at December 31, 2017					
<b>Assets disclosed at fair value</b>					
Investment property	199,886,455.01	-	-	207,891,000.00	207,891,000.00

#### Valuation techniques and inputs to level 3

The fair value of investment property is calculated by using the cost approach in determining the asset value. Land is used to compare with the market price and the replacement cost approach is used for building.

### 37. EVENTS AFTER THE REPORTING PERIOD

On November 22, 2018, the Company entered into a to buy/to sell land agreement with a company in total amount of Baht 23.42 million. The land ownership transfer date is on January 4, 2019.

At the Annual General Shareholders' Meeting 2019 held on April 26, 2019, the shareholders had the resolution to allocate the profit the year 2018 to the shareholders as dividends at Baht 0.030 per share in the total amount of Baht 37.36 million. The dividend will be paid on May 15, 2019.

### 38. RECLASSIFICATION

Certain amounts in financial statements for the year 2016 have been reclassified to conform to the current year's presentation and classification, with no effect on previously reported net income or shareholder' equity.

	In Baht	
	Consolidated Financial Statements	
	As reclassified	As previously reported
<b><u>THE STATEMENTS OF FINANCIAL POSITION</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	21,714,361.81	21,951,909.67
Short-term investments	939,105.87	701,558.01
<b><u>THE STATEMENTS OF CASH FLOWS</u></b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from short-term loan a related party	-	306,000,000.00
Cash paid for short-term loan a related party	-	(30,000,000.00)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from short-term loan a related party	306,000,000.00	-
Cash paid for short-term loan a related party	(30,000,000.00)	-

### 39. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment

TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

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

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

#### 40. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by Company's directors on February 27, 2019.



## General Information



**Company Name** : N.C. Housing Public Company Limited

Business Type	: Property Development
Head Office Location	: 1/765 Moo 17 , Soi Amporn, Phaholyothin Rd. Km.26, Tambol Kookhot, Lumlookka District, Pathumtani 12130
Registration No.	: 0107546000385 (Old No.40854600039)
Home Page	: <a href="http://www.ncgroup.co.th">www.ncgroup.co.th</a>
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5080
Authorized Share Capital	: THB 1,245,284,305
Paid-Up Share Capital	: THB 1,245,283,691
Registrar	: The Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 66(0) 2009-9000 Fax. 66(0) 2009-9991
Auditor	: Mr. Peradate Pongsathiansak Auditor license 4752 or Miss Wannisa Ngambuathong Auditor license 6838 or Mr. Pod Assavasantichai Auditor license 4891 or Mr. Suwat Maneekanoksakul auditor license 8134 Dharmniti Auditing Company Limited 267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800 Tel. 66(0) 2587-8080 Fax. 66(0) 2586-0301
Consultants to Internal Audit	: ANS Business Consultants Company Limited 100/72, 22 <sup>nd</sup> Floor, 100/2 Vongvanij B Building, Rama 9 Rd, Huaykwang, Bangkok 10310 Tel. 66(0) 2645-0109 Fax. 66(0) 2645-0101

## Subsidiaries Company Name : N.C.Property Management Company Limited

Business Type	: Full service for Project Management
Head Office Location	: 1/765 Moo 17, Soi Amporn, Phaholyothin Rd. Km.26, Tambol Kookhot, Lumlookka District, Pathumtani 12130
Registration No.	: 0105541019582 (Old No. (4) 337/2541)
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5089
Authorized Share Capital	: THB 70,000,000
Paid-Up Share Capital	: THB 70,000,000
Auditor	: Mr. Peradate Pongsathiansak Auditor license 4752 Dharmniti Auditing Company Limited 267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800 Tel. 66(0) 2587-8080 Fax. 66(0) 2586-0301

## Subsidiaries Company Name : Quality Living Management Company Limited

Business Type	: Full service for Community Management for Housing Projects, Condominiums and Club House
Head Office Location	: 1/765 Moo 17 , Soi Amporn , Phaholyothin Rd. Km.26, Tambol Kookhot, Lumlookka District, Pathumtani 12130
Registration No.	: 0105541019582 (Old No. (4) 337/2541)
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5089
Authorized Share Capital	: THB 1,000,000
Paid-Up Share Capital	: THB 1,000,000
Auditor	: Mr. Peradate Pongsathiansak Auditor license 4752 Dharmniti Auditing Company Limited 267/1 Pracharaj Sai 1 Rd., Bangsue, Bangkok 10800 Tel. 66(0) 2587-8080 Fax. 66(0) 2586-0301







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