

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, 2018**

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, 2018 and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2018, 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, 2018 and the related statement of comprehensive income for the three-month and nine-month periods ended September 30, 2018, changes in shareholders' equity and cash flows for the nine-month period then ended and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

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

CONCLUSION

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

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

Dharmniti Auditing Company Limited
Bangkok, Thailand
November 12, 2018

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N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

		<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, 2018	31, 2017	30, 2018	31, 2017
CURRENT ASSETS					
	Cash and cash equivalents	18,445	21,952	16,550	19,753
	Short-term investments	704	702	704	702
	Trade accounts receivable	88	64	-	-
	Short-term loan to related parties	4	-	-	55,000
	Inventories	5	386,984	486,362	386,984
	Property development costs	6	1,810,214	2,089,624	1,810,214
	Land held for development	7	1,911,279	1,793,635	1,837,871
	Other current assets	4	10,524	9,069	10,584
	Total current assets		4,138,238	4,401,408	4,386,895
NON-CURRENT ASSETS					
	Deposit pledged as collateral	8	9,217	9,157	9,217
	Investment in subsidiaries	9	-	-	71,864
	Investment property	10	196,518	204,100	196,518
	Property, plant and equipment	11	110,019	117,765	110,011
	Intangible assets	12	5,033	5,752	5,033
	Withholding tax		11,167	17,989	10,989
	Deferred tax asstes	21	5,293	4,936	3,571
	Other non-current assets		3,684	4,114	3,684
	Total non-current assets		340,931	363,813	410,887
	TOTAL ASSETS		4,479,169	4,765,221	4,760,583

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, 2018

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, 2018	31, 2017	30, 2018	31, 2017	
CURRENT LIABILITIES						
	Bank overdrafts and short-term loans					
	from the financial institutions	13	488,951	404,185	488,951	404,185
	Trade notes payable		25,862	48,970	25,862	48,970
	Trade accounts payable and other payable		66,761	85,714	66,525	85,714
	Payable to related parties	4	42,633	42,641	44,331	44,285
	Accrued expenses	4	26,151	38,228	26,050	37,112
	Corporate income tax payable		384	-	384	-
	Current portion of liabilities under					
	the finance lease agreement	14	210	821	210	821
	Current portion of long-term loan from					
	the financial institutions	15	215,036	146,111	215,036	146,111
	Short-term loan from other company	16	105,228	162,125	105,228	162,125
	Short-term loan from related parties	4	273,000	276,000	273,000	276,000
	Short-term loan from the director	4	3,000	16,900	-	16,900
	Advance received from customers		4,303	5,856	4,303	5,856
	Retention from contractors		76,930	81,796	76,671	81,537
	Other current liabilities	7	101,619	521	101,514	443
	Total current liabilities		<u>1,430,068</u>	<u>1,309,868</u>	<u>1,428,065</u>	<u>1,310,059</u>
NON-CURRENT LIABILITIES						
	Liabilities under the finance lease					
	agreement	14	-	14	-	14
	Long-term loans from the financial					
	institutions	15	430,300	879,590	430,300	879,590
	Employee benefit obligations	17	41,189	38,009	39,958	36,904
	Provision for compensation for housing					
	estate juristic persons	18	19,085	16,255	19,085	16,255
	Liabilities from purchasing the real					
	estate project	19	32,147	32,147	28,604	28,604
	Total non-current liabilities		<u>522,721</u>	<u>966,015</u>	<u>517,947</u>	<u>961,367</u>
	TOTAL LIABILITIES		<u>1,952,789</u>	<u>2,275,883</u>	<u>1,946,012</u>	<u>2,271,426</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, 2018

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, 2018	31, 2017	30, 2018	31, 2017
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	69,150	69,150	69,150	69,150
	Unappropriated	634,416	597,374	635,818	597,193
	Other components of equity	-	-	-	-
	Total equity attributable to company's shareholders	2,526,380	2,489,338	2,527,782	2,489,157
	Non-controlling interests	-	-	-	-
TOTAL SHAREHOLDER'S EQUITY		2,526,380	2,489,338	2,527,782	2,489,157
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,479,169	4,765,221	4,473,794	4,760,583

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, 2018

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2018	2017	2018	2017
REVENUES					
	Sales	304,661	369,953	304,661	369,953
	Rental income and service	5,714	5,386	4,365	4,193
	Other income	3,184	2,528	3,127	3,342
	Total Revenues	<u>313,559</u>	<u>377,867</u>	<u>312,153</u>	<u>377,488</u>
EXPENSES					
	Cost of sales	194,337	235,405	194,337	235,405
	Cost for rent and service	5,289	5,318	4,411	4,458
	Selling expenses	41,185	49,111	41,185	49,111
	Administrative expenses	35,769	41,044	35,545	40,526
	Management benefit expenses	8,330	7,986	8,330	7,986
	Finance costs	15,187	31,041	14,702	31,032
	Total Expenses	<u>300,097</u>	<u>369,905</u>	<u>298,510</u>	<u>368,518</u>
	Income (loss) before tax expenses	13,462	7,962	13,643	8,970
	Tax expenses (income)	2,779	(3,226)	2,779	(3,226)
	Profit (loss) for the period	<u>10,683</u>	<u>11,188</u>	<u>10,864</u>	<u>12,196</u>
	Other comprehensive income				
	Items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total comprehensive income for the period	<u>10,683</u>	<u>11,188</u>	<u>10,864</u>	<u>12,196</u>
	Profit (loss) attributable to				
	Shareholders' equity of the parent company	10,683	11,188	10,864	12,196
	Non-controlling interests	-	-	-	-
		<u>10,683</u>	<u>11,188</u>	<u>10,864</u>	<u>12,196</u>
	Total comprehensive income attributable to				
	Shareholders' equity of the parent company	10,683	11,188	10,864	12,196
	Non-controlling interests	-	-	-	-
		<u>10,683</u>	<u>11,188</u>	<u>10,864</u>	<u>12,196</u>
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	Profit (loss) for the period (Baht per share)	0.009	0.009	0.009	0.010

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, 2018

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2018	2017	2018	2017
REVENUES					
	Sales	1,098,231	1,074,401	1,098,231	1,074,401
	Rental income and service	16,674	15,530	12,736	12,468
	Other income	4	7,383	8,628	9,699
	Total Revenues	<u>1,122,093</u>	<u>1,097,314</u>	<u>1,119,595</u>	<u>1,096,568</u>
EXPENSES					
	Cost of sales	4	711,088	709,341	711,088
	Cost for rent and service		15,817	16,204	12,974
	Selling expenses		150,134	137,309	150,134
	Administrative expenses	4	113,985	128,595	113,331
	Management benefit expenses	4	25,391	23,885	25,391
	Finance costs	4	57,091	62,862	56,507
	Total Expenses		<u>1,073,506</u>	<u>1,078,196</u>	<u>1,069,425</u>
	Income (loss) before tax expenses		48,587	19,118	50,170
	Tax expenses (income)	21.2	11,545	1,347	11,545
	Profit (loss) for the period		<u>37,042</u>	<u>17,771</u>	<u>38,625</u>
	Other comprehensive income				
	Items that may be reclassified subsequently to profit or loss		-	-	-
	Total comprehensive income for the period		<u><u>37,042</u></u>	<u><u>17,771</u></u>	<u><u>38,625</u></u>
Profit (loss) attributable to					
	Shareholders' equity of the parent company		37,042	17,771	38,625
	Non-controlling interests		-	-	-
			<u>37,042</u>	<u>17,771</u>	<u>38,625</u>
Total comprehensive income attributable to					
	Shareholders' equity of the parent company		37,042	17,771	38,625
	Non-controlling interests		-	-	-
			<u>37,042</u>	<u>17,771</u>	<u>38,625</u>
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	20				
	Profit (loss) for the period (Baht per share)		0.030	0.014	0.031
					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, 2018

In Thousand Baht

		Consolidated Financial Statements							
		Shareholders' equity of the parent company				Total	Non-controlling interests	Total	
		Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of equity			
				Appropriated legal reserve	Unappropriated				
Note	Beginning balance as at January 1, 2018	1,245,284	577,530	69,150	597,374	-	2,489,338	-	2,489,338
	Comprehensive income								
	Profit for the period	-	-	-	37,042	-	37,042	-	37,042
	Other comprehensive income for the period	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	37,042	-	37,042	-	37,042
	Ending balance as at September 30, 2018	1,245,284	577,530	69,150	634,416	-	2,526,380	-	2,526,380
	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

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, 2018

		In ThousandBaht					
		Separate Financial Statements					
		Share capital	Premium on	Retained earnings		Other	Total
		issued and	share capital	Appropriated	Unappropriated	components	
		paid-up		legal reserve		of equity	
	Note						
Beginning balance as at January 1, 2018		1,245,284	577,530	69,150	597,193	-	2,489,157
Comprehensive income							
Profit for the period		-	-	-	38,625	-	38,625
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	38,625	-	38,625
Ending balance as at September 30, 2018		1,245,284	577,530	69,150	635,818	-	2,527,782
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

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, 2018

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	37,042	17,771	38,625	21,019
<u>Add (less) Adjustments to reconcile profit (loss) for the period</u>				
to net cash provided by (used in) operating activities :				
Depreciation and amortization	18,016	19,841	17,992	19,074
Unrealized gain from trading securities				
(Gain) loss from sale and amortization of fixed assets	(2)	(3)	(2)	(3)
Allowance for loss on impairment of fixed assets (reverse)	2,338	5,875	2,413	5,875
Provision for compensation for housing estate	(1,889)	-	(1,889)	-
juristic persons	2,830	1,265	2,830	1,265
Employee benefit expenses	2,523	3,004	2,418	2,880
Interest income	(1,558)	(2,473)	(1,554)	(2,469)
Interest expenses	57,091	62,862	56,507	62,835
Tax expenses (income)	11,545	1,347	11,545	1,347
Income from operating activities before changes in				
operating assets and liabilities	127,936	109,489	128,885	111,823
Decrease (increase) in operating assets				
Trade accounts receivable	(24)	(107)	-	-
Inventories	99,378	127,113	99,378	127,113
Property development costs	272,927	146,611	272,927	146,611
Land held for development	(78,774)	-	(78,774)	-
Deposit from purchase land	-	-	-	-
Other current assets	(7,514)	5,264	(1,416)	2,817
Other non-current assets	430	(17)	430	(17)

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, 2018

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Increase (decrease) in operating liabilities				
Trade notes payable	(23,108)	9,120	(23,108)	9,120
Trade accounts payable and other payable	(18,953)	(25,307)	(19,189)	(25,306)
Payable to related parties	(8)	(13,654)	46	(15,359)
Accrued expenses	(6,377)	3,240	(6,375)	3,317
Advance received from customers	(1,553)	(13,132)	(1,553)	(13,132)
Retention from contractors	(4,866)	95	(4,866)	221
Other current liabilities	101,098	(10)	101,071	8
Cash receivable (paid) from the operations	460,592	348,705	467,456	347,216
Cash received from interest income	7,618	82	7,614	78
Withholding taxes refunded from Revenue Department	6,890	169	6,765	-
Income tax expenses paid	(11,586)	(11,272)	(11,519)	(11,186)
Cash paid for provision for compensation for housing estate juristic persons	-	(342)	-	(342)
Net cash provided by (used in) operating activities	463,514	337,342	470,316	335,766
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from short-term loan to related parties	-	-	55,000	2,000
Increase in short-term investments	(60)	(55)	(60)	(55)
Proceeds from sales of fixed assets	155	-	80	-
Cash paid for purchase of fixed assets	(2,492)	(4,910)	(2,492)	(4,910)
Cash paid for purchase of intangible assets	(81)	(1,715)	(81)	(1,715)
Cash paid for increase of capital in subsidiary	-	-	(60,000)	-
Net cash provided by (used in) investing activities	(2,478)	(6,680)	(7,553)	(4,680)

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, 2018

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	84,766	(773,285)	84,766	(773,285)
Cash paid for liabilities under finance lease agreement	(626)	(625)	(626)	(625)
Cash received from short-term loan the other company	50,000	170,000	50,000	170,000
Cash paid for short-term loan from other company	(106,897)	(34,876)	(106,897)	(34,876)
Cash received from short-term loan a related party	51,100	306,000	51,100	306,000
Cash paid for short-term loan a related party	(54,100)	(30,000)	(54,100)	(30,000)
Cash received from short-term loan from the director	55,600	165,000	1,500	165,000
Cash paid for short-term loan from the directors	(69,500)	(246,000)	(18,400)	(246,000)
Cash received from long-term loans	362,564	861,523	362,564	861,523
Cash paid for long-term loans	(742,929)	(642,727)	(742,929)	(642,727)
Interest paid	(94,521)	(81,134)	(92,944)	(81,134)
Net cash provided by (used in) financing activities	(464,543)	(306,124)	(465,966)	(306,124)
Net increase (decrease) in cash and cash equivalents	(3,507)	24,538	(3,203)	24,962
Cash and cash equivalents, beginning of period	21,952	13,240	19,753	10,782
Cash and cash equivalents, end of period	18,445	37,778	16,550	35,744
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :				
Cash on hand	827	437	827	437
Cash at bank	17,618	37,341	15,723	35,307
Total	18,445	37,778	16,550	35,744

- 2) In the third quarter of 2018, the Company had transferred the land development cost amounted Baht 40.57 million as a part of land held for development and in the periods 2017, the Company had transferred land held for development as part of property development costs in value of Baht 385.12 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, 2018

1. GENERAL INFORMATION

(a) Legal status and address of the Company

The Company was registered to be a limited company on February 2, 1994 and converted to be 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, service apartment, 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		Nature of Business
	direct and indirect holding		
	As at September 30, 2018	As at December 31, 2017	
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, 2017. There has been no change in the composition of its subsidiaries during the period.

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

3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF 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 2017) 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, 2017.

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 Thai Financial Reporting Standards that become effective in the current year

The Company and its subsidiaries have adopted the revised 2017 Thai Financial Reporting Standards issued by the Federation of Accounting Professions which become effective for the fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. These financial reporting standards do not have any significant impact on the Company and its subsidiaries' financial statements.

3.3 Newly issued financial reporting standards and effective in the future

During 2018, the Federation of Accounting Professions issued new financial reporting standards that are already announced in the Royal Gazette which are the newly issued financial reporting standards.

New accounting standards are effective for the fiscal year beginning on or after January 1, 2019, as follows.

TFRS 15 Revenue from Contracts with Customers require entities to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

Key principles of this standard are revenue recognition that will replace the following standards and interpretations as follows:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Program
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

New accounting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

Financial Reporting Standard - group of financial instruments specifies how the entity will use the classification and measurement of financial assets, financial liabilities and contracts to purchase or to sell non-financial items. An entity is required to recognize financial assets or financial liabilities in the statement of financial position when the entity is a party to the terms of the contract of such financial instrument at the date of recognition. The entity has to measure the value of financial asset or financial liability that is not measured at fair value through profit or loss with fair value by adding or subtracting the transaction costs directly attributable to the acquisition or the issue of a financial asset or financial liabilities as follows:

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

At present, the management of the Company is evaluating the impact on the financial statements in the year when it is adopted.

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, 2017.

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
Mrs. Patcharin Tanthathoedtham	Thailand	Director's relative
Mrs. Onusa Tanthathoedtham	Thailand	Director's relative

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The significant transactions between the Company and its related parties and companies for the three-month and nine-month periods ended September 30, 2018 and 2017 are summarized as follows.

	Pricing basis	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month		For the three-month	
		periods ended September 30,		periods ended September 30,	
		2018	2017	2018	2017
<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
Quality Living Management Co., Ltd.	At the rate of 5.75 % p.a.	-	-	-	44
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 25,000 per project	-	-	505	390
<u>Related parties</u>					
Other income - office rental					
Precast station Co., Ltd.	Baht 20,000 per month and Baht 40,000 per month	180	180	180	180
Construction cost					
Precast station Co., Ltd.	At per agreement	24,628	4,533	24,628	4,533
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	3,305	5,092	3,305	5,092
S.C. Construction And Decoration Co., Ltd.	Market price	2	-	2	-
Land rental expense					
Namchai Asset Development Co., Ltd.	Baht 55,000 per month	165	165	165	165
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	79	257	79	257
Interest expenses					
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	478	-	-	-
N.C.H. 2555 Holding Co., Ltd	At the rate of 5.75% p.a.	3,514	4,090	3,514	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	2018	2017	2018	2017
<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.	-	-	1,382	2,262
Quality Living Management Co., Ltd.	At the rate of 5.75 % p.a.	-	-	83	129
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 25,000 per project	-	-	1,625	1,720
<u>Related parties</u>					
Other income - office rental					
Precast station Co., Ltd.	Baht 20,000 per month and Baht 40,000 per month	540	540	540	540
Construction cost					
Precast station Co., Ltd.	At per agreement	50,690	31,275	50,690	31,275
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	10,794	26,086	10,794	26,086
S.C. Construction And Decoration Co., Ltd.	Market price	3	5	3	5
Land rental expense					
Namchai Asset Development Co., Ltd.	Baht 55,000 per month	495	495	495	495
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	400	689	400	689
Interest expenses					
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	1,064	983	501	983
N.C.H 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	11,290	9,416	11,290	9,416

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The significant outstanding balance as at September 30, 2018 and December 31, 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Short-term loan to related parties				
- N.C. Property Management Co., Ltd.				
Balance, at the beginning of the period	-	-	52,000	54,000
Addition during the period	-	-	-	-
Deduction during the period	-	-	(52,000)	(2,000)
Balance, at the end of the period	-	-	-	52,000
- Quality Living Management Co., Ltd.				
Balance, at the beginning of the period	-	-	3,000	3,000
Addition during the period	-	-	-	-
Deduction during the period	-	-	(3,000)	-
Balance, at the end of the period	-	-	-	3,000
	-	-	-	55,000
Accrued rental				
- Quality Living Management Co., Ltd.	-	-	58	78
- Precast station Co., Ltd.	60	-	60	-
	60	-	118	78
Accrued interest				
- Quality Living Management Co., Ltd.	-	-	83	173
- N.C. Property Management Co., Ltd.	-	-	-	6,010
	-	-	83	6,183
Account payable to related parties				
-Quality living Management Co., Ltd.	-	-	81	27
- N.C. Property Management Co., Ltd.	-	-	1,617	1,617
- S.C. Construction And Decoration Co., Ltd.	1	5	1	5
- Sathaporn Wattana Trading Co., Ltd.	2,305	5,444	2,305	5,444
- Precast station Co., Ltd.	39,725	36,532	39,725	36,532
- Namchai Golf management Co., Ltd.	107	-	107	-
- Sap Namchai Pattana Co., Ltd	495	660	495	660
	42,633	42,641	44,331	44,285

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Short-term loan from related parties				
- N.C.H. 2555 Holding Co., Ltd.				
Balance, at the beginning of the period	276,000	-	276,000	-
Addition during the period	51,100	306,000	51,100	306,000
Deduction during the period	(54,100)	(30,000)	(54,100)	(30,000)
Balance, at the end of the period	<u>273,000</u>	<u>276,000</u>	<u>273,000</u>	<u>276,000</u>
Short-term loan from director				
- Mr. Somchao Tanthathoedtham				
Balance, at the beginning of the period	16,900	81,000	16,900	81,000
Addition during the period	55,600	181,900	1,500	181,900
Deduction during the period	(69,500)	(246,000)	(18,400)	(246,000)
Balance, at the end of the period	<u>3,000</u>	<u>16,900</u>	<u>-</u>	<u>16,900</u>
Accrued interest				
- Mr. Somchao Tanthathoedtham	48	2,631	-	1,569
- N.C.H. 2555 Holding Co., Ltd.	11,290	13,416	11,290	13,416
	<u>11,338</u>	<u>16,047</u>	<u>11,290</u>	<u>14,985</u>

COLLATERAL WITH RELATED COMPANIES

As at September 30, 2018, 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.

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Management benefit expenses for the three-month and nine-month periods ended September 30, 2018 and 2017 are as follows:

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the three-month periods ended September 30,	
	2018	2017
Management benefit expenses		
Short-term employee benefits	8,086	7,688
Post-employment benefits	244	298
Total	8,330	7,986

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the nine-month periods ended September 30,	
	2018	2017
Management benefit expenses		
Short-term employee benefits	24,660	22,991
Post-employment benefits	731	894
Total	25,391	23,885

5. INVENTORIES

Inventories consist of

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017
Cost of houses and condominiums for sales	390,705	490,083
<u>Less</u> allowance for declining value of inventories	(3,721)	(3,721)

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Inventories - net	<u>386,984</u>	<u>486,362</u>
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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 30 30, 2018 (For the nine-month)	As at December 31, 2017 (For the year)
Beginning balance	3,721	3,721
Increase	-	-
Decrease	-	-
Ending balance	<u>3,721</u>	<u>3,721</u>

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

	Consolidated/Separate Financial Statements			
	As at September 30, 2018		As at December 31, 2017	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	201	390.70	283	490.08
House and condominiums for sales - under signed purchase and sale contract	<u>(21)</u>	<u>(38.25)</u>	<u>(50)</u>	<u>(75.92)</u>
House and condominium for sales - balance				
Carry forward not under signed purchase and sale contract	<u>180</u>	<u>352.45</u>	<u>233</u>	<u>414.16</u>

As at September 30, 2018 and December 31, 2017, some inventories of the Company in the amount of Baht 366.51 million and Baht 471.56 million, respectively, are mortgaged as a part of collateral for long-term loans with local commercial bank, as discussed in Note 15.

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6. PROPERTY DEVELOPMENT COSTS

6.1 Actual property development costs consist of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017
Land and land development costs	2,892,403	3,128,940
Utilities development costs	1,010,051	1,148,447
Construction in progress	4,785,996	5,343,856
Interest capitalization	469,280	457,148
Total	9,157,730	10,078,391
<u>Less</u> Transfer to inventory	(386,984)	(486,362)
Transfer to accumulated cost of sale	(6,960,532)	(7,502,405)
Property development costs - net	<u>1,810,214</u>	<u>2,089,624</u>

As at September 30, 2018 and December 31, 2017, 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, 2018 and 2017, the Company recorded the related interest expense as part of property development costs amounting approximately to Baht 11.63 million and Baht 4.50 million, respectively. The capitalization rate for calculation of interest is 7.99% and 5.66%, respectively

For the nine-month periods ended September 30, 2018 and 2017, the Company recorded the related interest expense as part of property development costs amounting approximately to Baht 32.39 million and Baht 43.40 million, respectively. The capitalization rate for calculation of interest is 7.03% and 5.01%, 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, 2018	31, 2017
	(For the nine-month)	(For the year)
Number of operating projects, at the beginning of the period	20	22
Number of closing projects	-	-
Number of newly open projects	-	(1)
Number of project, transfer to land held for development	-	(1)
Number of operating projects, at the end of the period	20	20
Total current projects value (In million Baht)	13,979.35	13,617.71
Contracted sales value (In million Baht)	10,218.46	9,375.98
As percentage of total current projects value	74.20	68.85

As at September 30, 2018 and December 31, 2017, the Company has the obligation to complete the public utility development project for operating projects in the amount of Baht 42.99 million and Baht 54.22 million, respectively.

7. LAND HELD FOR DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at	As at September	As at December
	30, 2018	December 31, 2017	30, 2018	31, 2017
Beginning balance	1,793,635	1,464,839	1,720,227	1,391,431
<u>Add</u> during the period	95,874	-	95,874	-
- Transfer from property development costs	40,570	328,796	40,570	328,796
Total	1,930,079	1,793,635	1,856,671	1,720,227
<u>Less</u> during the period	(17,100)	-	(17,100)	-
- Transfer to property development costs	(1,700)	-	(1,700)	-
Land held for development	1,911,279	1,793,635	1,837,871	1,720,227

As at September 30, 2018 and December 31, 2017, 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.

On July 13, 2018, the Company has entered into a land to buy/to sell agreement with another company by agreeing to sell a land plot totaling in the amount of Baht 324.29 million with the land ownership on November 13, 2018. On the agreement signing date, the Company has already received partial deposit in the amount of Baht 97.28 million.

8. DEPOSIT PLEDGED AS COLLATERAL

As at September 30, 2018 and December 31, 2017, the Company had fixed deposit amounting of Baht 9.22 million and Baht 9.15 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, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	For the nine-month period ended September 30,	
						2018	2017	
AT COST								
<u>Subsidiaries</u>								
N.C. Property								
Management Co., Ltd.	70,000	10,000	100	100	71,864	11,864	-	-
Quality Living								
Management Co., Ltd.	1,000	1,000	100	100	-	-	-	-
					<u>71,864</u>	<u>11,864</u>	<u>-</u>	<u>-</u>

On July 19, 2018, the Board of Directors’ Meeting had a resolution to approve the registered capital increase of N.C. Property Management Co., Ltd. in the amount of Baht 60 million from the previous registered capital Baht 10 million, totaling Baht 70 million, for N.C. Property Management Co. Ltd. to have the fund for repaying the loan from the land acquisition and to reduce the long-term loan interest obligation. On August 24, 2018, the Company has already paid for such capital increase in the amount of Baht 60 million.

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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, 2018 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/Separate</u>
	<u>Financial Statements</u>
At cost	
Balance as at December 31, 2017	234,557
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at September 30, 2018	<u>234,557</u>
Accumulated depreciation	
Balance as at December 31, 2017	(30,457)
Depreciation for the period	(7,582)
Accumulated depreciation on disposals and write-off	-
Balance as at September 30, 2018	<u>(38,039)</u>
Net book value	
Balance as at December 31, 2017	<u>204,100</u>
Balance as at September 30, 2018	<u>196,518</u>

As at September 30, 2018, 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, 2018 are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
At cost		
Balance as at December 31, 2017	311,555	302,734
Acquisitions during the period	2,492	2,492
Transfer assets in, during the period	-	-
Disposals and write-off during the period	(6,479)	(5,296)
Transfer assets out, during the period	-	-
Balance as at September 30, 2018	<u>307,568</u>	<u>299,930</u>
Accumulated depreciation		
Balance as at December 31, 2017	(190,820)	(182,312)
Depreciation for the period	(9,634)	(9,610)
Accumulated depreciation on disposals and write-off	3,986	2,803
Accumulated depreciation, transfer - out	-	-
Balance as at September 30, 2018	<u>(196,468)</u>	<u>(189,119)</u>
Allowance for impairment		
Balance as at December 31, 2017	(2,970)	(2,689)
Allowance for impairment for the period	1,889	1,889
Balance as at September 30, 2018	<u>(1,081)</u>	<u>(800)</u>
Net book value		
Balance as at December 31, 2017	<u>117,765</u>	<u>117,733</u>
Balance as at September 30, 2018	<u>110,019</u>	<u>110,011</u>

As at September 30, 2018 and December 31, 2017, some part of land and the clubhouse building in the total amount of Baht 100.52 million (net book value amount of Baht 42.54 million and Baht 45.53 million, respectively) are mortgaged as collateral against the overdrafts from a commercial bank in the credit limit amount of Baht 25.00 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, 2018 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/ Separate financial statements</u>
At cost	
Balance as at December 31, 2017	11,951
Acquisitions during the period	81
Disposals and write-off during the period	-
Balance as at September 30, 2018	<u>12,032</u>
Accumulated amortization	
Balance as at December 31, 2017	(6,199)
Amortization for the period	(800)
Accumulated amortization on disposals and write-off	-
Balance as at September 30, 2018	<u>(6,999)</u>
Net book value	
Balance as at December 31, 2017	<u>5,752</u>
Balance as at September 30, 2018	<u>5,033</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, 2018</u>	<u>As at December 31, 2017</u>
Bank overdrafts from the financial institutions	59,782	63,755
Short-term loans from the financial institutions	429,169	340,430
Total	<u>488,951</u>	<u>404,185</u>

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	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at September 30, 2018	As at December 31, 2017			
<u>Bank Overdraft</u>					
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>			
<u>Short-term loans</u>					
The parent company					
- The first bank	35.00	35.00	MLR per annum	Dec 27, 2018	- By the mortgage of the director's land and construction thereon.
- The second bank	10.43	10.43	MLR less 0.50% per annum	Nov 2, 2018	- 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	Nov 29, 2018	- By the mortgage of the Company's land.
- The fourth bank	120.00	120.00	MLR less 0.25% per annum	Nov 16, 2018	- By the mortgage of the director's relatives land.
- The fifth bank	100.00	100.00	MLR per annum	Oct 12, 2018 and Dec 21, 2018	- By the mortgage of the project's land and construction thereon and construction in the future.
- The sixth bank	50.00	50.00	MLR per annum	Oct 26, 2018	- By the mortgage of the Company's land.
- The seven bank	116.00	236.00	10% per annum	Dec 19, 2018 and Sep 15, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The eight bank	55.59	-	MLR less 1.00% per annum	Mar 25, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The ninth bank	33.15	-	MLR per annum	May 4, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
Total credit line	<u>610.17</u>	<u>641.43</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, 2018			As at December 31, 2017		
	Principal	Deferred interest	Payment	Principal	Deferred interest	Payment
Current portion due within one year	210	18	228	821	26	847
Current portion due after one year not over three years	-	-	-	14	46	60
Total	210	18	228	835	72	907

As at September 30, 2018 and December 31, 2017, 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, 2018	As at December 31, 2017
Long-term loans from local banks		
The first bank	384,917	520,536
The second bank	118,559	353,765
The third bank	124,000	124,000
The fourth bank	17,860	27,400

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Total	645,336	1,025,701
<u>Less</u> Current portion due within one year	<u>(215,036)</u>	<u>(146,111)</u>
Long-term loans from the financial institutions - net	430,300	879,590

Movements in the long-term loans account during the nine-month period ended September 30, 2018 are summarized below.

	In Thousand Baht
	Consolidated/ Separate financial Statements
Balance as at December 31, 2017	1,025,701
Less Repayment during the period	(742,929)
Add Additional borrowings during the period	362,564
Balance as at September 30, 2018	645,336

	Credit line (Million Baht)		Interest rate	Guarantee
	As at September 30, 2018	As at December 31, 2017		
<u>Long-term loans</u>				
The Company				
<u>The first bank</u>				
- The first credit line	264.00	264.00	MLR less 0.50% per annum	By the mortgage of some of the project's land and construction thereon and by the land of relatives of director.
- The second credit line	278.48	334.65	MLR less 0.50% per annum	
- The third credit line	260.00	354.18	MLR less 0.50% per annum	
- The fourth credit line	325.00	381.50	MLR less 0.50% per annum	
- The fifth credit line	145.00	145.00	MLR less 0.50% per annum	
	<u>1,272.48</u>	<u>1,479.33</u>		
<u>The second bank</u>				
- The first credit line	11.00	11.00	MLR plus 0.50% per annum	By the mortgage of some of the project's land and construction thereon and investment property and by the land of relatives of director.
- The second credit line	80.00	80.00	MLR plus 0.50% per annum	
- The third credit line	6.34	126.35	MLR per annum	
- The fourth credit line	347.42	347.42	MLR per annum	
- The fifth credit line	-	9.36	MLR per annum	
- The sixth credit line	242.64	242.64	MLR per annum	
- The seventh credit line	20.40	-	MLR per annum	
- The eighth credit line	94.20	-	MLR per annum	

	<u>802.00</u>	<u>816.77</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	<u>38.00</u>	<u>38.00</u>	MLR per annum	By the mortgage of some of the project's land and construction thereon
	<u>2,491.48</u>	<u>2,713.10</u>		

As at September 30, 2018 and December 31, 2017, The Company has the credit limits that have not been withdrawn amounting to Baht 255 million.

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.

16. SHORT-TERM LOAN FROM OTHER COMPANY

As at September 30, 2018, the Company has credit line of short-term loan from another company in the amount of Baht 116 million. The principal is due in August, December 2018 and September 2019. The interest is 10% per annum. The loan is guaranteed by land with existing construction and future construction on the Company's project land.

The change of short-term loan form other company for the nine-month period ended September 30, 2018 is described as follows:

	<u>In Thousand Baht</u>
	Consolidated/ Separate financial Statements
Balance as at December 31, 2017	162,125
<u>Add</u> Additional loan during the period	50,000
<u>Less</u> Loan repayment	(106,897)
Balance as at September 30, 2018	<u>105,228</u>

17. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the nine-month period ended September 30, 2018 is shown as follows :

The statements of financial position

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Employee benefit obligations, at the beginning of the period	38,009	36,904
<u>Add</u> Current service costs and interest cost	3,180	3,054
<u>Less</u> Actual paid of employee benefit obligations	-	-
Employee benefit obligations, at the end of the period	<u>41,189</u>	<u>39,958</u>

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,	
	2018	2017	2018	2017
Recognized in profit or loss				
Current service costs	841	1,001	806	960
Interest on obligation	219	297	212	288
Total	<u>1,060</u>	<u>1,298</u>	<u>1,018</u>	<u>1,248</u>
Current service costs				
Cost of service	16	30	-	-
Selling expenses	271	310	271	310
Administrative expenses	310	363	291	352
Management benefit expenses	244	298	244	298

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Finance costs	<u>219</u>	<u>297</u>	<u>212</u>	<u>288</u>
Total	<u><u>1,060</u></u>	<u><u>1,298</u></u>	<u><u>1,018</u></u>	<u><u>1,248</u></u>

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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,	
	2018	2017	2018	2017
Current service costs	2,523	3,004	2,418	2,880
Interest on obligation	657	890	636	863
Total	3,180	3,894	3,054	3,743
Current service costs				
Cost of service	48	91	-	-
Selling expenses	813	929	813	929
Administrative expenses	931	1,090	874	1,057
Management benefit expenses	731	894	731	894
Finance costs	657	890	636	863
Total	3,180	3,894	3,054	3,743

18. PROVISION FOR COMPENSATION FOR HOUSING ESTATE JURISTIC PERSONS

	In Thousand Baht
	Consolidated/ Separate Financial Statements (For the nine-month)
Balance as at December 31, 2017	16,255
<u>Add</u> increase during the period	2,830
<u>Less</u> decrease during the period	-
Balance as at September 30, 2018	19,085

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, 2018 and December 31, 2017 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, 2018	31, 2017	30, 2018	31, 2017
	(For the nine-	(For the year)	(For the nine-	(For the year)
	month)		month)	
Beginning balance	32,147	32,147	28,604	28,604
Add increase during the period	-	-	-	-
Less decrease during the period	-	-	-	-
Liabilities from purchasing the real estate project	32,147	32,147	28,604	28,604

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,	
		2018	2017	2018	2017
Profit (loss) for the period	(Thousand Baht)	10,683	11,188	10,864	12,196
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	0.009	0.009	0.010

		Consolidated Financial Statements		Separate Financial Statements	
		For the nine-month periods		For the nine-month periods	
		ended September 30,		ended September 30,	
		2018	2017	2018	2017
Profit (loss) for the period	(Thousand Baht)	37,042	17,771	38,625	21,019
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)	0.030	0.014	0.031	0.017

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21. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
Deferred tax assets	11,969	11,170	11,969	11,170
Deferred tax liabilities	(6,676)	(6,234)	(8,398)	(7,956)
	5,293	4,936	3,571	3,214

21.1 Changes in deferred tax assets and deferred tax liabilities for the nine-month period ended September 30, 2018 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements			Balance as at September 30, 2018
	Balance as at	Revenue (expenses) during the period		
	December 31, 2017	In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for declining value-clubhouse	538	(378)	-	160
Provisions for employee benefits	7,381	611	-	7,992
Provisions for compensation for housing estate juristic persons	3,251	566	-	3,817
Total	11,170	799	-	11,969
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(15)	(1)	-	(16)
Property development costs and inventories	(6,219)	(441)	-	(6,660)
Total	(6,234)	(442)	-	(6,676)
Net	4,936	357	-	5,293

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	In Thousand Baht			
	Separate Financial Statements			
	Balance as at	Revenue (expenses) during the		Balance as at
	December 31, 2017	period		September 30, 2018
	In profit or loss	In other		
		comprehensive		
		income		
Deferred tax assets:				
Allowance for declining value-clubhouse	538	(378)	-	160
Provisions for employee benefits	7,381	611	-	7,992
Provisions for compensation for housing estate				
juristic persons	3,251	566	-	3,817
Total	11,170	799	-	11,969
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale				
Investments	(15)	(1)	-	(16)
Property development costs and inventories	(7,941)	(441)	-	(8,382)
Total	(7,956)	(442)	-	(8,398)
Net	3,214	357	-	3,571

21.2 Tax expense (income)

21.2.1 Major components of tax expense (income)

For the nine-month periods ended September 30, 2018 and 2017 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss				
:				
Current tax expense:				
Income tax expense for the period	11,902	5,676	11,902	5,676
Deferred tax expense (income):				
Changes in temporary differences relating to the				
original recognition and reversal	(357)	(4,329)	(357)	(4,329)
Total	11,545	1,347	11,545	1,347

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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, 2018 and 2017 which are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Accounting profit (loss) for the period	48,587	19,118	50,170	22,366
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	9,717	3,823	10,034	4,473
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,828	(2,476)	1,511	(3,126)
Total reconciliation items	1,828	(2,476)	1,511	(3,126)
Total tax expense (income)	11,545	1,347	11,545	1,347

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, 2018 and 2017 are summarized as follows:

	Consolidated Financial Statements			
	2018		2017	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the period	48,587		19,118	
Tax expense (income) at the applicable tax rate	9,717	20.00	3,823	20.00
Reconciliation items	1,828	3.76	(2,476)	(12.95)
Tax expense (income) at the average effective tax rate	11,545	23.76	1,347	7.05

	Separate Financial Statements			
	2018		2017	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the period	48,587		19,118	
Tax expense (income) at the applicable tax rate	9,717	20.00	3,823	20.00
Reconciliation items	1,828	3.76	(2,476)	(12.95)
Tax expense (income) at the average effective tax rate	11,545	23.76	1,347	7.05

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Accounting profit (loss) before tax expense for the period	50,170		22,366	
Tax expense (income) at the applicable tax rate	10,034	20.00	4,473	20.00
Reconciliation items	1,511	3.01	(3,126)	(13.98)
Tax expense (income) at the average effective tax rate	11,545	23.01	1,347	6.02

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, 2018, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :

	In Thousand Baht				Total
	Consolidated financial statements / Separate financial statements				
	Net book value	Level 1	Level 2	Level 3	
Assets measured at fair value					
Current investments					
- Unit trust	498	-	577	-	
Total	498	-	577	-	

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

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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, 2018 and 2017 by segments are as follows:

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For the nine-month period ended September, 2018 (In Thousand Baht)

	Real Estate		Rental and services	Contractor segment	Property management services	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment					DR.	CR.	
Revenues									
Sales	945,361	152,870	-	-	-	1,098,231	-	-	1,098,231
Service income for rent	-	-	12,736	-	5,563	18,299	(1,625)	-	16,674
Other income	8,214	401	13	77	6	8,711	(1,523)	-	7,188
Total revenues	953,575	153,271	12,749	77	5,569	1,125,241			1,122,093
Expenses									
Cost of sales	621,898	89,190	-	-	-	711,088	-	-	711,088
Cost of service	-	-	12,974	-	2,843	15,817	-	-	15,817
Selling expenses	130,318	19,816	-	-	-	150,134	-	-	150,134
Administrative expenses	78,742	32,513	2,076	90	2,247	115,668	-	(1,683)	113,985
Management benefit expenses	21,626	3,476	289	-	-	25,391	-	-	25,391
Finance cost	44,332	8,637	3,538	1,898	151	58,556	-	(1,465)	57,091
Total expenses	896,916	153,632	18,877	1,988	5,241	1,076,654			1,073,506
Income (loss) by segments	56,659	(361)	(6,128)	(1,911)	328	48,587			48,587
Tax expenses (income)									11,545
Profit (loss) for the period									37,042
As at September 30, 2018									
Investment property	-	-	196,518	-	-	196,518			196,518
Property, plant and equipment	108,780	618	614	-	7	110,019			110,019

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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

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 September 30, 2018, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	2.26
More than 1 year to 3 years	2.53

24.2 As at September 30, 2018, 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	161.01	161.01
- Guarantee fund for maintenance of public utilities	14.07	13.67

24.3 As at September 30, 2018, the Company had contingent liabilities to a bank from the guarantee on the customer’s loan amounting to Baht 0.65 million and gasoline amounting to Baht 0.20 million (see Note 8).

24.4 As at September 30, 2018, the Company has the following lawsuits:

24.4.1 The civil court of Pattaya black case Por. 564/2560 with Bayview Resort “plaintiff”, the plaintiff sued the company on the charge of servitude relating to car travel and other utilities such as land of plaintiff. The case is under consideration of the court of first instance.

24.4.2 The civil case of the court of Pattaya, black case Por. 411/2561 with the juristic person of Bayview Resort “defendant”, the Company sued the defendant on the eviction claiming damage in the amount of Baht 0.61 million. The case is under investigation process.

24.4.3 The civil case of Thanyaburi court black case Por.Bor.1491/2561 with S.K. Pattaya Construction Development Co., Ltd. “plaintiff”. The plaintiff sued the Company on breach of contract. The damage has a capital amount of Baht 6.44 million.

On July 20, 2018, the Company has negotiated with the counterparty and made agreement.

The plaintiff submitted to withdraw the filing of the defendant and the Court dismissed the case from the directory.

25. AUTHORIZATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

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

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12, 2018.