

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017**

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 September 30, 2017 and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2017, changes in shareholders' equity and cash flows for the nine-month period then ended and selected explanatory notes, and I have also reviewed the statement of financial position of N.C. Housing Public Company Limited as at September 30, 2017 and the related statement of comprehensive income for the three-month and nine-month periods ended September 30, 2017, changes in shareholders' equity and cash flows for the nine-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".

(Mr. Peradate Pongsathiansak)
Certified Public Accountant
Registration No. 4752

Dharmniti Auditing Company Limited
Bangkok, Thailand
November 10, 2017

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

		<u>ASSETS</u>			
		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at September	As at December	As at September	As at December
Note		30, 2017	31, 2016	30, 2017	31, 2016
CURRENT ASSETS					
	Cash and cash equivalents	37,778	13,240	35,744	10,782
	Short-term investments	699	696	699	696
	Trade accounts receivable	107	-	-	-
	Short-term loan to related parties	4	-	55,000	57,000
	Inventories	5	495,761	622,874	495,761
	Property development costs	6	2,162,945	2,608,548	2,608,548
	Land held for development	7	1,793,635	1,464,839	1,720,227
	Other current assets	4	9,143	20,336	14,475
	Total current assets		4,500,068	4,730,533	4,714,552
NON-CURRENT ASSETS					
	Deposit pledged as collateral	8	8,279	8,223	8,223
	Investment in subsidiaries	9	-	-	11,864
	Investment property	10	206,655	214,237	206,655
	Property, plant and equipment	11	120,512	123,737	119,980
	Intangible assets	12	5,739	4,930	5,739
	Withholding tax		12,181	6,756	11,968
	Deferred tax asstes	21	8,898	4,569	7,177
	Other non-current assets		4,108	4,091	4,108
	Total non-current assets		366,372	366,543	375,770
	TOTAL ASSETS		4,866,440	5,097,076	5,089,641

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		As at September	As at December	As at September	As at December	
Note		30, 2017	31, 2016	30, 2017	31, 2016	
CURRENT LIABILITIES						
	Bank overdrafts and short-term loans					
	from the financial institutions	13	397,902	1,171,188	397,902	1,171,188
	Trade notes payable		56,614	47,494	56,614	47,494
	Trade accounts payable and other payable		81,442	106,749	81,442	106,748
	Payable to related parties	4	25,679	39,333	27,296	42,655
	Accrued expenses	4	29,943	15,287	28,849	14,115
	Current portion of liabilities under					
	the finance lease agreement	14	809	829	809	829
	Current portion of long-term loan from					
	the financial institutions	15	168,354	329,998	168,354	329,998
	Short-term loan from other company	16	135,124	-	135,124	-
	Short-term loan from related parties	4	276,000	-	276,000	-
	Short-term loan from the director	4	-	81,000	-	81,000
	Advance received from customers		10,520	23,654	10,520	23,653
	Retention from contractors		80,407	80,311	80,148	79,927
	Other current liabilities		486	496	418	409
	Total current liabilities		<u>1,263,280</u>	<u>1,896,339</u>	<u>1,263,476</u>	<u>1,898,016</u>
NON-CURRENT LIABILITIES						
	Liabilities under the finance lease					
	agreement	14	234	840	234	840
	Long-term loans from the financial					
	institutions	15	1,028,136	647,696	1,028,136	647,696
	Employee benefit obligations	17	43,779	39,885	42,483	38,740
	Provision for compensation for housing					
	estate juristic persons	18	15,768	14,844	15,768	14,844
	Liabilities from purchasing the real					
	estate project	19	32,147	32,147	28,604	28,604
	Total non-current liabilities		<u>1,120,064</u>	<u>735,412</u>	<u>1,115,225</u>	<u>730,724</u>
	TOTAL LIABILITIES		<u>2,383,344</u>	<u>2,631,751</u>	<u>2,378,701</u>	<u>2,628,740</u>

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT SEPTEMBER 30, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at September	As at December	As at September	As at December
Note		30, 2017	31, 2016	30, 2017	31, 2016
SHAREHOLDER'S EQUITY					
Share capital					
Authorized share capital					
	1,245,284,305 ordinary shares				
	of Baht 1.00 each	1,245,284	1,245,284	1,245,284	1,245,284
Issued and paid-up share capital					
	1,245,283,691 ordinary shares				
	of Baht 1.00 each	1,245,284	1,245,284	1,245,284	1,245,284
	Premium on share capital	577,530	577,530	577,530	577,530
Retained earnings					
	Appropriated - legal reserve	68,050	68,050	68,050	68,050
	Unappropriated	592,232	574,461	591,056	570,037
	Other components of equity	-	-	-	-
	Total equity attributable to company's shareholders	2,483,096	2,465,325	2,481,920	2,460,901
	Non-controlling interests	-	-	-	-
TOTAL SHAREHOLDER'S EQUITY		2,483,096	2,465,325	2,481,920	2,460,901
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,866,440	5,097,076	4,860,621	5,089,641

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2017	2016	2017	2016
REVENUES					
	Sales	369,953	287,467	369,953	287,467
	Rental income and service	5,386	4,930	4,193	4,063
	Other income	2,528	1,691	3,342	2,555
	Total Revenues	<u>377,867</u>	<u>294,088</u>	<u>377,488</u>	<u>294,085</u>
EXPENSES					
	Cost of sales	235,405	197,728	235,405	197,729
	Cost for rent and service	5,318	4,560	4,458	3,710
	Selling expenses	49,111	39,463	49,111	39,463
	Administrative expenses	41,044	41,989	40,526	41,389
	Management benefit expenses	7,986	7,693	7,986	7,693
	Finance costs	31,041	9,973	31,032	9,964
	Total Expenses	<u>369,905</u>	<u>301,406</u>	<u>368,518</u>	<u>299,948</u>
	Income (loss) before tax expenses	7,962	(7,318)	8,970	(5,863)
	Tax expenses (income)	(3,226)	(1,223)	(3,226)	(1,063)
	Profit (loss) for the period	11,188	(6,095)	12,196	(4,800)
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Actuarial loss from post-employee benefit, net of income tax	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total comprehensive income for the period	<u>11,188</u>	<u>(6,095)</u>	<u>12,196</u>	<u>(4,800)</u>
	Profit (loss) attributable to				
	Shareholders' equity of the parent company	11,188	(6,095)	12,196	(4,800)
	Non-controlling interests	-	-	-	-
		<u>11,188</u>	<u>(6,095)</u>	<u>12,196</u>	<u>(4,800)</u>
	Total comprehensive income attributable to				
	Shareholders' equity of the parent company	11,188	(6,095)	12,196	(4,800)
	Non-controlling interests	-	-	-	-
		<u>11,188</u>	<u>(6,095)</u>	<u>12,196</u>	<u>(4,800)</u>
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	Basic earning (loss) per share (Baht per share)	0.009	(0.005)	0.010	(0.004)

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2017	2016	2017	2016
REVENUES					
	Sales	1,074,401	1,071,470	1,074,401	1,071,470
	Rental income and service	15,530	15,552	12,468	12,500
	Other income	4	7,383	10,803	9,699
	Total Revenues	1,097,314	1,097,825	1,096,568	1,096,810
EXPENSES					
	Cost of sales	4	709,341	722,631	709,341
	Cost for rent and service		16,204	15,614	12,962
	Selling expenses		137,309	130,621	137,309
	Administrative expenses	4	128,595	131,522	127,870
	Management benefit expenses	4	23,885	22,902	23,885
	Finance costs	4	62,862	54,536	62,835
	Total Expenses		1,078,196	1,077,826	1,074,202
	Income (loss) before tax expenses		19,118	19,999	22,366
	Tax expenses (income)	21	1,347	4,901	1,347
	Profit (loss) for the period		17,771	15,098	21,019
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Actuarial loss from post-employee benefit, net of income tax	17	-	(331)	-
	Items that may be reclassified subsequently to profit or loss		-	-	-
	Total comprehensive income for the period		17,771	14,767	21,019
	Profit (loss) attributable to				
	Shareholders' equity of the parent company		17,771	15,098	21,019
	Non-controlling interests		-	-	-
	Total comprehensive income attributable to		17,771	15,098	21,019
	Shareholders' equity of the parent company		17,771	14,767	21,019
	Non-controlling interests		-	-	-
	Total comprehensive income attributable to		17,771	14,767	21,019
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	Basic earning (loss) per share (Baht per share)	20	0.014	0.012	0.017

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

In Thousand Baht

		Consolidated Financial Statements							
		Shareholders' equity of the parent company					Non-controlling	Total	
		Share capital	Premium on	Retained earnings		Other	Total	interests	Total
		issued and	share capital	Appropriated	Unappropriated	components			
		paid-up		legal reserve		of equity			
Note	Beginning balance as at January 1, 2017	1,245,284	577,530	68,050	574,461	-	2,465,325	-	2,465,325
	Comprehensive income								
	Profit for the period	-	-	-	17,771	-	17,771	-	17,771
	Other comprehensive income for the period	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	17,771	-	17,771	-	17,771
	Ending balance as at September 30, 2017	1,245,284	577,530	68,050	592,232	-	2,483,096	-	2,483,096
	Beginning balance as at January 1, 2016	1,185,985	577,530	66,750	621,256	-	2,451,521	-	2,451,521
	Dividend paid	-	-	-	(6,589)	-	(6,589)	-	(6,589)
	Stock dividend	59,299	-	-	(59,299)	-	-	-	-
	Comprehensive income								
	Profit for the period	-	-	-	15,098	-	15,098	-	15,098
	Other comprehensive income for the period	-	-	-	(331)	-	(331)	-	(331)
	Total comprehensive income for the period	-	-	-	14,767	-	14,767	-	14,767
	Ending balance as at September 30, 2016	1,245,284	577,530	66,750	570,135	-	2,459,699	-	2,459,699

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

		In ThousandBaht					
		Separate Financial Statements					
		Share capital	Premium on	Retained earnings		Other	Total
		issued and	share capital	Appropriated	Unappropriated	components	
Note		paid-up		legal reserve		of equity	
	Beginning balance as at January 1, 2017	1,245,284	577,530	68,050	570,037	-	2,460,901
	Comprehensive income						
	Profit for the period	-	-	-	21,019	-	21,019
	Other comprehensive income for the period	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	21,019	-	21,019
	Ending balance as at September 30, 2017	1,245,284	577,530	68,050	591,056	-	2,481,920
	Beginning balance as at January 1, 2016	1,185,985	577,530	66,750	611,864	-	2,442,129
	Dividend paid	-	-	-	(6,589)	-	(6,589)
	Stock dividend	59,299	-	-	(59,299)	-	-
	Comprehensive income						
	Profit for the period	-	-	-	18,359	-	18,359
	Other comprehensive income for the period	-	-	-	(325)	-	(325)
	Total comprehensive income for the period	-	-	-	18,034	-	18,034
	Ending balance as at September 30, 2016	1,245,284	577,530	66,750	564,010	-	2,453,574

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	17,771	15,098	21,019	18,359
<u>Add (less) Adjustments to reconcile profit (loss) for the period</u> to net cash provided by (used in) operating activities :				
Depreciation and amortization	19,841	20,023	19,074	19,074
Unrealized gain from trading securities	(3)	(3)	(3)	(3)
Allowance for doubtful account	-	4,404	-	4,404
(Gain) loss from sale and amortization of fixed assets	5,875	(322)	5,875	(322)
Loss from write-off account asset	-	81	-	-
Gain from written-off accounts payable and accrued expenses	-	(3,444)	-	(3,403)
Provision for compensation for housing estate juristic persons	1,265	2,283	1,265	2,283
Employee benefit expenses	3,004	2,739	2,880	2,606
Interest income	(2,473)	(139)	(2,469)	(2,141)
Interest expenses	62,862	54,536	62,835	54,023
Tax expenses (income)	1,347	4,901	1,347	5,382
Income from operating activities before changes in operating assets and liabilities	109,489	100,157	111,823	100,262
Decrease (increase) in operating assets				
Trade accounts receivable	(107)	(4,431)	-	(4,404)
Inventories	127,113	(212,596)	127,113	(212,596)
Property development costs	146,611	327,935	146,611	328,124
Land held for development	-	(14,427)	-	(14,427)
Deposit from purchase land	-	(61,418)	-	(61,418)
Other current assets	5,264	(13,054)	2,817	(12,995)
Other non-current assets	(17)	1,145	(17)	1,145

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Increase (decrease) in operating liabilities				
Trade notes payable	9,120	23,633	9,120	23,633
Trade accounts payable and other payable	(25,307)	(5,920)	(25,306)	(4,800)
Payable to related parties	(13,654)	12,139	(15,359)	12,292
Accrued expenses	3,240	(21,545)	3,317	(19,774)
Advance received from customers	(13,132)	832	(13,132)	832
Retention from contractors	95	1,449	221	1,600
Other current liabilities	(10)	66	8	(34)
Cash receivable (paid) from the operations	348,705	133,965	347,216	137,440
Cash received from interest income	82	139	78	124
Withholding taxes refunded from Revenue Department	169	80	-	-
Income tax expenses paid	(11,272)	(14,474)	(11,186)	(14,378)
Cash paid for provision for compensation for housing estate juristic persons	(342)	(11,703)	(342)	(11,703)
Cash paid for liabilities from purchasing the real estate project	-	(10,950)	-	(10,950)
Net cash provided by (used in) operating activities	337,342	97,057	335,766	100,533
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for short-term loan to related parties	-	-	-	(35,500)
Cash received from short-term loan to related parties	-	-	2,000	-
Increase in short-term investments	(55)	4,617	(55)	4,617
Increase in investment property	-	(14)	-	(14)
Proceeds from sales of fixed assets	-	350	-	350
Cash paid for purchase of fixed assets	(4,910)	(4,167)	(4,910)	(4,167)
Cash paid for purchase of intangible assets	(1,715)	(397)	(1,715)	(397)
Net cash provided by (used in) investing activities	(6,680)	389	4,680	(35,111)

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

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	(773,285)	326,167	(773,285)	326,167
Cash paid for liabilities under finance lease agreement	(625)	(1,046)	(625)	(1,046)
Cash received from short-term loan from other company	170,000	-	170,000	-
Cash paid for short-term loan from other company	(34,876)	-	(34,876)	-
Cash received from short-term loan a related party	306,000	-	306,000	-
Cash paid for short-term loan from related party	(30,000)	-	(30,000)	-
Cash received from short-term loan from the director	165,000	95,000	165,000	95,000
Cash paid for short-term loan from the directors	(246,000)	(159,000)	(246,000)	(124,000)
Cash received from long-term loans	861,523	398,347	861,523	398,347
Cash paid for long-term loans	(642,727)	(673,674)	(642,727)	(673,674)
Interest paid	(81,134)	(95,586)	(81,134)	(95,588)
Dividend paid	-	(6,589)	-	(6,589)
Net cash provided by (used in) financing activities	(306,124)	(116,381)	(306,124)	(81,383)
Net increase (decrease) in cash and cash equivalents	24,538	(18,935)	24,962	(15,961)
Cash and cash equivalents, beginning of period	13,240	29,700	10,782	24,111
Cash and cash equivalents, end of period	37,778	10,765	35,744	8,150
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :				
Cash on hand	437	552	437	552
Cash at bank	37,341	10,213	35,307	7,598
Total	37,778	10,765	35,744	8,150

2) During the periods of 2017, the Company had transferred property development costs in value of Baht 394.27 million as part of land held for development amounted Baht 385.12 million and land, building and equipment amounted Baht 9.09 million.

3) During the periods of 2016, the Company had transferred land held for development as part of property development costs in value of Baht 397.00 million.

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

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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 a 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 sale including land development, providing construction services, condominium for sale, providing rental space in club house, etc.

(c) Parent company

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

2. BASIS OF INTERIM CONSOLIDATED FINANCIAL STATEMENT AND OPERATIONS

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

Subsidiaries	Percentage of direct and indirect holding		Nature of Business
	As at September	As at December	
	30, 2017	31, 2016	
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 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 December 31, 2016. There has been no change in the composition of its subsidiaries during the period.

3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF INTERIM FINANCIAL STATEMENT

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 2016) Interim Financial Information, 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-emphasize 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, 2016.

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 Financial reporting standards that become effective in the current year

The Company and its subsidiaries have adopted the revised (revised 2016) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for the fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed to align with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, provision of interpretations and accounting guidance to users of the standards. The adoption of these financial reporting standards do not have any significant impact on the Company and its subsidiaries' financial statements.

3.3 Thai Financial Reporting Standards that will become effective in the future

During the year, the Federation of Accounting Professions issued of the revised 2017 Thai Financial Reporting Standards which is effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

3.4 Significant accounting policies

The Company and its subsidiaries prepared the interim financial statements with same accounting policies used in the preparation of annual financial statements for the year ended December 31, 2016.

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 follows :

<u>Company’s name</u>	<u>Country of incorporation</u>	<u>Type of relation</u>
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
Mr. Rungsarn Nuntakawong	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 three-month and nine-month periods ended September 30, 2017 and 2016 are summarized as follows.

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods ended September 30,		For the three-month periods ended September 30,	
Pricing basis		2017	2016	2017	2016
<u>Transaction during the period</u>					
<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 5.75 % p.a.	-	-	754	803
	Quality Living Management Co., Ltd. At the rate of 5.75 % p.a.	-	-	44	44
Management fee					
	Quality Living Management Co., Ltd. Minimum Baht 20,000 per project	-	-	390	682
<u>Related parties</u>					
Other income - office rental					
	Precast station Co., Ltd. Baht 10,000 per month and Baht 40,000 per month	180	90	180	90
Construction cost					
	Precast station Co., Ltd. At per agreement	4,533	11,037	4,533	11,037
Purchase construction materials					
	Sathaporn Wattana Trading Co., Ltd. Market price	5,092	6,918	5,092	6,918
	S.C. Construction And Decoration Co., Ltd. Market price	-	1	-	1
Land rental expense					
	Mrs. Patcharin Tanthathodtham Baht 55,000 per month	-	165	-	165
	Namchai Asset Development Co., Ltd Baht 55,000 per month	165	-	165	-
Golf club membership					
	Namchai Golf Management Co., Ltd. Market price	257	26	257	26
Golf car rental					
	Thanya Cart Management Co., Ltd. Market price	-	2	-	2
Interest expenses					
	Mr. Somchao Tanthathodtham At the rate of 5.75% p.a.	-	488	-	488
	N.C.H. 2555 Holding Co., Ltd At the rate of 5.75% p.a.	4,090	-	4,090	-

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		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the nine-month periods ended September 30,		For the nine-month periods ended September 30,	
Pricing basis		2017	2016	2017	2016
<u>Transaction during the period</u>					
<u>Subsidiaries</u>					
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	45	45
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	13	13
Other income-interest income					
N.C. Property Management Co., Ltd.	At the rate of 5.75 % p.a.	-	-	2,262	1,915
Quality Living Management Co., Ltd.	At the rate of 5.75 % p.a.	-	-	129	113
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 20,000 per project	-	-	1,720	2,052
<u>Related parties</u>					
Sales					
Mrs. Onusa Tanthathodthan	Market price	-	4,004	-	4,004
Other income - office rental					
Precast station Co., Ltd.	Baht 10,000 per month and Baht 20,000 per month	540	270	540	270
Construction cost					
Precast station Co., Ltd.	At per agreement	31,275	61,286	31,275	61,286
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	26,086	25,992	26,086	25,992
S.C. Construction And Decoration Co., Ltd.	Market price	5	9	5	9
Land rental expense					
Mrs. Patcharin Tanthathodtham	Baht 55,000 per month	-	495	-	495
Namchai Asset Development Co., Ltd.	Baht 55,000 per month	495	-	495	-
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	689	100	689	100
Rental of golf cart					
Tanyacart Management Co., Ltd.	Market price	-	5	-	5
Interest expenses					
Mr. Somchao Tanthathodtham	At the rate of 5.75% p.a.	983	1,628	983	1,137
N.C.H 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	9,416	-	9,416	-

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The significant outstanding balance as at September 30, 2017 and December 31, 2016 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016
Short-term loan to related parties				
- N.C. Property Management Co., Ltd.				
Balance, at the beginning of the period	-	-	54,000	20,500
Addition during the period	-	-	-	35,000
Deduction during the period	-	-	(2,000)	(1,500)
Balance, at the end of the period	-	-	52,000	54,000
- Quality Living Management Co., Ltd.				
Balance, at the beginning of the period	-	-	3,000	1,000
Addition during the period	-	-	-	2,000
Deduction during the period	-	-	-	-
Balance, at the end of the period	-	-	3,000	3,000
	-	-	55,000	57,000
Accrued rental				
- Quality Living Management Co., Ltd.	-	-	59	-
Accrued interest				
- Quality Living Management Co., Ltd.	-	-	129	-
- N.C. Property Management Co., Ltd.	-	-	5,257	2,995
	-	-	5,386	2,995
Account payable to related parties				
- N.C. Property Management Co., Ltd.	-	-	1,617	3,322
- S.C. Construction And Decoration Co., Ltd.	2	5	2	5
- Sathaporn Wattana Trading Co., Ltd.	3,097	5,816	3,097	5,816
- Precast station Co., Ltd.	22,019	29,860	22,019	29,860
- Namchai Golf management Co., Ltd.	64	48	64	48
- Sap Namchai Pattana Co., Ltd	495	165	495	165
- Mr. Somchao Tanthathoedtham	2	3,439	2	3,439
	25,679	39,333	27,296	42,655
Short-term loan from related parties				
- N.C.H. 2555 Holding Co., Ltd.				
Balance, at the beginning of the period	-	-	-	-
Addition during the period	306,000	-	306,000	-
Deduction during the period	(30,000)	-	(30,000)	-
Balance, at the end of the period	276,000	-	276,000	-

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016
Short-term loan from director				
- Mr. Somchao Tanthathoedtham				
Balance, at the beginning of the period	81,000	64,000	81,000	29,000
Addition during the period	165,000	176,000	165,000	176,000
Deduction during the period	(246,000)	(159,000)	(246,000)	(124,000)
Balance, at the end of the period	-	81,000	-	81,000
Accrued interest				
- Mr. Somchao Tanthathoedtham	2,517	1,534	1,455	472
- N.C.H. 2555 Holding Co., Ltd.	9,415	-	9,415	-
	11,932	1,534	10,870	472

COLLATERAL WITH RELATED COMPANIES

As at September 30, 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 expense represent 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 of the managing director, deputy managing directors and senior managers.

Management benefit expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the three-month periods ended September 30,	
	2017	2016
<u>Management</u>		
Management benefit expenses		
Short-term employee benefits	7,688	7,416
Post-employment benefits	298	277
Total	7,986	7,693

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	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the nine-month periods ended	
	September 30,	
	2017	2016
<u>Management</u>		
Management benefit expenses		
Short-term employee benefits	22,991	22,071
Post-employment benefits	894	831
Total	23,885	22,902

5. INVENTORIES

Inventories consist of

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September	As at December
	30, 2017	31, 2016
Cost of houses and condominiums for sales	499,482	626,595
<u>Less</u> allowance for declining value of inventories	(3,721)	(3,721)
Inventories - net	495,761	622,874

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

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September	As at December
	30, 2017	31, 2016
	(For the nine-month)	(For the year)
Beginning balance	3,721	3,721
Increase	-	-
Decrease	-	-
Ending balance	3,721	3,721

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

	Consolidated/Separate Financial Statements			
	As at September 30, 2017		As at December 31, 2016	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	311	499.48	433	626.60
House and condominiums for sales - under signed purchase and sale contract	(25)	(41.59)	(63)	(77.94)
House and condominium for sales - balance carry forward not under signed purchase and sale contract	286	457.89	370	548.66

As at September 30, 2017 and December 31, 2016, some inventories of the Company in the amount of Baht 26.93 million and Baht 81.56 million, respectively, are mortgaged as a part of collateral for long-term loans with local commercial bank, as discussed in Note 15.

6. PROPERTY DEVELOPMENT COSTS

6.1 Actual property development costs consist of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2017	As at December 31, 2016
Land and land development costs	3,128,863	3,410,551
Utilities development costs	1,128,566	1,020,673
Construction in progress	5,231,262	4,938,171
Interest capitalization	441,223	426,546
Total	9,929,914	9,795,941
<u>Less</u> Transfer to inventory	(495,761)	(626,595)
Transfer to accumulated cost of sale	(7,271,208)	(6,560,798)
Property development costs - net	2,162,945	2,608,548

As at September 30, 2017 and December 31, 2016, most of Company's land and construction in the projects are mortgaged as collateral against credit facilities for loans with local commercial bank, as discussed in Note 13 and Note 15.

For the three-month periods ended September 30, 2017 and 2016, the Company recorded the related interest expense amounting approximately to Baht 4.50 million and Baht 21.44 million, respectively, as part of property development costs. The capitalization rate for calculation of interest is 5.66% and 6.97%, respectively and for the nine-month periods ended September 30, 2017 and 2016, the Company recorded the related interest expense amounting approximately to Baht 43.40 million and Baht 43.59 million, respectively, as part of property development costs. The capitalization rate for calculation of interest 5.01% and 5.83%, respectively.

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6.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated/Separate Financial Statements	
	As at September	As at December
	30, 2017	31, 2016
	(For the nine-month)	(For the year)
Number of operating projects, at the beginning of the period	22	21
Number of closing projects	(1)	(1)
Number of newly open projects	-	3
Number of project, transfer to land held for development	(1)	(1)
Number of operating projects, at the end of the period	20	22
Total current projects value (In million Baht)	13,562.24	12,415.14
Contracted sales value (In million Baht)	9,070.12	8,861.65
As percentage of total current projects value	66.88	71.38

As at September 30, 2017 and December 31, 2016, the Company has the obligation to complete the public utility development project for operating projects in the amount of Baht 72.34 million and Baht 39.27 million, respectively.

7. LAND HELD FOR DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2017	31, 2016	30, 2017	31, 2016
Beginning balance	1,464,839	1,595,394	1,391,431	1,521,987
<u>Add</u> during the period	385,182	9,864	385,182	9,864
Total	1,850,021	1,605,258	1,776,613	1,531,851
<u>Less</u> - Transfer to property development costs	(56,386)	(140,419)	(56,386)	(140,420)
Land held for development	1,793,635	1,464,839	1,720,227	1,391,431

As at September 30, 2017 and December 31, 2016, most of the Company's land held for development are mortgaged as collateral against the credit facilities for long-term loans with local commercial banks, as discussed in Note 15.

8. DEPOSIT PLEDGED AS COLLATERAL

As at September 30, 2017 and December 31, 2016, the Company had fixed deposit amounting to Baht 8.27 million and Baht 8.22 million, respectively, which are pledged as collateral for maintenance of public utilities, customer’s loan and gasoline, as discussed in Note 24.

Bank deposits carried interest at the floating rate specified by the bank.

9. INVESTMENTS IN SUBSIDIARIES

	Paid up shares		Ownership		Amount		Dividend		
	(In Thousand Baht)		(%)		(In Thousand Baht)		(In Thousand Baht)		
	As at September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016	For the nine-month period ended September 30,		
						2017	2016		
AT COST									
<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	-	-	-	-	
					<u>11,864</u>	<u>11,864</u>	<u>-</u>	<u>-</u>	

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10. INVESTMENT PROPERTY

Movements of the investment property in residential building for lease account for the nine-month period ended September 30, 2017 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/Separate</u>
	<u>Financial Statements</u>
At cost	
Balance as at December 31, 2016	234,557
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at September 30, 2017	<u>234,557</u>
Accumulated depreciation	
Balance as at December 31, 2016	(20,320)
Depreciation for the period	(7,582)
Accumulated depreciation on disposals and write-off	-
Balance as at September 30, 2017	<u>(27,902)</u>
Net book value	
Balance as at December 31, 2016	<u>214,237</u>
Balance as at September 30, 2017	<u><u>206,655</u></u>

As at September 30, 2017, total amount of the Company's investment property is mortgaged as collateral against facilities for long-term loans with a local commercial bank, as discussed in Note 15.

11. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the nine-month period ended September 30, 2017 are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
At cost		
Balance as at December 31, 2016	304,512	295,691
Acquisitions during the period	4,910	4,910
Transfer assets in, during the period	9,092	9,092
Disposals and write-off during the period	-	-
Transfer assets out, during the period	(8,123)	(8,123)
Balance as at September 30, 2017	<u>310,391</u>	<u>301,570</u>
Accumulated depreciation		
Balance as at December 31, 2016	(178,086)	(170,564)
Depreciation for the period	(11,352)	(10,585)
Accumulated depreciation on disposals and write-off	-	-
Accumulated depreciation, transfer - out	2,248	2,248
Balance as at September 30, 2017	<u>(187,190)</u>	<u>(178,901)</u>
Allowance for declining value		
Balance as at December 31, 2016	(2,689)	(2,689)
Allowance for declining value for the period	-	-
Balance as at September 30, 2017	<u>(2,689)</u>	<u>(2,689)</u>
Net book value		
Balance as at December 31, 2016	<u>123,737</u>	<u>122,438</u>
Balance as at September 30, 2017	<u>120,512</u>	<u>119,980</u>

As at September 30, 2017 and December 31, 2016, some part of land and the clubhouse building in the total amount of Baht 100.52 million (net book value amount of Baht 46.54 million and Baht 49.53 million, respectively) are mortgaged as collateral against the overdrafts from a commercial bank in the credit limit amount of Baht 25 million, as discussed in Note 13.

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12. INTANGIBLE ASSETS

Movements of the intangible assets account for the nine-month period ended September 30, 2017 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/ Separate financial statements</u>
At cost	
Balance as at December 31, 2016	9,947
Acquisitions during the period	1,715
Disposals and write-off during the period	-
Balance as at September 30, 2017	<u>11,662</u>
Accumulated amortization	
Balance as at December 31, 2016	(5,017)
Amortization for the period	(906)
Accumulated amortization on disposals and write-off	-
Balance as at September 30, 2017	<u>(5,923)</u>
Net book value	
Balance as at December 31, 2016	<u>4,930</u>
Balance as at September 30, 2017	<u>5,739</u>

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

This account consists of :

	<u>In Thousand Baht</u>	
	<u>Consolidated/Separate Financial Statements</u>	
	<u>As at September 30, 2017</u>	<u>As at December 31, 2016</u>
Bank overdrafts from the financial institutions	57,472	42,758
Short-term loans from the financial institutions	340,430	1,128,430
Total	<u>397,902</u>	<u>1,171,188</u>

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	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at September	As at December			
	30, 2017	31, 2016			
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 the clubhouse building.
- The second bank	20.00	20.00	MOR less 1.00% per annum	At call	- Mortgage by 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	<u>65.00</u>	<u>65.00</u>			
Short-term loans					
The parent company					
- The first bank	35.00	35.00	MLR less 0.25% per annum	October 2, 2017	- By the mortgage of the director's land and construction thereon.
- The second bank	10.43	10.43	MLR less 0.50% per annum	November 3, 2017	- 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	December 1, 2017	- By the mortgage of the Company's land.
- The fourth bank	120.00	120.00	MLR less 0.25% per annum	November 22, 2017	- By the mortgage of the director's relatives land.
- The fifth bank	100.00	138.00	MLR per annum	October 20, 2017 and December 29, 2017	- By the mortgage of the project's land and construction thereon and construction in the future.
- The sixth bank	-	800.00	5.35% per annum	May 24, 2017	- By the mortgage of the project's land and construction thereon and construction in the future.
- The seven bank	50.00	-	MLR per annum	October 26, 2017	- By the mortgage of the Company's land.
	<u>340.43</u>	<u>1,128.43</u>			
Total credit line	<u>405.43</u>	<u>1,193.43</u>			

14. LIABILITIES UNDER FINANCE LEASE AGREEMENT

Liabilities under finance lease agreement consists of :

	Consolidated / Separate Financial Statements (In Thousand Baht)					
	As at September 30, 2017			As at December 31, 2016		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	809	38	847	829	72	901
Current portion due after one year not over three years	234	52	286	840	72	912
Total	<u>1,043</u>	<u>90</u>	<u>1,133</u>	<u>1,669</u>	<u>144</u>	<u>1,813</u>

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As at September 30, 2017 and December 31, 2016, the Company has finance leasing office equipment with the local leasing company to purchase office equipment in the amount of Baht 2,503,800 (Included VAT), with a term of repayment of 36 months at Baht 70,560 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 are 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/Separate Financial Statements	
	As at September 30, 2017	As at December 31, 2016
Long-term loans from local banks		
The first bank	551,811	403,562
The second bank	490,099	450,132
The third bank	124,000	124,000
The fourth bank	30,580	-
Total	1,196,490	977,694
<u>Less</u> Current portion due within one year	<u>(168,354)</u>	<u>(329,998)</u>
Long-term loans from the financial institutions - net	<u>1,028,136</u>	<u>647,696</u>

Movements in the long-term loans account during the nine-month period ended September 30, 2017 are summarized below.

	In Thousand Baht
	Consolidated/ Separate financial Statements
Balance as at December 31, 2016	977,694
Less: Repayment during the period	(642,727)
Add: Additional borrowings during the period	861,523
Balance as at September 30, 2017	<u>1,196,490</u>

	Credit line (Million Baht)		Interest rate	Guarantee
	As at September	As at December		
	30, 2017	31, 2016		
<u>Long-term loans</u>				
The Company				
<u>The first bank</u>				
- The first credit line	145.00	139.47	MLR less 0.50% per annum	By the mortgage of some of the project’s land and construction thereon and by the land of relatives of director.
- The second credit line	212.00	212.00	MLR less 0.50% per annum	
- The third credit line	-	212.64	MLR less 0.50% per annum	
- The fourth credit line	-	217.00	MLR per annum	
- The fifth credit line	264.00	264.00	MLR less 0.50% per annum	
- The sixth credit line	334.65	380.75	MLR less 0.50% per annum	
- The seventh credit line	354.18	-	MLR less 0.50% per annum	
- The eighth credit line	381.50	-	MLR less 0.50% per annum	
	<u>1,691.33</u>	<u>1,425.86</u>		
<u>The second bank</u>				
- The first credit line	65.00	65.00	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	229.34	229.34	MLR plus 0.50% per annum	
- The fourth credit line	126.35	257.86	MLR per annum	
- The fifth credit line	347.42	347.42	MLR per annum	
- The sixth credit line	150.62	279.39	MLR per annum	
- The seventh credit line	350.00	-	MLR per annum	
	<u>1,348.73</u>	<u>1,259.01</u>		
<u>The third bank</u>				
- The first credit line	379.00	379.00	MLR less 1% per annum	By the mortgage of some of the project’s land and construction thereon
<u>The fourth bank</u>				
- The first credit line	38.00	-	MLR per annum	By the mortgage of some of the project’s land and construction thereon
	<u>3,457.06</u>	<u>3,063.87</u>		

As at September 30, 2017 and December 31, 2016, The Company has the credit limits that have not been withdrawn amounting to Baht 255.00 million and Baht 441.37 million, respectively.

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 has assessed that payment does not affect loan repayment ability, (5) not to decrease registered capital and (6) to grant beneficiary of the asset protection of the insurance policy to the lender, etc.

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16. SHORT-TERM LOAN FROM OTHER COMPANY

As at September 30, 2017, the Company has credit line of short-term loan from a company amounted Baht 170 million. The repayment of principal is due within July 2018, 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 nine-month period ended September 30, 2017 is described as follows:

	<u>In Thousand Baht</u>
	Consolidated/ Separate financial Statements
Balance as at December 31, 2016	-
Add: Additional loan during the period	170,000
Less: Loan repayment	(34,876)
Balance as at September 30, 2017	<u>135,124</u>

17. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the nine-month period ended September 30, 2017 is shown as follows :

The statements of financial position

	<u>In Thousand Baht</u>	
	Consolidated Financial Statements	Separate Financial Statements
Employee benefit obligations, at the beginning of the period	39,885	38,740
<u>Plus</u> Current service costs and interest cost	3,894	3,743
<u>Less</u> Actual paid of employee benefit obligations	-	-
Employee benefit obligations, at the end of the period	<u>43,779</u>	<u>42,483</u>

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The statements of comprehensive income

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month periods ended September 30,		For the three-month periods ended September 30,	
	2017	2016	2017	2016
Recognized in profit or loss				
Current service costs	1,001	912	960	868
Interest on obligation	297	263	288	254
Total	1,298	1,175	1,248	1,122
Current service costs				
Cost of service	30	35	-	-
Selling expenses	310	283	310	283
Administrative expenses	363	316	352	308
Management benefit expenses	298	278	298	278
Finance costs	297	263	288	253
Total	1,298	1,175	1,248	1,122
Recognized in other comprehensive income				
Loss estimation over actuarial principles	-	-	-	-
Total	-	-	-	-
Total	1,298	1,175	1,248	1,122

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month periods ended September 30,		For the nine-month periods ended September 30,	
	2017	2016	2017	2016
Current service costs	3,004	2,739	2,880	2,606
Interest on obligation	890	786	863	763
Total	3,894	3,525	3,743	3,369
Current service costs				
Cost of service	91	106	-	-
Selling expenses	929	849	929	849
Administrative expenses	1,090	952	1,057	925
Management benefit expenses	894	832	894	832
Finance costs	890	786	863	763
Total	3,894	3,525	3,743	3,369
Recognized in other comprehensive income				
Loss estimation over actuarial principles	-	331	-	325
Total	-	331	-	325
Total	3,894	3,856	3,743	3,694

18. PROVISION FOR COMPENSATION FOR HOUSING ESTATE JUSTIC PERSONS

	In Thousand Baht
	Consolidated/ Separate Financial Statements
Balance as at December 31, 2016	14,844
<u>Add</u> increase during the period	1,265
<u>Less</u> decrease during the period	(341)
Balance as at September 30, 2017	15,768

19. 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 and its subsidiary to pay for the land, including the debt burden owing to the existing customers of the project.

Movements in the liabilities from purchasing the real estate project account during the nine-month periods ended September 30, 2017 and December 31, 2016 are summarized below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2017	31, 2016	30, 2017	31, 2016
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Beginning balance	32,147	43,606	28,604	39,554
<u>Add</u> increase during the period	-	-	-	-
<u>Less</u> decrease during the period	-	(11,459)	-	(10,950)
Liabilities from purchasing the real estate project	<u>32,147</u>	<u>32,147</u>	<u>28,604</u>	<u>28,604</u>

20. 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.

		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods		For the three-month periods	
		ended September 30,		ended September 30,	
		2017	2016	2017	2016
Profit (loss) for the period	(Thousand Baht)	11,188	(6,095)	12,196	(4,800)
Weighted average number of ordinary shares	(Thousand Shares)	1,245,284	1,245,284	1,245,284	1,245,284
Basic earnings (loss) per share	(Baht per share)	0.009	(0.005)	0.010	(0.004)

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		Consolidated Financial Statements		Separate Financial Statements	
		For the nine-month periods		For the nine-month periods	
		ended September 30,		ended September 30,	
		2017	2016	2017	2016
Profit (loss) for the period	(Thousand Baht)	17,771	15,098	21,019	18,359
Weighted average number of ordinary shares	(Thousand Shares)	1,245,284	1,245,284	1,245,284	1,245,284
Basic earnings (loss) per share	(Baht per share)	0.014	0.012	0.017	0.015

21. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016
Deferred tax assets	12,384	11,540	12,384	11,540
Deferred tax liabilities	(3,486)	(6,971)	(5,207)	(8,692)
	<u>8,898</u>	<u>4,569</u>	<u>7,177</u>	<u>2,848</u>

21.1 Changes in deferred tax assets and deferred tax liabilities for the nine-month period ended September 30, 2017 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements			Balance as at September 30, 2017
	Balance as at December 31, 2016	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Other account receivable	285	(89)	-	196
Allowance for declining value-clubhouse	538	-	-	538
Provisions for employee benefits	7,748	748	-	8,496
Provisions for compensation for housing estate juristic persons	2,969	185	-	3,154
Total	<u>11,540</u>	<u>844</u>	<u>-</u>	<u>12,384</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(14)	(1)	-	(15)
Property development costs and inventories	(6,957)	3,486	-	(3,471)
Total	<u>(6,971)</u>	<u>3,485</u>	<u>-</u>	<u>(3,486)</u>
Net	<u>4,569</u>	<u>4,329</u>	<u>-</u>	<u>8,898</u>

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	In Thousand Baht			Balance as at September 30, 2017
	Separate Financial Statements			
	Balance as at December 31, 2016	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Other account receivable	285	(89)	-	196
Allowance for declining value-clubhouse	538	-	-	538
Provisions for employee benefits	7,748	748	-	8,496
Provisions for compensation for housing estate juristic persons	2,969	185	-	3,154
Total	11,540	844	-	12,384
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(14)	(1)	-	(15)
Property development costs and inventories	(8,678)	3,486	-	(5,192)
Total	(8,692)	3,485	-	(5,207)
Net	2,848	4,329	-	7,177

21.2 Tax expense (income)

21.2.1 Major components of tax expense (income)

For the nine-month periods ended September 30, 2017 and 2016 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the period	5,676	4,745	5,676	4,745
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(4,329)	156	(4,329)	637
Total	1,347	4,901	1,347	5,382
Income tax relating to components of other comprehensive income :				
Deferred tax relating to :				
Loss estimation over actuarial principle	-	(81)	-	(81)
Total	-	(81)	-	(81)
Total	1,347	4,820	1,347	5,301

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

For the nine-month periods ended September 30, 2017 and 2016 which are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Accounting profit (loss) for the period	19,118	19,999	22,366	23,741
The applicable tax rate (%)	20%	10 - 20%	20%	20%
Tax expense (income) at the applicable tax rate	3,823	4,058	4,473	4,748
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	(2,476)	843	(3,126)	634
Total reconciliation items	(2,476)	843	(3,126)	634
Total tax expense (income)	1,347	4,901	1,347	5,382

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

For the nine-month periods ended September 30, 2017 and 2016 are summarized as follows:

	Consolidated Financial Statements			
	2017		2016	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the period	19,118		19,999	
Tax expense (income) at the applicable tax rate	3,823	20.00	4,058	20.29
Reconciliation items	(2,476)	(12.95)	843	4.21
Tax expense (income) at the average effective tax rate	1,347	7.05	4,901	24.50

	Separate Financial Statements			
	2017		2016	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the period	22,366		23,741	
Tax expense (income) at the applicable tax rate	4,473	20.00	4,748	20.00
Reconciliation items	(3,126)	(13.98)	634	2.67
Tax expense (income) at the average effective tax rate	1,347	6.02	5,382	22.67

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company uses the market approach to measure their assets and liabilities that are required to be measured 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 September 30, 2017, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :

	In Thousand Baht			
	Consolidated financial statements / Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	574	-	574
Total	-	574	-	574

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 unit trusts 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.

23. 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, rental and services, 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 that used to measure operating profit or loss in the financial statements. The Company and its subsidiaries' information for the three-month and nine-month periods ended September 30, 2017 and 2016 by segments are as follows:

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For the nine-month period ended September 30, 2017 (In Thousand Baht)

	Real Estate		Rental and services	Contractor	Property management services	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment					DR.	CR.	
Revenues									
Sales	882,867	191,534	-	-	-	1,074,401	-	-	1,074,401
Service income for rent	-	-	12,468	-	4,782	17,250	(1,720)	-	15,530
Other income	6,603	3,009	87	129	3	9,831	(2,448)	-	7,383
Total revenues	889,470	194,543	12,555	129	4,785	1,101,482			1,097,314
Expenses									
Cost of sales	588,879	120,462	-	-	-	709,341	-	-	709,341
Cost for rent and service	-	-	12,962	-	3,242	16,204	-	-	16,204
Selling expenses	122,372	14,937	-	-	-	137,309	-	-	137,309
Administrative expenses	81,584	45,513	773	832	1,670	130,372	-	(1,777)	128,595
Management benefit expenses	19,374	4,237	274	-	-	23,885	-	-	23,885
Finance cost	46,838	12,075	3,922	2,262	156	65,253	-	(2,391)	62,862
Total expenses	859,047	197,224	17,931	3,094	5,068	1,082,364			1,078,196
Income (loss) by segments	30,423	(2,681)	(5,376)	(2,965)	(283)	19,118			19,118
Tax expenses (income)									1,347
Profit (loss) for the period									17,771
As at September 30, 2017									
Investment property	-	-	206,655	-	-	206,655			206,655
Property, plant and equipment	117,413	2,035	533	512	19	120,512			120,512

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For the nine-month period ended September, 2016 (In Thousand Baht)

	Real Estate		Rental and services	Contractor	Property management services	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment					DR.	CR.	
Revenues									
Sales	729,144	342,326	-	-	-	1,071,470	-	-	1,071,470
Service income for rent	-	-	12,500	-	5,104	17,604	(2,052)	-	15,552
Other income	8,385	4,455	-	3	45	12,888	(2,085)	-	10,803
Total revenues	<u>737,529</u>	<u>346,781</u>	<u>12,500</u>	<u>3</u>	<u>5,149</u>	<u>1,101,962</u>			<u>1,097,825</u>
Expenses									
Cost of sales	504,658	218,162	-	-	-	722,820	-	(189)	722,631
Cost for rent and service	-	-	12,853	-	2,761	15,614	-	-	15,614
Selling expenses	94,416	36,205	-	-	-	130,621	-	-	130,621
Administrative expenses	99,363	29,964	523	1,050	2,732	133,632	-	(2,110)	131,522
Management benefit expenses	15,585	7,317	-	-	-	22,902	-	-	22,902
Finance cost	38,553	12,534	2,936	2,406	135	56,564	-	(2,028)	54,536
Total expenses	<u>752,575</u>	<u>304,182</u>	<u>16,312</u>	<u>3,456</u>	<u>5,628</u>	<u>1,082,153</u>			<u>1,077,826</u>
Income (loss) by segments	<u>(15,046)</u>	<u>42,599</u>	<u>(3,812)</u>	<u>(3,453)</u>	<u>(479)</u>	<u>19,809</u>			<u>19,999</u>
Tax expenses (income)									<u>4,901</u>
Profit (loss) for the period									<u>15,098</u>
As at September 30, 2016									
Investment property	<u>-</u>	<u>-</u>	<u>216,800</u>	<u>-</u>	<u>-</u>	<u>216,800</u>			<u>216,800</u>
Property, plant and equipment	<u>124,514</u>	<u>3,489</u>	<u>770</u>	<u>1,565</u>	<u>30</u>	<u>130,368</u>			<u>130,368</u>

24. COMMITMENT AND CONTINGENT LIABILITIES

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

As at June 30, 2017, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	2.08
More than 1 year to 3 years	0.72

24.2 As at September 30, 2017, the Company and its subsidiaries had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties (see Note 8) as follows:

	<u>In Thousand Baht</u>	
	<u>Consolidated</u>	<u>Separate</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
- Guarantee for electricity, water and others	14.21	13.81
- Guarantee fund for maintenance of public utilities	191.54	191.54

24.3 As at September 30, 2017, 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 8).

24.4 As at September 30, 2017, the Company had lawsuit on charges in the civil case of Pattaya Court. The black case number is Por.Bor 1075/2560 from Baanfah Greenery North Pattaya juristic person “plaintiff”. The plaintiff sued the defendant on breach of contract claiming damages for a capital amount Baht 14.80 million. As the public utilities of such project have been damaged, the juristic person of the housing estate did not accept the transfer of central utilities. Presently, the case is under consideration of the Civil Court.

25. AUTHORIZATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company’s directors on November 10, 2017.