

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014**

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statement of financial position of N.C. Housing Public Company Limited and its subsidiaries as at March 31, 2014 and the related consolidated statements of comprehensive income for the three-month period as at March 31, 2014, changes in shareholders' equity and cash flows for the three-month period then ended and selected explanatory notes, and the statement of financial position of N.C. Housing Public Company Limited as at March 31, 2014 and the related statement of comprehensive income for the three-month period as at March 31, 2014, changes in shareholders' equity and cash flows for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

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

(Miss Wannisa Ngambuathong)
Certified Public Accountant
Registration No. 6838

Dharmniti Auditing Company Limited
Bangkok, Thailand
May 15, 2014
2014/618/0274

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014

		<u>ASSETS</u>			
		In Thousand Baht			
		<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
		<u>As at March</u>	<u>As at December</u>	<u>As at March</u>	<u>As at December</u>
Note		<u>31, 2014</u>	<u>31, 2013</u>	<u>31, 2014</u>	<u>31, 2013</u>
CURRENT ASSETS					
	Cash and cash equivalents	23,550	30,638	21,666	26,860
	Short-term investments	672	670	672	670
5	Trade accounts receivable	146	24,683	-	-
4	Short-term loan to related parties	-	-	20,500	19,300
6, 15	Inventories	377,587	403,886	370,737	394,878
7, 15	Property development costs	2,496,651	2,546,147	2,496,587	2,547,515
7, 15	Land held for development	1,249,928	1,211,563	1,181,072	1,211,207
	Deposit from purchase land	-	1,800	-	1,800
	Other current assets	30,767	33,186	28,220	30,809
	Total current assets	4,179,301	4,252,573	4,119,454	4,233,039
NON-CURRENT ASSETS					
8	Deposit pledged as collateral	9,014	9,012	8,785	8,785
9	Investment in associated company	-	-	-	-
9	Investment in subsidiaries	-	-	11,864	11,864
10	Investment Property	201,441		201,441	
11	Property, plant and equipment	155,700	164,471	151,348	159,883
12	Intangible assets	4,485	4,073	4,485	4,073
21	Deferred tax assets	11,690	10,450	11,674	10,438
	Other non-current assets	9,748	6,687	6,629	4,533
	Total non-current assets	392,078	194,693	396,226	199,576
TOTAL ASSETS		4,571,379	4,447,266	4,515,680	4,432,615

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at March	As at December	As at March	As at December
Note		31, 2014	31, 2013	31, 2014	31, 2013
CURRENT LIABILITIES					
	Bank overdrafts and short-term loans				
	from the financial institutions	13	204,281	173,801	204,281
	Trade notes payable		57,339	50,320	57,339
	Trade accounts payable and other payable		116,526	103,137	114,229
	Payable to related parties	4	36,289	30,763	42,712
	Accured expenses	4	33,714	53,516	33,620
	Corporate income tax payable		5,398	5,398	5,398
	Current portion of liabilities under				
	the finance lease agreement	14	563	592	563
	Current portion of long-term loans from				
	the financial institutions	15	428,663	429,572	428,663
	Short-term loan from related parties	4	-	-	1,000
	Short-term loan from the director	4	110,000	75,000	70,000
	Advance received from customers		56,081	47,690	56,081
	Retention from contractors		75,675	74,051	75,212
	Other current liabilities		727	790	727
	Total current liabilities		1,125,256	1,044,630	1,088,825
NON-CURRENT LIABILITIES					
	Liabilities under the finance lease agreement	14	894	1,039	894
	Long-term loans from the financial institutions	15	1,003,275	967,671	1,003,275
	Employee benefit obligations	16	29,838	28,860	29,092
	Provision for compensation for				
	housing estate juristic persons		19,376	18,823	19,376
	Liabilities from purchasing the real estate project	17	80,719	80,719	80,719
	Deferred tax liabilities	21	9,074	8,794	9,002
	Total non-current liabilities		1,143,176	1,105,906	1,142,358
	TOTAL LIABILITIES		2,268,432	2,150,536	2,231,183

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at March	As at December	As at March	As at December
Note		31, 2014	31, 2013	31, 2014	31, 2013
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
1,200,000,000 ordinary shares					
of Baht 1.00 each					
		1,200,000	1,200,000	1,200,000	1,200,000
Issued and paid-up share capital					
1,185,985,052 ordinary shares					
capital of Baht 1.00 each					
		1,185,985	1,185,985	1,185,985	1,185,985
Paid-in capital					
Premium on share capital					
		577,530	577,530	577,530	577,530
Retained earnings					
Appropriated - legal reserve					
	18	54,350	54,350	54,350	54,350
Unappropriated					
		485,082	478,865	466,632	461,055
Total equity attributable to					
company's shareholders					
		2,302,947	2,296,730	2,284,497	2,278,920
Non-controlling interests					
		-	-	-	-
Other components of equity					
		-	-	-	-
TOTAL SHAREHOLDER'S EQUITY					
		2,302,947	2,296,730	2,284,497	2,278,920
TOTAL LIABILITIES AND					
SHAREHOLDER'S EQUITY					
		4,571,379	4,447,266	4,515,680	4,432,615

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2014	2013	2014	2013
REVENUES					
	Sales	322,922	362,860	322,922	362,860
	Construction income	-	6,466	-	-
	Service income	1,127	1,131	-	-
	Other income	1,500	1,962	1,605	1,956
	Total Revenues	<u>325,549</u>	<u>372,419</u>	<u>324,527</u>	<u>364,816</u>
EXPENSES					
	Cost of sales	214,444	244,562	215,807	244,697
	Cost of construction	-	6,296	-	-
	Cost of service	1,087	967	-	-
	Selling expenses	40,177	48,468	40,177	48,468
	Administrative expenses	41,337	37,848	40,752	36,930
	Management benefit expenses	7,726	8,059	7,683	8,018
	Finance costs	12,933	5,555	12,899	5,530
	Total Expenses	<u>317,704</u>	<u>351,755</u>	<u>317,318</u>	<u>343,643</u>
	Share of profit from investment in an associated company	-	-	-	-
	Income (loss) before tax expenses	7,845	20,664	7,209	21,173
	Tax expenses (income)	1,628	5,387	1,632	5,317
	Profit (loss) for the period	6,217	15,277	5,577	15,856
	Other comprehensive income	-	-	-	-
	Total comprehensive income for the period	<u>6,217</u>	<u>15,277</u>	<u>5,577</u>	<u>15,856</u>
Profit (loss) attributable to					
	Shareholders' equity of the parent company	6,217	15,277	5,577	15,856
	Non-controlling interests	-	-	-	-
		<u>6,217</u>	<u>15,277</u>	<u>5,577</u>	<u>15,856</u>
Total comprehensive income attributable to					
	Shareholders' equity of the parent company	6,217	15,277	5,577	15,856
	Non-controlling interests	-	-	-	-
		<u>6,217</u>	<u>15,277</u>	<u>5,577</u>	<u>15,856</u>
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	Profit (loss) for the period (Baht per share)	0.005	0.013	0.005	0.013

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

In Thousand Baht

		Consolidated Financial Statements							
		Shareholders' equity of the parent company					Non-Controlling	Total	
		Share capital	Premium on	Retained earnings		Other	Total	interests	
		issued and	share capital	Appropriated	Unappropriated	components			
Note		paid-up		legal reserve	(Restated)	of equity			
Balance as at January 1, 2014		1,185,985	577,530	54,350	478,865	-	2,296,730	-	2,296,730
Total comprehensive income for the period 2014		-	-	-	6,217	-	6,217	-	6,217
Balance as at March 31, 2014		1,185,985	577,530	54,350	485,082	-	2,302,947	-	2,302,947
Balance as at January 1, 2013		1,185,985	577,530	48,850	420,596	-	2,232,961	-	2,232,961
Total comprehensive income for the period 2013		-	-	-	15,277	-	15,277	-	15,277
Balance as at March 31, 2013		1,185,985	577,530	48,850	435,873	-	2,248,238	-	2,248,238

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

		In Thousand Baht					
		Separate Financial Statements					
		Shareholders' equity of the parent company				Total	
Note	Share capital	Premium on	Retained earnings		Other		
	issued and paid-up	share capital	Appropriated legal reserve	Unappropriated (Restated)	components of equity		
	Balance as at January 1, 2014	1,185,985	577,530	54,350	461,055	-	2,278,920
	Total comprehensive income for the period 2014	-	-	-	5,577	-	5,577
	Balance as at March 31, 2014	<u>1,185,985</u>	<u>577,530</u>	<u>54,350</u>	<u>466,632</u>	<u>-</u>	<u>2,284,497</u>
	Balance as at January 1, 2013	1,185,985	577,530	48,850	401,810	-	2,214,175
	Total comprehensive income for the period 2013	-	-	-	15,856	-	15,856
	Balance as at March 31, 2013	<u>1,185,985</u>	<u>577,530</u>	<u>48,850</u>	<u>417,666</u>	<u>-</u>	<u>2,230,031</u>

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	6,217	15,277	5,577	15,856
<u>Add</u> (less) Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities :				
Depreciation and amortization	4,165	3,874	3,864	3,696
Reversal allowance for doubtful accounts	-	(28)	-	(28)
Unrealized gain from trading securities	(3)	(3)	(3)	(3)
Gain from sale of fixed assets	(338)	-	(338)	-
Loss from transfer land and club to juristic person of village	5,005	-	5,005	-
Loss from written-off assets	40	38	40	-
Gain from written-off accounts payable and accrued expenses	-	(572)	-	(550)
Provision for compensation for housing estate juristic persons	553	513	553	513
Employee benefit expenses	978	1,891	926	1,679
Interest income	(160)	3	(146)	-
Interest expenses	12,640	5,265	12,499	5,245
Tax expenses (income)	1,627	5,387	1,631	5,317
Income from operating activities before changes in operating assets and liabilities	30,724	31,645	29,608	31,725
Decrease (increase) in operating assets				
Trade accounts receivable	24,537	(7,121)	-	28
Inventories	26,299	(2,409)	24,141	(836)
Property development costs	(78,046)	54,261	(76,614)	53,670
Land held for development	(87,365)	(23,226)	(18,865)	(23,226)
Deposit from purchase land	1,800	(72,969)	1,800	(72,969)
Other current assets	2,419	665	2,732	295
Other non-current assets	(1,443)	247	(1,442)	247

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Increase (decrease) in operating liabilities				
Trade notes payable	7,019	(15,834)	7,019	(14,579)
Trade accounts payable and other payable	13,389	23,344	13,811	23,204
Payable to related parties	5,526	(10,633)	4,102	(15,648)
Accrued expenses	(19,897)	(23,622)	(18,207)	(22,497)
Advance received from customers	8,391	5,406	8,391	5,406
Retention from contractors	1,624	2,507	1,608	2,525
Other current liabilities	(63)	(63)	(63)	(63)
Cash receivable from the operations	(65,086)	(37,802)	(21,979)	(32,718)
Cash received from interest income	160	(3)	3	-
Withholding taxes refunded from Revenue department	-	80	-	-
Income tax expense paid	(4,205)	(3,967)	(3,241)	(3,634)
Net cash provided by (used in) operating activities	(69,131)	(41,692)	(25,217)	(36,352)
CASH FLOWS FROM INVESTING ACTIVITIES				
Short-term Investments	1	-	1	-
Cash paid for short-term loan to related parties	-	-	(1,200)	-
Increase in deposit pledged as collateral	(2)	(2)	-	-
Investment Property	(9,437)	-	(9,437)	-
Proceeds from sales of fixed assets	605	-	605	-
Cash paid for purchase of fixed assets	(467)	(2,858)	(402)	(619)
Cash paid for purchase of intangible assets	(651)	(169)	(651)	(169)
Net cash provided by (used in) investing activities	(9,951)	(3,029)	(11,084)	(788)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash paid for liabilities under finance lease agreement	(174)	(114)	(174)	(114)
Increase (decrease) in bank overdrafts and short-term loans				
from the financial institutions	30,480	11,140	30,480	11,140
Cash received from short-term loan from related parties	-	61,000	-	62,800
Cash paid for short-term loan from related parties	-	-	(1,000)	-
Cash received from short-term loan from the director	65,000	15,000	25,000	10,000
Cash paid for loan from short-term loan the director	(30,000)	(10,000)	(30,000)	(10,000)

Notes to interim financial statements form an integral part of these statement

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Cash received from long-term loans	180,210	136,755	180,210	136,755
Cash paid for long-term loans	(145,515)	(136,446)	(145,515)	(136,446)
Interest paid	(28,007)	(16,751)	(27,894)	(16,751)
Net cash provided by (used in) financing activities	71,994	60,584	31,107	57,384
Net increase (decrease) in cash and cash equivalents	(7,088)	15,863	(5,194)	20,244
Cash and cash equivalents, beginning of period	30,638	45,115	26,860	38,363
Cash and cash equivalents, end of period	23,550	60,978	21,666	58,607
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :-				
Cash on hand	672	712	672	662
Cash at bank	22,878	60,266	20,994	57,945
Total	23,550	60,978	21,666	58,607

2) In period 2014 and 2013, the Company had transferred land held for development as part of property development costs in value of Baht 49.00 million and Baht 132.05 million, respectively.

3) In period 2014, the Company had transferred property development costs as part of investment property in value of Baht 192.00 million.

Notes to interim financial statements form an integral part of these statement

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
MARCH 31, 2014

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 interim consolidated financial statements and operations

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

	Percentage of		Nature of Business
	direct and indirect holding		
	As at March 31, 2014	As at December 31, 2013	
<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
<u>Associated company</u>			
Ensure Home Co., Ltd.			
(Under liquidation process)	40.00	40.00	Real estate brokers
TPKS Real Estate Co., Ltd.	40.00	40.00	Real estate
(Associated company held by Ensure Home Co., Ltd.) (Under liquidation process)			

2.2 These consolidated interim financial statements included the financial statements of N.C. Housing Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013. There has been no change in the composition of its subsidiaries during the period.

3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF FINANCIAL STATEMENTS

3.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with the Accounting Standard No. 34 (revised 2012) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2013.

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

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

3.2 Accounting standards effective for using in current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2012, and the new issued of accounting standards, financial reporting standards, the interpretations and accounting treatment guidance of which they are effective for using in the periods beginning on or after January 1, 2014, as follows.

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment

TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The management of the Company believes that these accounting standards do not have any significant impact on the financial statements for the current year.

4. 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 interim 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
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
Ensure Home Co., Ltd.	Thailand	Co-shareholder and director at 40%
TPKS Real Estate Co., Ltd.	Thailand	Co-shareholder and director at 40%

The significant transactions between the Company and its related parties and companies for the three-month periods ended March 31, 2014 and 2013 are summarized as follows.

Transaction during the period	Pricing basis	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods ended March 31,		For the three-month periods ended March 31,	
		2014	2013	2014	2013
<u>Subsidiaries</u>					
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	15	15
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	4	4
Other income-interest income					
N.C. Property Management Co., Ltd.	At the rate of 3.00% p.a.	-	-	143	-
Construction cost					
N.C. Property Management Co., Ltd.	At cost plus 10%	-	-	5,066	10,045
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 20,000 per project	-	-	765	575
Utility charges					
N.C. Property Management Co., Ltd.	At cost	-	-	-	1
Interest expenses					
Quality Living Management Co., Ltd.	At the rate of 3.00% p.a.	-	-	4	6

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		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods ended March 31,		For the three-month periods ended March 31,	
Pricing basis		2014	2013	2014	2013
Related parties					
Other income - office rental					
Precast station Co., Ltd.	Baht 10,000 per month	30	-	30	-
Construction cost					
Precast station Co., Ltd.	At cost plus 10%	30,748	-	30,748	-
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	11,623	23,493	10,635	16,050
S.C. Construction And Decoration Co., Ltd.	Market price	146	15	2	15
Land rental expense					
Mrs. Patcharin Tanthathoedtham	Baht 55,000 per month	165	165	165	165
Interest expenses					
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	1,360	31	1,328	5
NCH 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	-	406	-	406

The significant outstanding balance as at March 31, 2014 and December 31, 2013 are as follow:-

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at March 31, 2014	As at December 31, 2013	As at March 31, 2014	As at December 31, 2013
Short-term loan to related parties					
- N.C. Property Management Co., Ltd.					
Balance, beginning of period		-	-	19,300	-
Addition during the period		-	-	1,200	33,000
Deduction during the period		-	-	-	(13,700)
Balance, ending of period		-	-	20,500	19,300
Accrued interest					
- N.C. Property Management Co., Ltd.		-	-	285	141
Payable to related parties					
- Quality Living Management Co., Ltd.		-	-	342	364
- N.C. Property Management Co., Ltd.		-	-	9,625	12,165
- S.C. Construction And Decoration Co., Ltd.		817	761	146	244
- Sathaporn Wattana Trading Co., Ltd.		18,421	25,994	15,548	21,829
- Sathaporn Wattana Transport Partnership		4	4	4	4
- Precast station Co., Ltd.		17,047	4,004	17,047	4,004
		36,289	30,763	42,712	38,610
Rental fee payable					
- Mrs. Patcharin Tanthathoedtham		165	-	165	-

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at March 31, 2014	As at December 31, 2013	As at March 31, 2014	As at December 31, 2013
Short-term loan from related parties				
- Quality Living Management Co., Ltd.				
Balance, beginning of period	-	-	1,000	-
Addition during the period	-	-	-	4,700
Deduction during the period	-	-	(1,000)	(3,700)
Balance, ending of period	-	-	-	1,000
- NCH 2555 Holding Co., Ltd.				
Balance, beginning of period	-	-	-	-
Addition during the period	-	71,000	-	61,000
Deduction during the period	-	(71,000)	-	(61,000)
Balance, ending of period	-	-	-	-
	-	-	-	1,000
Short-term loan from director				
- Mr. Somchao Tanthathoedtham				
Balance, beginning of period	75,000	-	75,000	-
Addition during the period	65,000	143,800	25,000	138,800
Deduction during the period	(30,000)	(68,800)	(30,000)	(63,800)
Balance, ending of period	110,000	75,000	70,000	75,000
Accrued interest				
- Quality Living Management Co., Ltd.	-	-	10	6
- Mr. Somchao Tanthathoedtham	1,360	1,109	1,328	1,109
	1,360	1,109	1,338	1,115

COLLATERAL WITH RELATED COMPANIES

As at March 31, 2014, 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.

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Management benefit expenses for the three-month periods ended March 31, 2014 and 2013.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2014	2013	2014	2013
<u>Management</u>				
Management benefit expenses				
Short-term employee benefits	7,517	7,762	7,475	7,723
Post-employment benefits	209	297	208	295
Total	<u>7,726</u>	<u>8,059</u>	<u>7,683</u>	<u>8,018</u>

5. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of the following:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at March	As at December	As at March	As at December
	31, 2014	31, 2013	31, 2014	31, 2013
Real Estate				
Receivable from installment	298	298	298	298
Contractor				
Receivable contractor	-	24,492	-	-
Property manager services				
Management receivable	146	191	-	-
Total	444	24,981	298	298
<u>Less</u> Allowance for doubtful accounts	(298)	(298)	(298)	(298)
Trade accounts receivable-net	<u>146</u>	<u>24,683</u>	<u>-</u>	<u>-</u>

Trade accounts receivable were classified by aging as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at March	As at December	As at March	As at December
	31, 2014	31, 2013	31, 2014	31, 2013
Not yet due	-	191	-	-
Over 0 month to 3 months	146	-	-	-
Over 3 months to 6 months	-	-	-	-
Over 6 months to 12 months	-	24,492	-	-
Over 12 months	298	298	298	298
Total	<u>444</u>	<u>24,981</u>	<u>298</u>	<u>298</u>

6. INVENTORIES

Inventories consist of

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at March	As at December	As at March	As at December
	31, 2014	31, 2013	31, 2014	31, 2013
Cost of houses for sales	386,223	410,364	386,223	410,364
Work in construction	6,850	9,008	-	-
Total	393,073	419,372	386,223	410,364
Less allowance for declining value of inventories	(15,486)	(15,486)	(15,486)	(15,486)
Inventories - net	<u>377,587</u>	<u>403,886</u>	<u>370,737</u>	<u>394,878</u>

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

	Consolidated Financial Statements / Separate Financial Statements			
	As at March 31, 2014		As at December 31, 2013	
	Unit	In Million Baht	Unit	In Million Baht
House for sales	111	386.22	98	410.36
House for sale - under signed purchase and sale contract	(33)	(106.42)	(36)	(79.47)
House for sale - balance carry forward not under signed purchase and sale contract	78	279.80	62	330.89

As at March 31, 2014 and December 31, 2013, some inventories of the Company in the amount of Baht 344.85 million and Baht 359.03 million, respectively, are mortgaged as a part of collateral for long-term loans with local commercial bank, as discussed in Note 15.

7. PROPERTY DEVELOPMENT COSTS AND LAND HELD FOR DEVELOPMENT

7.1 Actual property development costs consist of :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at March	As at December	As at March	As at December
	31, 2014	31, 2013	31, 2014	31, 2013
Land and land development costs	3,687,199	3,620,852	3,687,199	3,620,852
Utilities development costs	858,448	808,205	858,448	808,205
Construction in progress	4,899,272	4,696,354	4,899,208	4,697,722
Interest capitalization	389,626	374,947	389,626	374,947
Total	9,834,545	9,500,358	9,834,481	9,501,726
Less transfer to inventory	(386,223)	(410,364)	(386,223)	(410,364)
transfer to accumulated cost of sale	(6,759,667)	(6,543,847)	(6,759,667)	(6,543,847)
transfer to investment property	(192,004)	-	(192,004)	-
Property development costs	<u>2,496,651</u>	<u>2,546,147</u>	<u>2,496,587</u>	<u>2,547,515</u>
Less allowance for declining value of property development costs	-	-	-	-

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Property development costs - net	<u>2,496,651</u>	<u>2,546,147</u>	<u>2,496,587</u>	<u>2,547,515</u>
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As at March 31, 2014, the Company had transferred the cost of land development in the amount of Baht 192.00 million to the account of property investment because during the period the management has changed its plan from condominium construction for sale to residential building for lease.

As at March 31, 2014 and December 31, 2013, almost of Company's land and construction in the projects are mortgaged as collateral against credit facilities for long-term loans with local commercial bank, as discussed in Note 15.

For the three-month periods ended March 31, 2014 and 2013, the Company recorded the related interest expense amounting approximately to Baht 14.68 million and Baht 11.16 million, respectively, as part of property development costs. The capitalization rate for calculate interest is 6.74% and 6.70%, respectively.

7.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated Financial Statements / Separate Financial Statements	
	As at March 31, 2014 (For the three-month)	As at December 31, 2013 (For the year)
Number of operating projects, beginning of period	21	15
Number of closing projects	2	2
Number of projects transferred to property investment	1	-
Number of newly open projects	1	8
Number of operating projects, ending of period	<u>19</u>	<u>21</u>
Contracted sales value (In million Baht)	9,745.83	9,324.72
As percentage of total current projects value	66.06	74.18

As at March 31, 2014 and December 31, 2013, the Company has the obligation to complete the public utility development project for operating projects in the amount of Baht 299.50 million and Baht 91.06 million, respectively.

7.3 LAND HELD FOR DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at March	As at December	As at March	As at December
	31, 2014	31, 2013	31, 2014	31, 2013
Beginning balance	1,211,563	1,780,965	1,211,207	1,780,609
<u>Add</u> during the period	87,365	156,856	18,865	156,856
Total	1,298,928	1,937,821	1,230,072	1,937,465
<u>Less</u> - transfer to property development costs	(49,000)	(717,858)	(49,000)	(717,858)
- decrease for reversal of liabilities				
from				
purchasing the real estate project				
(as discussed in note 17)	-	(8,400)	-	(8,400)
Land held for development	<u>1,249,928</u>	<u>1,211,563</u>	<u>1,181,072</u>	<u>1,211,207</u>

During the period, a subsidiary has acquired the land at the amount of Baht 68.50 million as there will be property development plan in the future.

As at March 31, 2014 and December 31, 2013, some parts of Company’s land held for development as collateral against credit facilities for long-term loans with local commercial bank, as discussed in note 15.

8. DEPOSIT PLEDGED AS COLLATERAL

As at March 31, 2014 and December 31, 2013, the Company had fixed deposit amounting to Baht 8.79 million and Baht 8.79 million, respectively, which are pledged as collateral for maintenance to public utilities, customer’s loan and gasoline.

As at March 31, 2014 and December 31, 2013, the subsidiary had fixed deposit amounting to Baht 0.23 million and Baht 0.22 million, respectively, which are pledged as collateral for bank over drafts limit.

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

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9. INVESTMENTS IN ASSOCIATED COMPANY AND SUBSIDIARIES

	Paid up shares		Ownership		Amount		Dividend	
	(In Thousand Baht)		(%)		(In Thousand Baht)		(In Thousand Baht)	
	As at March 31, 2014	As at December 31, 2013	As at March 31, 2014	As at December 31, 2013	As at March 31, 2014	As at December 31, 2013	As at March 31, 2014	As at December 31, 2013
AT COST								
<u>Associated company</u>								
Ensure Home Co., Ltd.	2,000	2,000	40	40	240	240	-	-
<u>Less</u> Allowance for declining value of investment					(240)	(240)		
Investments in associated company - net					-	-		
<u>Subsidiaries</u>								
N.C. Property								
Management Co., Ltd.	10,000	10,000	100	100	11,864	11,864	-	-
Quality Living Management Co., Ltd.	1,000	1,000	100	100	-	-	-	-
					11,864	11,864	-	-
<u>Less</u> Allowance for declining value of investment					-	-		
Investments in subsidiaries- net					11,864	11,864		

On October 2012, Ensure Home Company Limited, a Company’s associate and TPKE Real Estate Company Limited, associated company held by Ensure Home Company Limited, has been closed down and was registered liquidation with the Ministry of Commerce on December 26, 2012, which is now in the process of liquidation. During the year 2012, the Company received investment of Baht 160,000. The Company’s management expect the outstanding amount will not be repaid the investment from this associate. Therefore, they set the allowance for loss on impairment of the investment at the total amount of Baht 240,000.

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10. INVESTMENT PROPERTY

Movements of the investment property account for the three-month period ended March 31, 2014 are summarized as follows.

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
At cost		
Balance as at December 31, 2013	-	-
Transfer in from property development costs become residential building (as discussed in note 7.1)		
- Land and land development costs	41,934	41,934
- Utilities development costs	13,177	13,177
- Residential building in progress	134,869	134,869
- Interest capitalization	2,024	2,024
	<u>192,004</u>	<u>192,004</u>
Residential building in progress	<u>9,437</u>	<u>9,437</u>
Balance as at March 31, 2014	<u><u>201,441</u></u>	<u><u>201,441</u></u>

As at March 31, 2014, total amount of Company's investment property as collateral against facilities for long-term loans with local commercial bank, as discussed in note 15.

For the three-month period ended March 31, 2014, the Company recorded the related interest expense amounting approximately to Baht 0.78 million, as part of property investment. The capitalization rate for calculate interest is 8.00%.

11. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the three-month period ended March 31, 2014 are summarized as follows.

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at December 31, 2013	344,595	334,722
Acquisitions during the period	467	402
Disposals and write-off during the period	(9,948)	(9,948)
Balance as at March 31, 2014	<u>335,114</u>	<u>325,176</u>
Accumulated depreciation		
Balance as at December 31, 2013	(177,824)	(172,539)
Depreciation for the period	(3,926)	(3,625)
Accumulated depreciation on disposals and write-off	4,636	4,636
Balance as at March 31, 2014	<u>(177,114)</u>	<u>(171,528)</u>
Allowance for declining value		
Balance as at December 31, 2013	(2,300)	(2,300)
Allowance for declining value for the period	-	-
Balance as at March 31, 2014	<u>(2,300)</u>	<u>(2,300)</u>
Net book value		
Balance as at December 31, 2013	<u>164,471</u>	<u>159,883</u>
Balance as at March 31, 2014	<u>155,700</u>	<u>151,348</u>

As at March 31, 2014 and December 31, 2013, some part of land and the clubhouse building in the total amount of Baht 100.52 million (net book value amount of Baht 60.53 million and Bath 61.51 million, respectively) are mortgaged as collateral against the overdrafts from a commercial bank in the total amount of Baht 25 million.

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12. INTANGIBLE ASSETS

Movements of the intangible assets account for the three-month period ended March 31 2014 are summarized as follows.

	<u>In Thousand Baht</u>
	<u>Consolidated financial statements/Separate financial statements</u>
At cost	
Balance as at December 31, 2013	6,751
Acquisitions during the period	651
Disposals and write-off during the period	-
Balance as at March 31, 2014	<u>7,402</u>
Accumulated amortization	
Balance as at December 31, 2013	(2,678)
Amortization for the period	(239)
Accumulated amortization on disposals and write-off	-
Balance as at March 31, 2014	<u>(2,917)</u>
Net book value	
Balance as at December 31, 2013	<u>4,073</u>
Balance as at March 31, 2014	<u>4,485</u>

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

This account consist of :-

	<u>In Thousand Baht</u>			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at March 31, 2014</u>	<u>As at December 31, 2013</u>	<u>As at March 31, 2014</u>	<u>As at December 31, 2013</u>
Bank overdrafts from the financial institutions	74,354	43,874	74,354	43,874
Short-term loans from the financial institutions	129,927	129,927	129,927	129,927
Total	<u>204,281</u>	<u>173,801</u>	<u>204,281</u>	<u>173,801</u>

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	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at March	As at December			
	31, 2014	31, 2013			
Bank Overdraft					
The parent company					
- The first bank	25.00	25.00	MOR per annum	At call	- By the mortgage of the Company's land and construction on there. - By some directors.
- The second bank	20.00	20.00	6 months fix deposit plus 1.15% per annum	At call	- By some directors and the fixed accounts of some directors.
- The third bank	15.00	-	MOR less 0.50% per annum	At call	- By the mortgage of the project's land and construction on there and construction in the future.
Total Credit line	<u>60.00</u>	<u>45.00</u>			
Short-term loans					
The parent company					
- The first bank	35.00	35.00	MLR less 0.25% per annum	April 20, 2014	- By the mortgage of the director's land and construction on there.
- The second bank	56.93	56.93	MLR less 0.50% per annum	April 9, 2014 and May 8, 2014	- By the mortgage of the project's land and construction on there and construction in the future.
- The third bank	38.00	38.00	MLR per annum	June 17, 2014	- By the mortgage of the Company's land.
	<u>129.93</u>	<u>129.93</u>			
Total Credit line	<u>189.93</u>	<u>174.93</u>			

14. LIABILITIES UNDER FINANCE LEASE AGREEMENT

Liabilities under finance lease agreements consisted of :

	Consolidated Financial Statements / Separate Financial Statements (In Thousand Baht)					
	As at March 31, 2014			As at December 31, 2013		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	563	85	648	592	95	687
Current portion due after one						

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year not over three years	<u>894</u>	<u>50</u>	<u>944</u>	<u>1,039</u>	<u>68</u>	<u>1,107</u>
Total	<u>1,457</u>	<u>135</u>	<u>1,592</u>	<u>1,631</u>	<u>163</u>	<u>1,794</u>

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As at March 31, 2014 and December 31, 2013, the Company has two and four hire-purchase agreements, respectively, with the local leasing company to purchase vehicles in the amount of Baht 2,214,750 and Baht 3,087,750 (Included VAT) , respectively, with a term of repayment of 36 months at Baht 20,535 - 39,496 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.

15. LONG-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consists of :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at March 31, 2014	As at December 31, 2013	As at March 31, 2014	As at December 31, 2013
Long-term loans from local banks				
The first bank	837,505	762,784	837,505	762,784
The second bank	594,433	634,459	594,433	634,459
Total	1,431,938	1,397,243	1,431,938	1,397,243
<u>Less</u> Current portion due within one year	<u>(428,663)</u>	<u>(429,572)</u>	<u>(428,663)</u>	<u>(429,572)</u>
Long-term loans from the financial institutions - net	<u>1,003,275</u>	<u>967,671</u>	<u>1,003,275</u>	<u>967,671</u>

Movements in the long-term loans account during the three-month period ended March 31, 2014 are summarized below.

	In Thousand Baht
	Consolidated financial statements / Separate financial statements
Balance as at 1 January 2014	1,397,243
Less: Repayment during the period	(145,515)
Add: Additional borrowings during the period	180,210
Balance as at 31 March, 2014	<u>1,431,938</u>

	Credit line (Million Baht)		Interest rate	Guarantee
	As at March 31, 2014	As at December 31, 2013		
<u>Long-term loans</u>				
Parent company				
<u>The first bank</u>				
- The first credit line	534.77	534.77	MLR, MLR less 0.50-1.00% per annum	By the mortgage of some the project's land and construction on there.
- The second credit line	139.47	139.47	MLR less 0.50% per annum	
- The third credit line	277.50	307.20	MLR less 0.50% per annum	
- The fourth credit line	296.00	296.00	MLR less 0.50% per annum	
- The fifth credit line	271.00	271.00	MLR less 0.50% per annum	
- The sixth credit line	267.95	267.95	MLR less 0.50% per annum	
- The seventh credit line	20.00	20.00	MLR less 0.50% per annum	
- The eighth credit line	46.10	46.10	MLR less 0.50% per annum	
- The ninth credit line	37.17	37.17	MLR less 0.50% per annum	
- The tenth credit line	88.00	-	MLR less 0.50% per annum	
<u>The second bank</u>				
- The first credit line	456.12	456.12	MLR per annum	By the mortgage of some the project's land and construction on there.
- The second credit line	65.00	65.00	MLR plus 0.50% per annum	
- The third credit line	40.00	40.00	MLR plus 0.50% per annum	
- The fourth credit line	229.34	229.34	MLR plus 0.50% per annum	
- The fifth credit line	189.12	189.12	MLR per annum	
	<u>2,957.54</u>	<u>2,899.24</u>		

The Company has condition to repay, in case of loan agreement, when received payment from its customers as at the transfer date of assets sold to customers. However, in this portion, the Company does not estimate the loan amount which is expected to be repaid within one year in order to classify under the current liabilities in the statement of financial position. There is specified in the agreement, in case of some portion of loan, the amount to be repaid each period and is scheduled the year ended in the agreement. The Company has classified the liabilities under the account of long-term loan from the financial institution that will be due within one year.

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) not to engage into any liability or obligation over Baht 10 million per time except approved by the bank, (4) to maintain debt-to-equity ratio, (5) not to pay dividend except the lender assesses the payment not affect to ability of repayment loan, (6) not to decrease registered capital and to grant beneficiary of the asset protection insurance to the lender, etc.

16. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the three-month period ended March 31, 2014 shown as follow :-

The statements of financial position

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Employee benefit obligations, beginning of the period	28,860	28,166
Current service costs	757	711
Interest cost	221	215
Employee benefit obligations, ending of the period	<u>29,838</u>	<u>29,092</u>

Expense recognized in the statements of comprehensive income

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month periods ended March 31,			
	2014	2013	2014	2013
Current service costs	757	783	711	739
Interest on obligation	221	226	215	222
Loss estimation under actuarial principles	-	882	-	718
Total	<u>978</u>	<u>1,891</u>	<u>926</u>	<u>1,679</u>
Current service costs				
Cost of service	38	38	-	-
Selling expenses	246	226	246	226
Administrative expenses	264	1,105	258	936
Management benefit expenses	209	296	207	295
Finance costs	<u>221</u>	<u>226</u>	<u>215</u>	<u>222</u>
Total	<u>978</u>	<u>1,891</u>	<u>926</u>	<u>1,679</u>

17. 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. 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

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customers of the project.

Movements in the liabilities from purchasing the real estate project account during the three-month periods ended March 31, 2014 and December 31, 2013 are summarized below.

	In Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	As at March 31, 2014 (three-month period)	As at December 31, 2013 (annual period)
Beginning balance	80,719	104,449
<u>Less</u> decrease (reversal) during the period	-	(23,730)
Liabilities from purchasing the real estate project	<u>80,719</u>	<u>80,719</u>

As at March 31, 2014, liabilities from purchasing the real estate project which is presented as part of property development cost amount of Baht 12.10 million and land held for development amount of Baht 68.62 million.

18. LEGAL RESERVE

According to the resolution on the Board of Directors Meeting No. 1/2014 held on February 21, 2014, the Company had appropriated its legal reserve in the amount of Baht 5.50 million of annual net income in 2013, and approval at the Annual General Meeting of the shareholders on April 24, 2014.

19. DIVIDEND

At the Board of Directors Meeting No. 1/2014 held on February 21, 2014, the Board of Directors approved a dividend payment for net income period of 2013 to all shareholders at Baht 0.034 per share amounting to Baht 40.32 million. The Company will pay the dividend on May 19, 2014. The dividend was approved by the 2014 Annual General Shareholders Meeting on April 24, 2014.

20. EARNINGS PER SHARE

Basic earning per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares held by outside parties, which issued and paid-up during the period.

Consolidated Financial Statements		Separate Financial Statements	
For the three-month periods ended March 31,		For the three-month periods ended March 31,	
2014	2013	2014	2013

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Profit for the period	(Thousand Baht)	6,217	15,277	5,577	15,856
Weighted average number of ordinary shares	(Thousand Shares)	1,185,985	1,185,985	1,185,985	1,185,985
Basic earning per share	(Baht per share)	0.005	0.013	0.005	0.013

21. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

21.1 Changes in deferred tax assets and deferred tax liabilities for the three-month period ended March 31, 2014 are summarized as follows:

	Thousand Baht			
	Consolidated financial statements			
	Balance as at Dec. 31, 13	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Investment in associated company	48	-	-	48
Advance received from customers	532	940	-	1,472
Allowance for declining value-clubhouse	460	-	-	460
Provisions for employee benefits	5,645	190	-	5,835
Provisions for compensation for housing estate juristic persons	3,765	110	-	3,875
Total	<u>10,450</u>	<u>1,240</u>	<u>-</u>	<u>11,690</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(10)	(1)	-	(11)
Property development costs and inventories	(8,784)	(279)	-	(9,063)
Total	<u>(8,794)</u>	<u>(280)</u>	<u>-</u>	<u>(9,074)</u>

	Thousand Baht			
	Separate financial statements			
	Balance as at Dec. 31, 13	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Investment in associated company	48	-	-	48
Advance received from customers	532	940	-	1,472
Allowance for declining value-clubhouse	460	-	-	460
Provisions for employee benefits	5,633	186	-	5,819
Provisions for compensation for housing estate juristic persons	3,765	110	-	3,875
Total	<u>10,438</u>	<u>1,236</u>	<u>-</u>	<u>11,674</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(10)	(1)	-	(11)

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Property development costs and inventories	<u>(8,712)</u>	<u>(279)</u>	<u>-</u>	<u>(8,991)</u>
Total	<u><u>(8,722)</u></u>	<u><u>280</u></u>	<u><u>-</u></u>	<u><u>(9,002)</u></u>

21.2 Tax expense (income)

21.2.1 Major components of tax expense (income)

For the three-month periods ended March 31, 2014 and 2013 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax expense (income) shown in profit or loss				
:				
Current tax expense:				
Income tax expense for the year	2,588	5,449	2,588	5,376
Deferred tax expense (income):				
Changes in temporary differences relating to the				
original recognition and reversal	(960)	(62)	(956)	(59)
Total	<u>1,628</u>	<u>5,387</u>	<u>1,632</u>	<u>5,317</u>

21.2.2 A numerical reconciliation between account expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the three-month periods ended March 31, 2014 and 2013 which are summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit (loss) for the year	7,845	20,664	7,209	21,173
The applicable tax rate (%)	16.13%	21%	20%	20%
Tax expense (income) at the applicable tax rate	<u>1,265</u>	<u>4,302</u>	<u>1,442</u>	<u>4,235</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	363	1,085	190	1,082
Total reconciliation items	<u>363</u>	<u>1,085</u>	<u>190</u>	<u>1,082</u>
Total tax expense (income)	<u>1,628</u>	<u>5,387</u>	<u>1,632</u>	<u>5,317</u>

21.2.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the three-month periods ended March 31, 2014 and 2013 are summarized as follows:

	Consolidated financial statements			
	2014		2013	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	7,845		20,664	
Tax expense (income) at the applicable tax rate	1,265	16.12	4,302	21.00
Reconciliation items	363	4.63	1,085	5.07
Tax expense (income) at the average effective tax rate	1,628	20.75	5,387	26.07

	Separate financial statements			
	2014		2013	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	7,209		21,173	
Tax expense (income) at the applicable tax rate	1,442	20.00	4,235	20.00
Reconciliation items	190	2.64	1,082	5.11
Tax expense (income) at the average effective tax rate	1,632	22.64	5,317	25.11

22. 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 three-month periods ended March 31, 2014 and 2013 by segments are as follow.

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For the three-month period ended March 31, 2014 (In Thousand Baht)

	Real Estate	Contractor	Property manager services	Total	Elimination		Consolidated
					DR.	CR.	
Revenues							
Sales	322,922	-	-	322,922	-	-	322,922
Construction income	-	5,066	-	5,066	(5,066)	-	-
Service income	-	-	1,892	1,892	(765)	-	1,127
Other income	1,605	35	27	1,667	(167)	-	1,500
Total revenues	324,527	5,101	1,919	331,547			325,549
Expenses							
Cost of sales	215,807	-	-	215,807	-	(1,363)	214,444
Cost of construction	-	5,134	-	5,134	-	(5,134)	-
Cost of service	-	-	1,087	1,087	-	-	1,087
Selling expenses	40,177	-	-	40,177	-	-	40,177
Administrative expenses	40,752	672	697	42,121	-	(784)	41,337
Management benefit expenses	7,683	-	43	7,726	-	-	7,726
Finance cost	12,899	176	6	13,081	-	(148)	12,933
Total expenses	317,318	5,982	1,833	325,133			317,704
Income (loss) by segments	7,209	(881)	86	6,414			7,845
Tax expenses (income)	1,632	(4)	-	1,628			1,628
Profit (loss) for the period	5,577	(877)	86	4,786	-		6,217
As at March 31, 2014							
Property, Plant and equipment	151,348	4,207	145	155,700			155,700

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For the three-month period ended March 31, 2013 (In Thousand Baht)

	Real Estate	Contractor	Property manager services	Total	Elimination		Consolidated
					DR.	CR.	
Revenues							
Sales	362,860	-	-	362,860	-	-	362,860
Construction income	-	16,511	-	16,511	(10,045)	-	6,466
Service income	-	-	1,706	1,706	(575)	-	1,131
Other income	1,956	4	28	1,988	(26)	-	1,962
Total revenues	364,816	16,515	1,734	383,065			372,419
Expenses							
Cost of sales	244,697	-	-	244,697	-	(135)	244,562
Cost of construction	-	15,615	-	15,615	-	(9,319)	6,296
Cost of service	-	-	967	967	-	-	967
Selling expenses	48,468	-	-	48,468	-	-	48,468
Administrative expenses	36,930	539	975	38,444	-	(596)	37,848
Management benefit expenses	8,018	-	41	8,059	-	-	8,059
Finance cost	5,530	26	5	5,561	-	(6)	5,555
Total expenses	343,643	16,180	1,988	361,811			351,755
Income (loss) by segments	21,173	335	(254)	21,254			20,664
Tax expenses (income)	5,317	70	-	5,387			5,387
Profit (loss) for the period	15,856	265	(254)	15,867			15,277
As at March 31, 2013							
Property, Plant and equipment	161,312	4,278	191	165,781			165,781

23. COMMITMENT AND CONTINGENT LIABILITIES

23.1 The Company has entered into lease for the commercial buildings, sale office building, land and other services.

As at March 31, 2014, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	6.31
More than 1 year to 3 years	4.81

23.2 As at March 31, 2014, 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:

	<u>In Thousand Baht</u>	
	<u>Consolidated Financial Statements</u>	<u>Separate Financial Statements</u>
- Guarantee for electricity, water and others	12.91	12.51
- Guarantee fund for maintenance to public utilities	156.45	156.45

23.3 As at March 31, 2014, 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 0.23 million (see note 8).

23.4 As at March 31, 2014, the Company has contingent liabilities arising from lawsuits as follows:

- (a) A financial institution had filed one civil lawsuits demanding the Company as the loan guarantor to repay the loan with the principal borrowers who were the clients of the Company in the total amount of Baht 0.60 million along with interest at 7.5% per annum to be calculated from the date of the filing of lawsuit until the date of full settlement (Baht 0.26 million calculated up to March 31, 2014). The financial institution above alleged the borrowers for default on payments of the principal and interest under the terms of the loan agreement. Therefore, the Company as on behalf of the loan guarantor was then charged as the 2nd defendant co-borrower.

As at March 31, 2014, the case has ended and the Court has ordered the principal loan and the guarantor to co-payment at the total amount of Baht 0.60 million with the interest rate 7.5 percent per year of the capital amount of Baht 0.50 million. If the holder fails to pay, the Court will order to seize the land and building to the auction for plaintiff. If the money is not enough to pay the debt, the plaintiff has the eligible on compulsory execution against other assets of the 2 defendants. The management has estimated the damage that expected to be demanded for such case until March 31, 2014 in the amount of Baht 0.18 million, which is recorded under caption of other current liabilities. The management has expected that the damage will not more than the amount expected.

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24. AUTHORIZATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by Company’s directors on 15, May 2014.