

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

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**REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019**

## **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 June 30, 2019 and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2018, changes in shareholders’ equity and cash flows for the six-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 June 30, 2019 and the related statement of comprehensive income for the three-month and six-month periods ended June 30, 2019, changes in shareholders’ equity and cash flows for the six-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  
August 9, 2019

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

**THE STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2019**

		<u>ASSETS</u>				
		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		As at June	As at December	As at June	As at December	
Note		30, 2019	31, 2018	30, 2019	31, 2018	
<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	17,118	29,219	14,675	26,623	
	Short-term investments	989	946	749	706	
	Trade accounts receivable	91	-	-	-	
	Short-term loan to related parties	4	-	-	-	
	Inventories	5	237,061	311,754	237,061	311,754
	Property development costs	6	1,513,026	1,597,714	1,513,026	1,597,714
	Land held for development	7	1,980,884	1,954,096	1,907,476	1,880,688
	Other current assets	4	8,311	11,816	8,213	11,861
	Total current assets		3,757,480	3,905,545	3,681,200	3,829,346
<b>NON-CURRENT ASSETS</b>						
	Deposit pledged as collateral	8	10,000	9,242	10,000	9,242
	Investment in subsidiaries	9	-	-	71,864	71,864
	Investment property	10	191,047	194,086	191,047	194,086
	Property, plant and equipment	11	102,629	106,705	102,597	106,698
	Intangible assets	12	4,399	4,764	4,399	4,764
	Withholding tax		12,671	11,178	12,577	10,989
	Deferred tax asstes	21	15,416	14,095	13,694	12,374
	Other non-current assets		3,423	4,012	3,224	4,012
	Total non-current assets		339,585	344,082	409,402	414,029
	<b>TOTAL ASSETS</b>		<b>4,097,065</b>	<b>4,249,627</b>	<b>4,090,602</b>	<b>4,243,375</b>

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 JUNE 30, 2019**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		As at June	As at December	As at June	As at December	
Note		30, 2019	31, 2018	30, 2019	31, 2018	
<b>CURRENT LIABILITIES</b>						
	Bank overdrafts and short-term loans					
	from the financial institutions	13	392,682	456,425	392,682	456,425
	Trade notes payable		25,445	24,301	25,445	24,301
	Trade accounts payable and other payable		70,676	59,114	70,645	59,108
	Payable to related parties	4	31,420	39,738	31,661	41,355
	Accrued expenses	4	11,285	36,349	11,225	35,372
	Accrued corporate income tax		31	9,014	-	9,014
	Current portion of long-term loan from					
	the financial institutions	14	285,210	395,424	285,210	395,424
	Short-term loan from other company	15	-	48,162	-	48,162
	Short-term loan from related parties	4	229,000	230,000	229,000	229,000
	Short-term loan from the director	4	3,000	3,000	-	-
	Advance received from customers		4,491	3,077	4,491	3,077
	Retention from contractors		71,155	74,043	70,897	73,785
	Other current liabilities		17,284	3,006	17,197	2,915
	Total current liabilities		<u>1,141,679</u>	<u>1,381,653</u>	<u>1,138,453</u>	<u>1,377,938</u>
<b>NON-CURRENT LIABILITIES</b>						
	Long-term loans from the financial					
	institutions	14	259,080	162,293	259,080	162,293
	Employee benefit obligations	16	58,723	55,789	56,918	54,112
	Provision for compensation for housing					
	estate juristic persons	17	20,393	19,527	20,393	19,527
	Liabilities from purchasing the real					
	estate project	18	42,741	42,741	39,198	39,198
	Other non-current liabilities		2,928	1,985	2,928	1,985
	Total non-current liabilities		<u>383,865</u>	<u>282,335</u>	<u>378,517</u>	<u>277,115</u>
	<b>TOTAL LIABILITIES</b>		<u>1,525,544</u>	<u>1,663,988</u>	<u>1,516,970</u>	<u>1,655,053</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 JUNE 30, 2018**

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

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at June	As at December	As at June	As at December
Note		30, 2019	31, 2018	30, 2019	31, 2018
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	74,150	74,150	74,150	74,150
	Unappropriated	674,557	688,675	676,668	691,358
	Other components of equity	-	-	-	-
	Total equity attributable to company's shareholders	2,571,521	2,585,639	2,573,632	2,588,322
	Non-controlling interests	-	-	-	-
TOTAL SHAREHOLDER'S EQUITY		2,571,521	2,585,639	2,573,632	2,588,322
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,097,065	4,249,627	4,090,602	4,243,375

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 JUNE 30, 2019**

		In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
Note		2018	2018	2018	2018	
<b>REVENUES</b>						
	Sales	213,141	397,626	213,141	397,626	
	Rental income and service	5,296	5,569	4,099	4,219	
	Other income	4	1,497	2,562	1,515	3,271
	Total Revenues	219,934	405,757	218,755	405,116	
<b>EXPENSES</b>						
	Cost of sales	4	140,137	255,437	140,137	255,437
	Cost for rent and service	5,151	5,162	4,270	4,270	
	Selling expenses	35,260	50,144	35,260	50,144	
	Administrative expenses	4	34,177	38,721	34,360	38,736
	Management benefit expenses	4	8,717	8,496	8,717	8,496
	Finance costs	4	9,782	21,952	9,730	21,860
	Total Expenses	233,224	379,912	232,474	378,943	
	Income (loss) before tax expenses	(13,290)	25,845	(13,719)	26,173	
	Tax expenses (income)	(3,707)	6,214	(3,783)	6,214	
	Profit (loss) for the period	(9,583)	19,631	(9,936)	19,959	
	Other comprehensive income					
	Items that may be reclassified subsequently to profit or loss	-	-	-	-	
	Total comprehensive income for the period	(9,583)	19,631	(9,936)	19,959	
	Profit (loss) attributable to					
	Shareholders' equity of the parent company	(9,583)	19,631	(9,936)	19,959	
	Non-controlling interests	-	-	-	-	
		(9,583)	19,631	(9,936)	19,959	
	Total comprehensive income attributable to					
	Shareholders' equity of the parent company	(9,583)	19,631	(9,936)	19,959	
	Non-controlling interests	-	-	-	-	
		(9,583)	19,631	(9,936)	19,959	
<b>BASIC EARNINGS PER SHARE OF</b>						
<b>THE PARENT COMPANY</b>						
	Profit (loss) for the period (Baht per share)	20	(0.008)	0.016	(0.008)	0.016

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019**

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2019	2018	2019	2018
<b>REVENUES</b>					
	Sales	614,700	793,570	614,700	793,570
	Rental income and service	10,755	10,960	8,268	8,371
	Other income	4	2,947	4,004	2,977
	Total Revenues	<u>628,402</u>	<u>808,534</u>	<u>625,945</u>	<u>807,442</u>
<b>EXPENSES</b>					
	Cost of sales	4	395,861	516,751	395,861
	Cost for rent and service		10,221	10,528	8,396
	Selling expenses		84,514	108,949	84,514
	Administrative expenses	4	72,570	78,216	72,698
	Management benefit expenses	4	17,415	17,061	17,061
	Finance costs	4	21,060	41,904	20,948
	Total Expenses		<u>601,641</u>	<u>773,409</u>	<u>599,832</u>
	Income (loss) before tax expenses		26,761	35,125	26,113
	Tax expenses (income)		3,521	8,766	3,445
	Profit (loss) for the period		<u>23,240</u>	<u>26,359</u>	<u>22,668</u>
	Other comprehensive income				
	Items that may be reclassified subsequently to profit or loss		-	-	-
	Total comprehensive income for the period		<u>23,240</u>	<u>26,359</u>	<u>22,668</u>
Profit (loss) attributable to					
	Shareholders' equity of the parent company		23,240	26,359	22,668
	Non-controlling interests		-	-	-
	Total comprehensive income attributable to		<u>23,240</u>	<u>26,359</u>	<u>22,668</u>
	Shareholders' equity of the parent company		23,240	26,359	22,668
	Non-controlling interests		-	-	-
	Total comprehensive income attributable to		<u>23,240</u>	<u>26,359</u>	<u>22,668</u>
<b>BASIC EARNINGS PER SHARE OF</b>					
<b>THE PARENT COMPANY</b>					
	20				
	Profit (loss) for the period (Baht per share)		0.019	0.021	0.018
					0.022

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019**

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, 2019	1,245,284	577,530	74,150	688,675	-	2,585,639	-	2,585,639
	Dividend paid	-	-	-	(37,358)	-	(37,358)	-	(37,358)
	Comprehensive income								
	Profit for the period	-	-	-	23,240	-	23,240	-	23,240
	Other comprehensive income for the period	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	23,240	-	23,240	-	23,240
	Ending balance as at June 30, 2019	1,245,284	577,530	74,150	674,557	-	2,571,521	-	2,571,521
	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	-	-	-	26,359	-	26,359	-	26,359
	Other comprehensive income for the period	-	-	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	26,359	-	26,359	-	26,359
	Ending balance as at June 30, 2018	1,245,284	577,530	69,150	623,733	-	2,515,697	-	2,515,697

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019**

		In ThousandBaht					
		Separate Financial Statements					
	Note	Share capital issued and paid-up	Premium on share capital	Retained earnings Appropriated legal reserve	Unappropriated	Other components of equity	Total
Beginning balance as at January 1, 2018		1,245,284	577,530	74,150	691,358	-	2,588,322
Dividend paid	19	-	-	-	(37,358)	-	(37,358)
Comprehensive income							
Profit for the period		-	-	-	22,668	-	22,668
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	22,668	-	22,668
Ending balance as at June 30, 2018		<u>1,245,284</u>	<u>577,530</u>	<u>74,150</u>	<u>676,668</u>	<u>-</u>	<u>2,573,632</u>
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		-	-	-	27,761	-	27,761
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	27,761	-	27,761
Ending balance as at June 30, 2018		<u>1,245,284</u>	<u>577,530</u>	<u>69,150</u>	<u>624,954</u>	<u>-</u>	<u>2,516,918</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 CASH FLOWS**

**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) for the period	23,240	26,359	22,668	27,761
<u>Add (less) Adjustments to reconcile profit (loss) for the period</u>				
to net cash provided by (used in) operating activities :				
Depreciation and amortization	10,631	11,992	10,627	11,971
Unrealized gain from trading securities	(2)	(2)	(2)	(2)
Doubtful account	980	-	980	-
(Gain) loss from sale and amortization of fixed assets	-	2,455	-	2,455
(Gain) loss from sale and amortization of investment proper	2,963	-	2,963	-
Allowance for loss on impairment of fixed assets (reverse)	-	(800)	-	(800)
Provision for compensation for housing estate				
juristic persons	866	1,099	866	1,099
Employee benefit expenses	2,292	1,682	2,184	1,612
Interest income	(79)	(1,517)	(77)	(1,515)
Interest expenses	21,060	41,904	20,948	41,805
Tax expenses (income)	3,521	8,766	3,445	8,766
Income from operating activities before changes in				
operating assets and liabilities	65,472	91,938	64,602	93,152
Decrease (increase) in operating assets				
Trade accounts receivable	(91)	21	-	-
Inventories	74,693	104,998	74,693	104,998
Property development costs	74,755	174,301	74,755	174,301
Land held for development	508	(75,551)	508	(75,551)
Deposit from purchase land	-	-	-	-
Other current assets	2,526	1,191	2,668	(5)
Other non-current assets	589	63	789	63

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Increase (decrease) in operating liabilities				
Trade notes payable	1,144	(11,084)	1,144	(11,104)
Trade accounts payable and other payable	11,562	(1,502)	11,537	(1,502)
Payable to related parties	(8,319)	(8,183)	(9,694)	(7,889)
Accrued expenses	(20,052)	1,152	(19,221)	1,163
Advance received from customers	1,414	(1,447)	1,414	(1,447)
Retention from contractors	(2,888)	2,886	(2,888)	2,886
Other current liabilities	14,278	1,687	14,282	1,657
Other non-current assets	943	-	943	-
Cash receivable (paid) from the operations	216,534	280,470	215,532	280,722
Cash received from interest income	79	264	76	261
Withholding taxes refunded from Revenue Department	95	6,890	-	6,765
Income tax expenses paid	(15,412)	(8,077)	(15,367)	(8,037)
Net cash provided by (used in) operating activities	201,296	279,547	200,241	279,711
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash received from short-term loan to related parties	-	-	-	55,000
Increase in temporary investment	(41)	-	(40)	-
Increase in short-term investments	(758)	(28)	(758)	(28)
Proceeds from sales of fixed assets	-	80	-	80
Cash paid for purchase of fixed assets	(1,285)	(1,953)	(1,256)	(1,953)
Cash paid for purchase of investment property	(4,829)	-	(4,829)	-
Cash paid for purchase of intangible assets	-	(21)	-	(21)
Net cash provided by (used in) investing activities	(6,913)	(1,922)	(6,883)	53,078

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 SIX-MONTH PERIOD ENDED JUNE 30, 2019**

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	(63,743)	59,181	(63,743)	59,181
Cash paid for liabilities under finance lease agreement	(1)	(418)	(1)	(418)
Cash received from short-term loan the other company	-	50,000	-	50,000
Cash paid for short-term loan from other company	(48,162)	(83,985)	(48,162)	(83,985)
Cash received from short-term loan a related party	-	-	-	-
Cash paid for short-term loan a related party	(1,000)	(54,100)	-	(54,100)
Cash received from short-term loan from the director	-	55,600	-	1,500
Cash paid for short-term loan from the directors	-	(2,500)	-	(2,500)
Cash received from long-term loans	259,267	247,212	259,267	247,212
Cash paid for long-term loans	(272,694)	(490,695)	(272,694)	(490,695)
Interest paid	(42,793)	(55,573)	(42,615)	(55,573)
Dividend paid	(37,358)	-	(37,358)	-
Net cash provided by (used in) financing activities	(206,484)	(275,278)	(205,306)	(329,378)
Net increase (decrease) in cash and cash equivalents	(12,101)	2,347	(11,948)	3,411
Cash and cash equivalents, beginning of period	29,219	21,952	26,623	19,753
Cash and cash equivalents, end of period	17,118	24,299	14,675	23,164
<b>Supplemental disclosures of cash flows information</b>				
1) Cash and cash equivalents consisted of :				
Cash on hand	607	837	607	837
Cash at bank	16,511	23,462	14,068	22,327
Total	17,118	24,299	14,675	23,164

2) In quarter 2 of 2019 and 2018, the Company has transferred the land development cost of Baht 65.63 million and Baht 38.17 million into part of land pending development.

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**  
**JUNE 30, 2019**

**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 :-

<u>Subsidiaries</u>	Percentage of		Nature of Business
	direct and indirect holding		
	As at June	As at December	
	30, 2019	31, 2018	
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, 2018. 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. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

#### **3.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2018) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2018.

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**

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, the new standard involves changes to key principles, as summarized below.

### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are 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.

### 3.3 Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard and accounting guidance for financial instruments, which is effective for fiscal years beginning on or after January 1, 2020. Key principles of these standards are summarized below.

#### **The accounting guidance for financial instruments and Presentation for Insurance business**

Accounting practice was adjusted to have close content with TFRS 9 by dividing into 4 parts as follows:

1. The recognition of transaction and valuation of financial instrument which is developed closely to Thai Accounting Standard No.105 (revised 2016) accounting for investment in debt securities and equity securities and Thai Financial Reporting Standard No.9 financial instrument.
2. Impairment of financial asset which has content close to Thai Financial Reporting Standard No.9 financial instrument.
3. Accounting to prevent risk with content close to Thai Financial Reporting Standard No.9 financial instrument.
4. Information disclosure of financial instrument with content similar to Thai Financial Reporting Standard No.7 disclosure of financial instrument information.

### **TFRS 16 Leases**

As the lease is significant transaction in many business in many industries. It's significant that user of financial statement should receive information on activity of the lease completely and able to compare which the former accounting method for lease agreement under Thai Accounting Standard No.17 lease agreement require the lessee and lessor to classify lease agreement as financial lease or operating lease and record the account for both lease agreement differently. Such accounting method can't respond to the needs of the financial statement users as the accounting method does not objectively represent for the lease transaction in every case. For the lessee to recognize assets and liabilities that arise from operating lease which affects the lease agreement to be recognized as asset and liabilities in the statement of financial position. The use of asset and commitment that arises from the lease agreement under the definition of asset and liabilities affect the significant financial ratio to be distorted. New accounting method under Thai Financial Reporting Standard No.16 lease agreement requires the lessee to recognize the right to use asset as asset in the financial statements and recognize commitment that arises from lease agreement in the financial statements. Such accounting method affects the asset presentation and liabilities of the lessee as objective representation as well as increase the disclosure of information that reflects the financial risk and capital money of the lessee.

At present, the management of the Company and its subsidiaries are evaluating the impact of this standard to the financial statements in the year when it is adopted.

#### **3.4 Significant accounting polices**

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, 2018.

**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 six-month periods ended June 30, 2019 and 2018 are summarized as follows.

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the three-month periods ended June 30,		For the three-month periods ended June 30,	
Pricing basis		2019	2018	2019	2018
<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.	-	-	-	652
Quality Living Management Co., Ltd.	At the rate of 5.75 % p.a.	-	-	-	40
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 25,000 per project	-	-	715	720
<u>Related parties</u>					
Sale income					
Mr. Somchao Tanthathodtham	Market price	-	-	-	-
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	8,742	9,443	8,742	9,443
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	4,745	3,196	4,745	3,196
S.C. Construction And Decoration Co., Ltd.	Market price	28	-	28	-
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	-	203	-	203
Interest expenses					
Mr. Somchao Tanthathodtham	At the rate of 5.75% p.a.	43	331	-	247
N.C.H. 2555 Holding Co., Ltd	At the rate of 5.75% p.a.	3,283	3,863	3,283	3,863

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		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		For the six-month periods ended June 30,		For the six-month periods ended June 30,	
Pricing basis		2019	2018	2019	2018
<u>Transaction during the period</u>					
<u>Subsidiaries</u>					
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	30	30
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	8	8
Other income-interest income					
N.C. Property Management Co., Ltd.	At the rate of 3.00 - 5.75 % p.a.	-	-	-	1,383
Quality Living Management Co., Ltd.	At the rate of 3.00 - 5.75 % p.a.	-	-	-	83
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 20,000 per project	-	-	1,270	1,120
<u>Related parties</u>					
Sale income					
Mr. Somchao Tanthathodtham	Market price	1,348	-	1,348	-
Other income - office rental					
Precast station Co., Ltd.	Baht 20,000 per month and Baht 40,000 per month	360	360	360	360
Construction cost					
Precast station Co., Ltd.	At per agreement	26,799	26,062	26,799	26,062
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	7,717	7,489	7,717	7,489
S.C. Construction And Decoration Co., Ltd.	Market price	52	1	52	1
Land rental expense					
Namchai Asset Development Co., Ltd.	Baht 55,000 per month	330	330	330	330
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	180	321	180	321
Interest expenses					
Mr. Somchao Tanthathodtham	At the rate of 5.75% p.a.	86	586	-	501
N.C.H 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	6,536	7,776	6,530	7,776

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The significant outstanding balance as at June 30, 2019 and December 31, 2018 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Short-term loan to related parties				
- N.C. Property Management Co., Ltd.				
Balance, at the beginning of the period	-	-	-	52,000
Addition during the period	-	-	-	-
Deduction during the period	-	-	-	(52,000)
Balance, at the end of the period	-	-	-	-
- Quality Living Management Co., Ltd.				
Balance, at the beginning of the period	-	-	-	3,000
Addition during the period	-	-	-	-
Deduction during the period	-	-	-	(3,000)
Balance, at the end of the period	-	-	-	-
	-	-	-	-
Accrued interest				
- Quality Living Management Co., Ltd.	-	-	-	83
- N.C. Property Management Co., Ltd.	-	-	-	-
	-	-	-	83
Account payable to related parties				
- Quality living Management Co., Ltd.	-	-	241	-
- N.C. Property Management Co., Ltd.	-	-	-	1,617
- S.C. Construction And Decoration Co., Ltd.	-	2	-	2
- Sathaporn Wattana Trading Co., Ltd.	3,539	3,220	3,539	3,220
- Precast station Co., Ltd.	27,423	35,756	27,423	35,756
- Namchai Golf management Co., Ltd.	128	100	128	100
- Sap Namchai Pattana Co., Ltd	330	660	330	660
	31,420	39,738	31,661	41,355

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	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018
Short-term loan from related parties				
- N.C.H. 2555 Holding Co., Ltd.				
Balance, at the beginning of the period	230,000	276,000	229,000	276,000
Addition during the period	-	52,100	-	51,100
Deduction during the period	(1,000)	(98,100)	-	(98,100)
Balance, at the end of the period	<u>229,000</u>	<u>230,000</u>	<u>229,000</u>	<u>229,000</u>
Short-term loan from director				
- Mr. Somchao Tanthathoedtham				
Balance, at the beginning of the period	3,000	16,900	-	16,900
Addition during the period	-	55,600	-	1,500
Deduction during the period	-	(69,500)	-	(18,400)
Balance, at the end of the period	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Accrued interest				
- Mr. Somchao Tanthathoedtham	-	-	-	-
- N.C.H. 2555 Holding Co., Ltd.	2,201	7,145	2,201	7,142
	<u>2,201</u>	<u>7,145</u>	<u>2,201</u>	<u>7,142</u>

#### COLLATERAL WITH RELATED COMPANIES

As at June 30, 2019, 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 six-month periods ended June 30, 2019 and 2018 are as follows:

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the three-month periods ended June 30,	
	2019	2018
<u>Management</u>		
Management benefit expenses		
Short-term employee benefits	8,367	8,253
Post-employment benefits	350	243
Total	<u>8,717</u>	<u>8,496</u>

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the six-month periods ended June 30,	
	2019	2018
<u>Management</u>		
Management benefit expenses		
Short-term employee benefits	16,750	16,574
Post-employment benefits	665	487
Total	<u>17,415</u>	<u>17,061</u>

## 5. INVENTORIES

Inventories consist of

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at June	As at December
	30, 2019	31, 2018
Cost of houses and condominiums for sales	241,453	316,146
<u>Less allowance for declining value of</u>		
inventories	<u>(4,392)</u>	<u>(4,392)</u>
Inventories - net	<u>237,061</u>	<u>311,754</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 June 30	As at December
	30, 2019	31, 2018
	(For the six-month)	(For the year)
Beginning balance	4,392	3,721
Increase	-	671
Decrease	-	-
Ending balance	4,392	4,392

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

	Consolidated/Separate Financial Statements			
	As at June 30, 2019		As at December 31, 2018	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	117	242.94	163	316.15
House and condominiums for sales - under signed purchase and sale contract	(12)	(17.86)	(25)	(51.42)
House and condominium for sales - balance carry forward not under signed purchase and sale contract	105	225.08	138	264.73

As at June 30, 2019 and December 31, 2018, some inventories of the Company in the amount of Baht 140.52 million and Baht 219.01 million, respectively, are mortgaged as a part of collateral for long-term loans with local commercial bank, as discussed in Note 14.

**6. PROPERTY DEVELOPMENT COSTS**

6.1 Actual property development costs consist of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at June 30, 2019	As at December 31, 2018
Land and land development costs	3,014,905	2,962,707
Utilities development costs	1,158,749	1,140,775
Construction in progress	5,824,483	5,710,387
Interest capitalization	507,096	491,777
Total	10,505,233	10,305,646
<u>Less</u> Transfer to inventory	(241,453)	(316,146)
Transfer to accumulated cost of sale	(8,750,754)	(8,391,786)
Property development costs - net	<u>1,513,026</u>	<u>1,597,714</u>

As at June 30, 2019 and December 31, 2018, 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 14.

For the three-month periods ended June 30, 2019 and 2018, the Company recorded the related interest expense amounting approximately to Baht 8.80 million and Baht 9.86 million, respectively, as part of property development costs. The capitalization rate for calculation of interest is 7.26% and 6.87%, respectively

For the six-month periods ended June 30, 2019 and 2018, the Company recorded the related interest expense amounting approximately to Baht 17.36 million and Baht 20.76 million, respectively, as part of property development costs. The capitalization rate for calculation of interest is 6.74% and 7.07%, respectively

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## 6.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated/Separate Financial Statements	
	As at June	As at December
	30, 2019	31, 2018
	(For the six-month)	(For the year)
Number of operating projects, at the beginning of the period	21	20
Number of closing projects	(2)	(1)
Number of newly open projects	-	2
Number of project, transfer to land held for development	-	-
Number of operating projects, at the end of the period	19	21
Total current projects value (In million Baht)	13,811.12	13,933.31
Contracted sales value (In million Baht)	11,388.46	10,660.44
As percentage of total current projects value	82.46	76.51

As at June 30, 2019 and December 31, 2018, the Company has the obligation to complete the public utility development project for operating projects in the amount of Baht 34.12 million and Baht 38.88 million, respectively.

## 7. LAND HELD FOR DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Beginning balance	1,954,096	1,793,635	1,880,688	1,720,227
<u>Add</u> during the period	29,137	153,625	29,137	153,625
- Liabilities from purchasing the real estate project	-	15,844	-	15,844
- Transfer from property development costs	65,627	45,547	65,627	45,547
Total	2,048,860	2,008,651	1,975,452	1,935,243
<u>Less</u> sold during the period	(29,645)	(36,227)	(29,645)	(36,227)
- Transfer to property development costs	(38,331)	(18,328)	(38,331)	(18,328)
Land held for development	1,980,884	1,954,096	1,907,476	1,880,688

On February 26, 2019, the Company has entered into a land to buy/to sell agreement with another person by agreeing to sell a land plot totaling 68.00 million with the land ownership on August 26, 2019. On the agreement signing date, the Company has already received partial deposit in the amount of Baht 13.60 million as presented other current liabilities.

As at June 30, 2019 and December 31, 2018, 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 14.

## 8. DEPOSIT PLEDGED AS COLLATERAL

As at June 30, 2019 and December 31, 2018, the Company had fixed deposit amounting of Baht 10.00 million and Baht 9.24 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 June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	As at June 30, 2019	As at December 31, 2018	For the six-month period ended June 30,	
						2019	2018	
<b>AT COST</b>								
<u>Subsidiaries</u>								
N.C. Property								
Management Co., Ltd.	70,000	70,000	100	100	71,864	71,864	-	-
Quality Living								
Management Co., Ltd.	1,000	1,000	100	100	-	-	-	-
					<u>71,864</u>	<u>71,864</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 six-month period ended June 30, 2019 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/Separate</u>
	<u>Financial Statements</u>
<b>At cost</b>	
Balance as at December 31, 2018	234,681
Acquisitions during the period	4,829
Disposals and write-off during the period	<u>(5,153)</u>
Balance as at June 30, 2019	<u>234,357</u>
<b>Accumulated depreciation</b>	
Balance as at December 31, 2018	(40,595)
Depreciation for the period	(4,905)
Accumulated depreciation on disposals and write-off	<u>2,190</u>
Balance as at June 30, 2019	<u>(43,310)</u>
<b>Net book value</b>	
Balance as at December 31, 2018	<u>194,086</u>
Balance as at June 30, 2019	<u>191,047</u>

As at June 30, 2019, 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 14.

## 11. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2019 are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
<b>At cost</b>		
Balance as at December 31, 2018	309,460	301,823
Acquisitions during the period	1,285	1,256
Transfer assets in, during the period	-	-
Disposals and write-off during the period	-	-
Transfer assets out, during the period	-	-
Balance as at June 30, 2019	<u>310,745</u>	<u>303,079</u>
<b>Accumulated depreciation</b>		
Balance as at December 31, 2018	(199,271)	(191,921)
Depreciation for the period	(5,361)	(5,357)
Accumulated depreciation on disposals and write-off	-	-
Accumulated depreciation, transfer - out	-	-
Balance as at June 30, 2019	<u>(204,632)</u>	<u>(197,278)</u>
<b>Allowance for declining value</b>		
Balance as at December 31, 2018	(3,484)	(3,204)
Allowance for declining value for the period	-	-
Balance as at June 30, 2019	<u>(3,484)</u>	<u>(3,204)</u>
<b>Net book value</b>		
Balance as at December 31, 2018	<u>106,705</u>	<u>106,698</u>
Balance as at June 30, 2019	<u>102,629</u>	<u>102,597</u>

As at June 30, 2019 and December 31, 2018, some part of land and the clubhouse building in the total amount of Baht 100.52 million (net book value amount of Baht 39.55 million and Baht 41.53 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 six-month period ended June 30, 2019 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/ Separate financial statements</u>
<b>At cost</b>	
Balance as at December 31, 2018	12,032
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at June 30, 2019	<u>12,032</u>
<b>Accumulated amortization</b>	
Balance as at December 31, 2018	(7,268)
Amortization for the period	(365)
Accumulated amortization on disposals and write-off	-
Balance as at June 30, 2019	<u>(7,633)</u>
<b>Net book value</b>	
Balance as at December 31, 2018	<u>4,764</u>
Balance as at June 30, 2019	<u>4,399</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 June 30, 2019</u>	<u>As at December 31, 2018</u>
Bank overdrafts from the financial institutions	41,663	37,256
Short-term loans from the financial institutions	351,019	419,169
Total	<u>392,682</u>	<u>456,425</u>

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at June	As at December			
	30, 2019	31, 2018			
<b>Bank Overdraft</b>					
The parent company					
- The first bank	25.00	25.00	MOR per annum	At call	- By the mortgage of the Company's land and the clubhouse building.
- The second bank	20.00	20.00	MOR less 1.00% 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>			
<b>Short-term loans</b>					
The parent company					
- The first bank	-	35.00	MLR per annum	June 28, 2019	- By the mortgage of the director's land and construction thereon.
- The second bank	10.43	10.43	MLR less 0.50% per annum	July 30, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The third bank	25.00	25.00	MLR less 1.62% per annum	August 30, 2019	- By the mortgage of the Company's land.
- The fourth bank	120.00	120.00	MLR less 0.25% per annum	December 25, 2019	- By the mortgage of the director's relatives land.
- The fifth bank	90.00	90.00	MLR per annum	July 9, 2019 and August 16, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The sixth bank	50.00	50.00	MLR per annum	October 26, 2019	- By the mortgage of the Company's land.
- The seventh bank	-	50.00	10% per annum	June 15, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The eighth bank	55.59	55.59	MLR less 1.00% per annum	September 20, 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.
	351.02	469.17			
Total credit line	<u><u>416.02</u></u>	<u><u>534.17</u></u>			

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

This account consists of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at June 30, 2019	As at December 31, 2018
Long-term loans from local banks		
The first bank	449,476	451,370
The second bank	86,494	91,667
The third bank	8,320	14,680
Total	544,290	557,717
<u>Less</u> Current portion due within one year	(285,210)	(395,424)
Long-term loans from the financial institutions - net	259,080	162,293

Movements in the long-term loans account during the six-month period ended June 30, 2019 are summarized below.

	In Thousand Baht
	Consolidated/ Separate financial Statements
Balance as at December 31, 2018	557,717
Add: Additional borrowings during the period	259,267
Less: Repayment during the period	(272,694)
Balance as at June 30, 2019	544,290

	Credit line (Million Baht)		Interest rate	Guarantee
	As at June 30, 2019	As at December 31, 2018		
<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	278.48	MLR less 0.50% per annum	
- The third credit line	260.00	260.00	MLR less 0.50% per annum	
- The fourth credit line	278.50	278.50	MLR less 0.50% per annum	
- The fifth credit line	145.00	145.00	MLR less 0.50% per annum	
- The sixth credit line	313.40	313.40	MLR less 0.50% per annum	
- The seventh credit line	272.00	-	MLR less 0.50% per annum	
	<u>1,811.38</u>	<u>1,539.38</u>		
<u>The second bank</u>				
- The first credit line	80.00	80.00	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	-	144.68	MLR plus 0.50% per annum	
- The third credit line	-	83.00	MLR per annum	
- The fourth credit line	-	20.40	MLR per annum	
- The fifth credit line	-	144.45	MLR per annum	
- The sixth credit line	353.00	-	MLR less 1.90% per annum	
- The seventh credit line	53.00	-	MLR less 1.90% per annum	
	<u>486.00</u>	<u>472.53</u>		
<u>The third bank</u>				
- The first credit line	38.00	38.00	MLR per annum	By the mortgage of some of the project’s land and construction thereon
	<u>2,335.38</u>	<u>2,049.91</u>		

As at June 30, 2019 and December 31, 2018, The Company has the credit limits that have not been withdrawn amounting to Baht 329.70 million and Baht 234.10 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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#### 15. SHORT-TERM LOAN FROM OTHER COMPANY

As at June 30, 2019, the Company has credit line of short-term loan from another company in the amount of Baht 50.00 million. The principal is due in June 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 six-month period ended June 30, 2019 is described as follows:

	<u>In Thousand Baht</u>
	Consolidated/ Separate financial Statements
Balance as at December 31, 2018	48,162
Add: Additional loan during the period	-
Less: Loan repayment	(48,162)
Balance as at June 30, 2019	<u>-</u>

#### 16. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the six-month period ended June 30, 2019 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	55,789	54,112
<u>Plus</u> Current service costs and interest cost	2,934	2,806
<u>Less</u> Actual paid of employee benefit obligations	-	-
Employee benefit obligations, at the end of the period	<u>58,723</u>	<u>56,918</u>

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### The statements of comprehensive income

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month periods		For the three-month periods	
	ended June 30,		ended June 30,	
2019	2018	2019	2018	
Recognized in profit or loss				
Current service costs	1,183	841	1,129	806
Interest on obligation	352	219	342	212
Total	1,535	1,060	1,471	1,018
Current service costs				
Cost of service	25	16	-	-
Selling expenses	314	271	314	271
Administrative expenses	415	311	386	292
Management benefit expenses	429	243	429	243
Finance costs	352	219	342	212
Total	1,535	1,060	1,471	1,018

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the six-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
2019	2018	2019	2018	
Current service costs	2,292	1,682	2,184	1,612
Interest on obligation	642	438	622	424
Total	2,934	2,120	2,806	2,036
Current service costs				
Cost of service	50	32	-	-
Selling expenses	665	542	665	542
Administrative expenses	832	621	774	583
Management benefit expenses	745	487	745	487
Finance costs	642	438	622	424
Total	2,934	2,120	2,806	2,036

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## 17. PROVISION FOR COMPENSATION FOR HOUSING ESTATE JUSTISTIC PERSONS

	In Thousand Baht
	Consolidated/ Separate Financial Statements (For the six-month)
Balance as at December 31, 2018	19,527
<u>Add</u> increase during the period	866
<u>Less</u> decrease during the period	-
Balance as at June 30, 2019	<u>20,393</u>

## 18. 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 six-month periods ended June 30, 2019 and December 31, 2018 are summarized below.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)	As at June 30, 2019 (For the six-month)	As at December 31, 2018 (For the year)
Beginning balance	42,741	32,147	39,198	28,604
<u>Add</u> increase during the period	-	15,844	-	15,844
<u>Less</u> decrease during the period	-	(5,250)	-	(5,250)
Liabilities from purchasing the real estate project	<u>42,741</u>	<u>42,741</u>	<u>39,198</u>	<u>39,198</u>

## 19. DIVIDEND

According to the minutes of the shareholders' meeting 2019 held on April 26, 2019, the meeting had a resolution to approve paying the dividend in cash at Baht 0.030 per share in the total amount Baht 37.36 million and paid the dividend on May 15, 2019.

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## 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.

		<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
		For the three-month periods		For the three-month periods	
		ended June 30,		ended June 30,	
		2019	2018	2019	2018
Profit (loss) for the period	(Thousand Baht)	(9,583)	19,631	(9,936)	19,959
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)	(0.008)	0.016	(0.008)	0.016

  

		<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
		For the six-month periods		For the six-month periods	
		ended June 30,		ended June 30,	
		2019	2018	2019	2018
Profit (loss) for the period	(Thousand Baht)	23,240	26,359	22,668	27,761
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)	0.019	0.021	0.018	0.022

## 21. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

	In Thousand Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	As at June	As at December	As at June	As at December
	30, 2019	31, 2018	30, 2019	31, 2018
Deferred tax assets	16,299	15,368	16,299	15,368
Deferred tax liabilities	(883)	(1,273)	(2,605)	(2,994)
	<u>15,416</u>	<u>14,095</u>	<u>13,694</u>	<u>12,374</u>

21.1 Changes in deferred tax assets and deferred tax liabilities for the six-month period ended June 30, 2019 are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements			
	Balance as at December 31, 2018	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Allowance for doubtful account	-	196	-	196
Allowance for declining value-clubhouse	641	-	-	641
Provisions for employee benefits	10,822	562	-	11,384
Provisions for compensation for housing estate juristic persons	3,905	173	-	4,078
Total	15,368	931	-	16,299
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(16)	-	-	(16)
Property development costs and inventories	(1,257)	390	-	(867)
Total	(1,273)	390	-	(883)
Net	14,095	1,321	-	15,416

	In Thousand Baht			
	Separate Financial Statements			
	Balance as at December 31, 2018	Revenue (expenses) during the period		
	In profit or loss	In other comprehensive income		
Deferred tax assets:				
Allowance for doubtful account	-	196	-	196
Allowance for declining value-clubhouse	641	-	-	641
Provisions for employee benefits	10,822	562	-	11,384
Provisions for compensation for housing estate juristic persons	3,905	173	-	4,078
Total	15,368	931	-	16,299
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(16)	-	-	(16)
Property development costs and inventories	(2,978)	389	-	(2,589)
Total	(2,994)	389	-	(2,605)
Net	12,374	1,320	-	13,694

21.2 Tax expense (income)

21.2.1 Major components of tax expense (income)

For the six-month periods ended June 30, 2019 and 2018 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the period	4,841	8,355	4,765	8,355
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(1,320)	411	(1,320)	411
Total	<u>3,521</u>	<u>8,766</u>	<u>3,445</u>	<u>8,766</u>

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

For the six-month periods ended June 30, 2019 and 2018 which are summarized as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Accounting profit (loss) for the period	26,761	35,125	26,113	36,527
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	<u>5,352</u>	<u>7,025</u>	<u>5,222</u>	<u>7,305</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	(1,831)	1,741	(1,777)	1,461
Total reconciliation items	<u>(1,831)</u>	<u>1,741</u>	<u>(1,777)</u>	<u>1,461</u>
Total tax expense (income)	<u>3,521</u>	<u>8,766</u>	<u>3,445</u>	<u>8,766</u>

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

For the six-month periods ended June 30, 2019 and 2018 are summarized as follows:

	Consolidated Financial Statements			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the period	26,761		35,125	
Tax expense (income) at the applicable tax rate	5,352	20.00	7,025	20.00
Reconciliation items	(1,831)	6.84	1,741	4.96
Tax expense (income) at the average effective tax rate	3,521	26.84	8,766	24.96

  

	Separate Financial Statements			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the period	26,113		36,527	
Tax expense (income) at the applicable tax rate	5,222	20.00	7,305	20.00
Reconciliation items	(1,777)	6.80	1,461	4.00
Tax expense (income) at the average effective tax rate	3,445	26.80	8,766	24.00

**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.

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As at June 30, 2019, 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	
<b>Assets measured at fair value</b>					
Current investments					
- Unit trust	498	-	581	-	581
Total	498	-	581	-	581

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 six-month periods ended June 30, 2019 and 2018 by segments are as follows:





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For the six-month period ended June, 2019 (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	550,713	63,987	-	-	-	614,700	-	-	614,700
Service income for rent	-	-	8,268	-	3,757	12,025	(1,270)	-	10,755
Other income	2,798	169	10	1	7	2,985	(38)	-	2,947
Total revenues	553,511	64,156	8,278	1	3,764	629,710			628,402
Expenses									
Cost of sales	357,808	38,053	-	-	-	395,861	-	-	395,861
Cost of service	-	-	8,396	-	1,825	10,221	-	-	10,221
Selling expenses	76,121	8,393	-	-	-	84,514	-	-	84,514
Administrative expenses	53,387	15,605	3,706	21	1,159	73,878	-	(1,308)	72,570
Management benefit expenses	15,400	1,785	230	-	-	17,415	-	-	17,415
Finance cost	18,729	8	2,211	7	105	21,060	-	-	21,060
Total expenses	521,445	63,844	14,543	28	3,089	602,949			601,641
Income (loss) by segments	32,066	312	(6,265)	(27)	675	26,761			26,761
Tax expenses (income)									3,521
Profit (loss) for the period									23,240
As at June 30, 2019									
Investment property	-	-	191,047	-	-	191,047			191,047
Property, plant and equipment	101,723	471	403	1	31	102,629			102,629

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For the six-month period ended June, 2018 (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	663,042	130,528	-	-	-	793,570	-	-	793,570
Service income for rent	-	-	8,371	-	3,709	12,080	(1,120)	-	10,960
Other income	5,217	273	11	1	5	5,507	(1,503)	-	4,004
Total revenues	668,259	130,801	8,382	1	3,714	811,157			808,534
Expenses									
Cost of sales	438,621	78,130	-	-	-	516,751	-	-	516,751
Cost of service	-	-	8,563	-	1,965	10,528	-	-	10,528
Selling expenses	91,769	17,180	-	-	-	108,949	-	-	108,949
Administrative expenses	51,259	24,796	1,731	68	1,520	79,374	-	(1,158)	78,216
Management benefit expenses	14,120	2,764	177	-	-	17,061	-	-	17,061
Finance cost	32,649	6,780	2,376	1,463	101	43,369	-	(1,465)	41,904
Total expenses	628,418	129,650	12,847	1,531	3,586	776,032			773,409
Income (loss) by segments	39,841	1,151	(4,465)	(1,530)	128	35,125			35,125
Tax expenses (income)									8,766
Profit (loss) for the period									26,359
As at June 30, 2018									
Investment property	-	-	199,073	-	-	199,073			199,073
Property, plant and equipment	109,811	1,032	694	1	10	111,548			111,548

## 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, 2019, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	2.80
More than 1 year to 3 years	2.67

24.2 As at June 30, 2019, the Company has a commitment of a building construction agreement with the value to be paid in the future of Baht 8.57 million.

24.3 As at June 30, 2019, 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	8.02	7.62
- Guarantee fund for maintenance of public utilities	160.33	160.33

24.4 As at June 30, 2019, 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).

24.5 As at June 30, 2019, the Company has the following lawsuits:

24.5.1 As at June 30, 2019, the Company has lawsuit on the civil case of Pattaya court black court case No.Por.564/2560 with the juristic person of Bayview Resort “plaintiff”. The plaintiff sued the Company on the servitude charges related to the road passage and utilities to the land of the plaintiff.

On October 30, 2018, the court scheduled the hearing. The court ruled to dismiss the case on the plaintiff in all matter. The case is pending the plaintiff’s appeal.

Later, the plaintiff filed an appeal claiming to obtain the servitude in both plots of land with the limitation period. But, the right in this land was obtained from Thai Asset Management Corporation. It requires counting a new period from the ruling to the final until the case suing date which has not reached 10 years.

On March 28, 2019, the court scheduled a hearing for temporary protection in the appeal phase. The court thinks that the plaintiff asks to force the defendant to register the disputed passage as a land servitude to the plaintiff. Later, the plaintiff closed the disputed passage not allowing the plaintiff to use the disputed passage in the public. The plaintiff still has other passage that the plaintiff can access the public thus not have enough cause to apply such protection method. It has an instruction to dismiss the case and cost of execution. Presently, the case is under appeal correction and due for appeal correction to court on May 30, 2019.

On May 31, 2019, the Company has already taken action to file the appeal correction to court.

Presently, the case is under consideration of the Appeal Court.

24.5.2 As at June 30, 2019, the Company has a lawsuit on the civil case of Pattaya court black case No. Por.411/2561 with a juristic person Bayview Resort “defendant”. The Company sued the defendant on expulsion charges claiming damage with the cost Baht 0.61 million. The case is under witness investigation.

On February 15, 2019, the court scheduled the witness investigation. The plaintiff and defendant, lawyer of defendant announced that defendant has discussed about it and agreed that defendant will end the use and benefit in the 2 plots of the disputed land including removing assets and dependents from the 2 plots of the disputed land. From June 8, 2018, the defendant agreed to follow the judgment of the final court in the civil case red case No. 1435/2561. The defendant agreed to revoke such appeal case and asked the court to order to dismiss the case temporarily to wait for the ultimate decision of such lawsuit.

Later, as the defendant did not dismiss the appeal, the plaintiff does not intend to dismiss the lawsuit. The court has considered and thinks that the main excuse of the charges in extending the case of the defendant in this case is the same excuse with the one filed to sue the plaintiff by the defendant in the red case No. 1435/2561. In considering whether the defendant in this case has breached or not, the hearing of the fact has to be finalized if the defendant has the right to legally use the plaintiff’s land. This case is related to the civil case red case No.1435/2561. In this case, the court views that the case should be dismissed temporarily to hear the ultimate outcome. When the case is final, the plaintiff will announce to consider the case in the next step.

Presently, the court has an instruction to dismiss the case temporarily to hear the civil case red case No. 1435/2561. When the case is final, it will announce to court to reconsider the case in the next step.

## **25. EVENTS AFTER THE REPORTING PERIOD**

N.C. Housing Public Company Limited (“NCH”) would like to report that according to the resolution of the Board of Directors’ Meeting No. 3/2019 held on 10 July 2019 resolved to approved N.C. Property Management Co., Ltd. (NCPM), a subsidiary of the NCH to enter into a Joint Venture agreement with The Care and Health Group Limited Partnership setting up a new subsidiary to operate intermediate care and wellness business as well as other related businesses, details of which are described below:

1. Established a joint venture company, namely, Siri Arun Wellness Co., Ltd.
2. Type of Business Intermediate care and wellness and other related businesses by offering weekly or monthly care-giving service to the elderly and aftercare persons who have been treated by the hospitals nearby. After the subsidiary has been set up, NCH will allow Siri Arun Wellness Co., Ltd. to lease the land and building, namely, Siri Arun Building, and the 4<sup>th</sup> and 5<sup>th</sup> floor of Arun House 39, for conducting its intermediate care and wellness business and other related businesses.
3. Location No. 1/765 Village No. 17, Phahonyothin Road KM.26, Khu Khot Sub-district, Lam Luk Ka District, Pathum Thani 12130.
4. Authorized Capital 25 million baht, consisting of 250,000 ordinary shares, par joint venture contract and second payment by December 2019, the amount of which will be subject to proportion of shareholding.
5. Structure of shareholders
  - 5.1 N.C.Property Management Co.,Ltd. (NCPM), shall hold 60% of the new company’s total shares amounting to the investment amount of Baht 15 million as per the proportion of shareholding, to be paid into 2 installments, first amount of Baht 6 million and second amount of Baht 9 million.
  - 5.2 The Care and Health Group Limited Partnership shall hold 40% of the new company’s total shares amounting to the investment amount of Baht 10 million as per the proportion of shareholding, to be paid into 2 installments, first amount of Baht 4 million and second amount of Baht 6 million.

It is important to note that NCPM and The Care and Health Group Limited Partnership has no legal relationship to each other nor are they related parties.

## **26. AUTHORIZATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were authorized for issue by the Company’s directors on August 9, 2019