

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, 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 September 30, 2019 and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2019, 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, 2019 and the related statement of comprehensive income for the three-month and nine-month periods ended September 30, 2019, 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 8, 2019

“UNAUDITED”

“REVIEWED”

- 2 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		<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, 2019	31, 2018	30, 2019	31, 2018	
CURRENT ASSETS						
	Cash and cash equivalents	71,750	29,219	59,461	26,623	
	Short-term investments	952	946	710	706	
	Trade accounts receivable	91	-	-	-	
	Short-term loan to related parties	4	-	-	-	
	Inventories	5	195,734	311,754	195,734	311,754
	Property development costs	6	1,545,650	1,597,714	1,545,650	1,597,714
	Land held for development	7	1,922,371	1,954,096	1,848,963	1,880,688
	Other current assets	4	9,410	11,816	9,327	11,861
	Total current assets		3,745,958	3,905,545	3,659,845	3,829,346
NON-CURRENT ASSETS						
	Deposit pledged as collateral	8	13,409	9,242	13,409	9,242
	Investment in subsidiaries	9	-	-	79,364	71,864
	Investment property	10	190,627	194,086	190,627	194,086
	Property, plant and equipment	11	87,085	106,705	87,057	106,698
	Intangible assets	12	4,503	4,764	4,503	4,764
	Withholding tax		1,869	11,178	1,773	10,989
	Deferred tax asstes	21	14,334	14,095	12,613	12,374
	Other non-current assets		3,396	4,012	3,336	4,012
	Total non-current assets		315,223	344,082	392,682	414,029
	TOTAL ASSETS		4,061,181	4,249,627	4,052,527	4,243,375

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

“UNAUDITED”

“REVIEWED”

- 3 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT SEPTEMBER 30, 2019

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, 2019	31, 2018	30, 2019	31, 2018	
CURRENT LIABILITIES						
	Bank overdrafts and short-term loans					
	from the financial institutions	13	326,980	456,425	326,980	456,425
	Trade notes payable		25,696	24,301	25,696	24,301
	Trade accounts payable and other payable		75,077	59,114	75,077	59,108
	Payable to related parties	4	37,316	39,738	37,546	41,355
	Accrued expenses	4	11,451	36,349	11,387	35,372
	Accrued corporate income tax		39	9,014	-	9,014
	Current portion of long-term loan from					
	the financial institutions	14	273,495	395,424	273,495	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	2,500	3,000	-	-
	Advance received from customers		7,250	3,077	7,250	3,077
	Retention from contractors		69,514	74,043	69,256	73,785
	Other current liabilities		3,764	3,006	3,674	2,915
	Total current liabilities		1,062,082	1,381,653	1,059,361	1,377,938
NON-CURRENT LIABILITIES						
	Long-term loans from the financial					
	institutions	14	283,207	162,293	283,207	162,293
	Employee benefit obligations	16	60,433	55,789	58,856	54,112
	Provision for compensation for housing					
	estate juristic persons	17	20,824	19,527	20,824	19,527
	Liabilities from purchasing the real					
	estate project	18	42,741	42,741	39,198	39,198
	Other non-current liabilities		3,350	1,985	3,350	1,985
	Total non-current liabilities		410,555	282,335	405,435	277,115
	TOTAL LIABILITIES		1,472,637	1,663,988	1,464,796	1,655,053

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

“UNAUDITED”

“REVIEWED”

- 4 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2019

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, 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	689,080	688,675	690,767	691,358
	Other components of equity	-	-	-	-
	Total equity attributable to company's shareholders	2,586,044	2,585,639	2,587,731	2,588,322
	Non-controlling interests	2,500	-	-	-
TOTAL SHAREHOLDER'S EQUITY		2,588,544	2,585,639	2,587,731	2,588,322
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,061,181	4,249,627	4,052,527	4,243,375

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

“UNAUDITED”

“REVIEWED”

- 5 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2019	2018	2019	2018
REVENUES					
	Sales	351,596	304,661	351,596	304,661
	Rental income and service	4,532	5,714	3,354	4,365
	Other income	14,014	3,184	13,822	3,127
	Total Revenues	370,142	313,559	368,772	312,153
EXPENSES					
	Cost of sales	221,281	194,337	221,281	194,337
	Cost for rent and service	4,988	5,289	4,160	4,411
	Selling expenses	49,646	41,185	49,646	41,185
	Administrative expenses	53,947	35,769	53,629	35,545
	Management benefit expenses	8,751	8,330	8,751	8,330
	Finance costs	11,720	15,187	11,666	14,702
	Total Expenses	350,333	300,097	349,133	298,510
	Income (loss) before tax expenses	19,809	13,462	19,639	13,643
	Tax expenses (income)	5,151	2,779	5,112	2,779
	Profit (loss) for the period	14,658	10,683	14,527	10,864
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Actuarial gains (loss) from post-employee benefit, net of income tax	(135)	-	(428)	-
	Items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total comprehensive income for the period	14,523	10,683	14,099	10,864
	Profit (loss) attributable to				
	Shareholders' equity of the parent company	14,658	10,683	14,527	10,864
	Non-controlling interests	-	-	-	-
		14,658	10,683	14,527	10,864
	Total comprehensive income attributable to				
	Shareholders' equity of the parent company	14,523	10,683	14,099	10,864
	Non-controlling interests	-	-	-	-
		14,523	10,683	14,099	10,864
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	Profit (loss) for the period (Baht per share)	0.012	0.009	0.011	0.009

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

“UNAUDITED”

“REVIEWED”

- 6 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Note		2019	2018	2019	2018
REVENUES					
	Sales	966,296	1,098,231	966,296	1,098,231
	Rental income and service	15,287	16,674	11,622	12,736
	Other income	16,961	7,188	16,799	8,628
	Total Revenues	<u>998,544</u>	<u>1,122,093</u>	<u>994,717</u>	<u>1,119,595</u>
EXPENSES					
	Cost of sales	617,142	711,088	617,142	711,088
	Cost for rent and service	15,209	15,817	12,556	12,974
	Selling expenses	134,160	150,134	134,160	150,134
	Administrative expenses	126,517	113,985	126,327	113,331
	Management benefit expenses	26,166	25,391	26,166	25,391
	Finance costs	32,780	57,091	32,614	56,507
	Total Expenses	<u>951,974</u>	<u>1,073,506</u>	<u>948,965</u>	<u>1,069,425</u>
	Income (loss) before tax expenses	46,570	48,587	45,752	50,170
	Tax expenses (income)	8,672	11,545	8,557	11,545
	Profit (loss) for the period	<u>37,898</u>	<u>37,042</u>	<u>37,195</u>	<u>38,625</u>
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Actuarial gains (loss) from post-employee benefit, net of income tax	(135)	-	(428)	-
	Items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total comprehensive income for the period	<u>37,763</u>	<u>37,042</u>	<u>36,767</u>	<u>38,625</u>
	Profit (loss) attributable to				
	Shareholders' equity of the parent company	37,898	37,042	37,195	38,625
	Non-controlling interests	-	-	-	-
		<u>37,898</u>	<u>37,042</u>	<u>37,195</u>	<u>38,625</u>
	Total comprehensive income attributable to				
	Shareholders' equity of the parent company	37,763	37,042	36,767	38,625
	Non-controlling interests	-	-	-	-
		<u>37,763</u>	<u>37,042</u>	<u>36,767</u>	<u>38,625</u>
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY					
	Profit (loss) for the period (Baht per share)	0.030	0.030	0.030	0.031

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

“UNAUDITED”

“REVIEWED”

- 7 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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
	Non-controlling interests increased due to investment in a subsidiary	-	-	-	-	-	-	2,500	2,500
19	Dividend paid	-	-	-	(37,358)	-	(37,358)	-	(37,358)
	Comprehensive income								
	Profit for the period	-	-	-	37,898	-	37,898	-	37,898
	Other comprehensive income for the period	-	-	-	(135)	-	(135)	-	(135)
	Total comprehensive income for the period	-	-	-	37,763	-	37,763	2,500	37,763
	Ending balance as at September 30, 2019	1,245,284	577,530	74,150	689,080	-	2,586,044	2,500	2,588,544
	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

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

“UNAUDITED”

“REVIEWED”

- 8 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

In ThousandBaht						
Separate Financial Statements						
Note	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of equity	Total
			Appropriated legal reserve	Unappropriated		
Beginning balance as at January 1, 2019	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	-	-	-	37,195	-	37,195
Other comprehensive income for the period	-	-	-	(428)	-	(428)
Total comprehensive income for the period	-	-	-	36,767	-	36,767
Ending balance as at September 30, 2019	1,245,284	577,530	74,150	690,767	-	2,587,731
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

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

“UNAUDITED”

“REVIEWED”

- 9 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	37,898	37,042	37,195	38,625
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) operating activities :				
Depreciation and amortization	15,804	18,016	15,797	17,992
Unrealized gain from trading securities	(4)	(2)	(4)	(2)
Doubtful account	980	-	980	-
(Gain) loss from sale and amortization of fixed assets	4,137	2,338	4,364	2,413
(Gain) loss from sale and amortization of investment property	2,963	-	2,963	-
Allowance for loss on impairment of fixed assets (reverse)	(1,449)	(1,889)	(1,449)	(1,889)
Provision for compensation for housing estate juristic persons	1,297	2,830	1,297	2,830
Employee benefit expenses	3,437	2,523	3,276	2,418
Interest income	(128)	(1,558)	(124)	(1,554)
Interest expenses	32,802	57,091	32,614	56,507
Tax expenses (income)	8,672	11,545	8,557	11,545
Income from operating activities before changes in operating assets and liabilities	106,409	127,936	105,466	128,885
Decrease (increase) in operating assets				
Trade accounts receivable	(91)	(24)	-	-
Inventories	116,020	99,378	116,020	99,378
Property development costs	69,017	272,927	69,017	272,927
Land held for development	38,267	(78,774)	38,267	(78,774)
Deposit from purchase land	-	-	-	-
Other current assets	1,425	(7,514)	1,554	(1,416)
Other non-current assets	616	430	677	430

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

“UNAUDITED”

“REVIEWED”

- 10 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Increase (decrease) in operating liabilities				
Trade notes payable	1,394	(23,108)	1,394	(23,108)
Trade accounts payable and other payable	15,964	(18,953)	15,969	(19,189)
Payable to related parties	(2,422)	(8)	(3,810)	46
Accrued expenses	(20,826)	(6,377)	(19,997)	(6,375)
Advance received from customers	4,173	(1,553)	4,173	(1,553)
Retention from contractors	(4,529)	(4,866)	(4,529)	(4,866)
Other current liabilities	758	101,098	759	101,071
Other non-current liabilities	1,364	-	1,364	-
Cash receivable (paid) from the operations	327,539	460,592	326,324	467,456
Cash received from interest income	128	7,618	124	7,614
Withholding taxes refunded from Revenue Department	11,084	6,890	10,989	6,765
Income tax expenses paid	(19,553)	(11,586)	(19,475)	(11,519)
Net cash provided by (used in) operating activities	319,198	463,514	317,962	470,316
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from short-term loan to related parties	-	-	-	55,000
Increase in temporary investment	(2)	-	-	-
Increase in deposit pledged as collateral	(4,167)	(60)	(4,167)	(60)
Proceeds from sales of fixed assets	11,000	155	10,769	80
Cash paid for purchase of fixed assets	(1,976)	(2,492)	(1,947)	(2,492)
Cash paid for purchase of investment property	(6,838)	-	(6,838)	-
Cash paid for purchase of intangible assets	(298)	(81)	(298)	(81)
Cash received from capital in subsidiary	13,750	-	-	-
Cash paid for increase of capital in subsidiary	(11,250)	-	(7,500)	(60,000)
Net cash provided by (used in) investing activities	219	(2,478)	(9,981)	(7,553)

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

“UNAUDITED”

“REVIEWED”

- 11 -

N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

THE STATEMENTS OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	(129,445)	84,766	(129,445)	84,766
Cash paid for liabilities under finance lease agreement	(1)	(626)	(1)	(626)
Cash received from short-term loan the other company	-	50,000	-	50,000
Cash paid for short-term loan from other company	(48,162)	(106,897)	(48,162)	(106,897)
Cash received from short-term loan a related party	6,000	51,100	-	51,100
Cash paid for short-term loan a related party	(7,000)	(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	(500)	(69,500)	-	(18,400)
Cash received from long-term loans	337,786	362,564	337,786	362,564
Cash paid for long-term loans	(338,801)	(742,929)	(338,801)	(742,929)
Interest paid	(59,405)	(94,521)	(59,162)	(92,944)
Dividend paid	(37,358)	-	(37,358)	-
Net cash provided by (used in) financing activities	(276,886)	(464,543)	(275,143)	(465,966)
Net increase (decrease) in cash and cash equivalents	42,531	(3,507)	32,838	(3,203)
Cash and cash equivalents, beginning of period	29,219	21,952	26,623	19,753
Cash and cash equivalents, end of period	71,750	18,445	59,461	16,550
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :				
Cash on hand	607	827	637	827
Cash at bank	71,143	17,618	58,824	15,723
Total	71,750	18,445	59,461	16,550

2) In quarter 3 of 2019 and 2018, the Company has transferred the land development cost of Baht 85.10 million and Baht 40.57 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
SEPTEMBER 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 :-

	Percentage of		Nature of Business
	direct and indirect holding		
	As at September 30, 2019	As at December 31, 2018	
<u>Subsidiaries</u>			
N.C. Property Management Co., Ltd.	100.00	100.00	Contractor and project management
Quality Living Management Co., Ltd.	100.00	100.00	Property management service
<u>Indirect subsidiary companies - held by</u>			
<u>N.C. Property Management Co., Ltd.</u>			
Siri Arun Wellness Co., Ltd.	60.00	-	Intermediate care and wellness

“UNAUDITED”

“REVIEWED”

- 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 the Accounting Standard No. 34 (revised 2018) 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, 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.

IFRS 15 Revenue from Contracts with Customers

IFRS 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 IFRS 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
Siri Arun Wellness Co.,Ltd.	Thailand	Subsidiary
S.C. Construction And Decoration Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Trading Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Homemart (1999) Co., Ltd.	Thailand	Co-shareholder and director
Sap Namchai Pattana Co., Ltd.	Thailand	Co-shareholder and director
Namchai Golf Management Co., Ltd.	Thailand	Co-shareholder and director
Namchai Property Development Co., Ltd.	Thailand	Co-shareholder and director
Tanyacart Management Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Transport Partnership	Thailand	Co-shareholder and director
Precast station Co., Ltd.	Thailand	Director's relative
Mr. Somchao Tanthathoedtham	Thailand	Director
Mrs. Patcharin Tanthathoedtham	Thailand	Director's relative
Mrs. Onusa Tanthathoedtham	Thailand	Director's relative

The significant transactions between the Company and its related parties and companies for the three-month and nine-month periods ended September 30, 2019 and 2018 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,	
		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.	-	-	22	-
Quality Living Management Co., Ltd.	At the rate of 5.75 % p.a.	-	-	-	-
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 25,000 per project	-	-	645	505
<u>Related parties</u>					
Sale income					
Mr. Somchao Tanthathoedtham	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	17,932	24,628	17,932	24,628
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	10,289	3,305	10,289	3,305
S.C. Construction And Decoration Co., Ltd.	Market price	156	2	156	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	-	79
Interest expenses					
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	43	478	-	-
N.C.H. 2555 Holding Co., Ltd	At the rate of 5.75% p.a.	3,319	3,514	3,319	3,514

“UNAUDITED”

“REVIEWED”

- 19 -

		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	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	-	-	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.	-	-	22	1,382
Quality Living Management Co., Ltd.	At the rate of 5.75 % p.a.	-	-	-	83
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 25,000 per project	-	-	1,915	1,625
<u>Related parties</u>					
Sale income					
Mr. Somchao Tanthathoedtham	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	540	540	540	540
Construction cost					
Precast station Co., Ltd.	At per agreement	44,732	50,690	44,732	50,690
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	18,005	10,794	18,005	10,794
S.C. Construction And Decoration Co., Ltd.	Market price	208	3	208	3
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	180	400	180	400
Interest expenses					
Mr. Somchao Tanthathoedtham	At the rate of 5.75% p.a.	128	1,064	-	501
N.C.H 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	9,855	11,290	9,849	11,290

“UNAUDITED”

“REVIEWED”

- 20 -

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

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018	As at September 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	-	-	6,000	-
Deduction during the period	-	-	(6,000)	(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.	-	-	230	-
- N.C. Property Management Co., Ltd.	-	-	-	1,617
- S.C. Construction And Decoration Co., Ltd.	156	2	156	2
- Sathaporn Wattana Trading Co., Ltd.	8,351	3,220	8,351	3,220
- Precast station Co., Ltd.	28,314	35,756	28,314	35,756
- Namchai Golf management Co., Ltd.	-	100	-	100
- Sap Namchai Pattana Co., Ltd	495	660	495	660
	37,316	39,738	37,546	41,355

“UNAUDITED”

“REVIEWED”

- 21 -

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018	As at September 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	(500)	(69,500)	-	(18,400)
Balance, at the end of the period	<u>2,500</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Accrued interest				
- Mr. Somchao Tanthathoedtham	-	-	-	-
- N.C.H. 2555 Holding Co., Ltd.	3,319	7,145	3,319	7,142
	<u>3,319</u>	<u>7,145</u>	<u>3,319</u>	<u>7,142</u>

COLLATERAL WITH RELATED COMPANIES

As at September 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.

“UNAUDITED”

“REVIEWED”

- 22 -

Management benefit expenses for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows:

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the three-month periods ended September 30,	
	2019	2018
Management benefit expenses		
Short-term employee benefits	8,419	8,086
Post-employment benefits	332	244
Total	8,751	8,330

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	For the nine-month periods ended September 30,	
	2019	2018
Management benefit expenses		
Short-term employee benefits	25,168	24,660
Post-employment benefits	998	731
Total	26,166	25,391

5. INVENTORIES

Inventories consist of

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018
Cost of houses and condominiums for sales	200,126	316,146
<u>Less</u> allowance for declining value of inventories	(4,392)	(4,392)

“UNAUDITED”

“REVIEWED”

- 23 -

Inventories - net	<u>195,734</u>	<u>311,754</u>
-------------------	----------------	----------------

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, 2019 (For the nine-month)	As at December 31, 2018 (For the year)
Beginning balance	4,392	3,721
Increase	-	671
Decrease	-	-
Ending balance	<u>4,392</u>	<u>4,392</u>

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

	Consolidated/Separate Financial Statements			
	As at September 30, 2019		As at December 31, 2018	
	Unit	In Million Baht	Unit	In Million Baht
House and condominiums for sales	86	200.13	163	316.15
House and condominiums for sales - under signed purchase and sale contract	(8)	(10.96)	(25)	(51.42)
House and condominium for sales - balance Carry forward not under signed purchase and sale contract	<u>78</u>	<u>189.17</u>	<u>138</u>	<u>264.73</u>

As at September 30, 2019 and December 31, 2018, some inventories of the Company in the amount of Baht 69.49 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 September 30, 2019	As at December 31, 2018
Land and land development costs	2,662,726	2,962,707
Utilities development costs	986,963	1,140,775
Construction in progress	4,789,497	5,710,387
Interest capitalization	482,064	491,777
Total	8,921,250	10,305,646
<u>Less</u> Transfer to inventory	(200,126)	(316,146)
Transfer to accumulated cost of sale	(7,175,474)	(8,391,786)
Property development costs - net	<u>1,545,650</u>	<u>1,597,714</u>

As at September 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 September 30, 2019 and 2018, the Company recorded the related interest expense as part of property development costs amounting approximately to Baht 6.13 million and Baht 11.63 million, respectively. The capitalization rate for calculation of interest is 4.89% and 7.99%, respectively

For the nine-month periods ended September 30, 2019 and 2018, the Company recorded the related interest expense as part of property development costs amounting approximately to Baht 23.49 million and Baht 32.39 million, respectively. The capitalization rate for calculation of interest is 5.96% and 7.03%, respectively

“UNAUDITED”

“REVIEWED”

- 25 -

6.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated/Separate Financial Statements	
	As at September	As at December
	30, 2019	31, 2018
	(For the nine-month)	(For the year)
Number of operating projects, at the beginning of the period	21	20
Number of closing projects	(3)	(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	18	21
Total current projects value (In million Baht)	13,925.06	13,933.31
Contracted sales value (In million Baht)	11,777.27	10,660.44
As percentage of total current projects value	84.58	76.51

As at September 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 31.95 million and Baht 38.88 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, 2019	December 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	29,136	153,625	29,136	153,625
- Liabilities from purchasing the real estate project	-	15,844	-	15,844
- Transfer from property development costs	85,104	45,547	85,104	45,547
Total	2,068,336	2,008,651	1,994,928	1,935,243
<u>Less</u> during the period	(67,403)	(36,227)	(67,403)	(36,227)
- Transfer to property development costs	(78,562)	(18,328)	(78,562)	(18,328)
Land held for development	1,922,371	1,954,096	1,848,963	1,880,688

As at September 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 September 30, 2019 and December 31, 2018, the Company had fixed deposit amounting of Baht 13.41 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 September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018	For the nine-month period ended September 30, 2019 2018	
AT COST								
<u>Subsidiaries</u>								
N.C. Property								
Management Co., Ltd.	77,500	70,000	100	100	79,364	71,864	-	-
Quality Living								
Management Co., Ltd.	1,000	1,000	100	100	-	-	-	-
					<u>79,364</u>	<u>71,864</u>	<u>-</u>	<u>-</u>

On August 12, 2019 the board of directors had approved the registered capital increase of N.C. Property Management Co., Ltd. for Baht 15 million from the former registered capital of Baht 70 million to Baht 85 million so that N.C. Property Management Co., Ltd. to have certain funds for the business operation. On August 13, 2019, the Company paid such capital increase amount of Baht 7.50 million and registered the capital increase with the Department of Business Development, Ministry of Commerce on August 13, 2019.

“UNAUDITED”

“REVIEWED”

- 27 -

10. INVESTMENT PROPERTY

Movements of the investment property in residential building for lease account for the nine-month period ended September 30, 2019 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/Separate</u>
	<u>Financial Statements</u>
At cost	
Balance as at December 31, 2018	234,681
Acquisitions during the period	6,838
Disposals and write-off during the period	<u>(5,153)</u>
Balance as at September 30, 2019	<u>236,366</u>
Accumulated depreciation	
Balance as at December 31, 2018	(40,595)
Depreciation for the period	(7,334)
Accumulated depreciation on disposals and write-off	<u>2,190</u>
Balance as at September 30, 2019	<u>(45,739)</u>
Net book value	
Balance as at December 31, 2018	<u>194,086</u>
Balance as at September 30, 2019	<u>190,627</u>

As at September 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 nine-month period ended September 30, 2019 are summarized as follows:

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
At cost		
Balance as at December 31, 2018	309,460	301,823
Acquisitions during the period	1,976	1,947
Transfer assets in, during the period	-	-
Disposals and write-off during the period	(25,547)	(25,547)
Transfer assets out, during the period	-	-
Balance as at September 30, 2019	<u>285,889</u>	<u>278,223</u>
Accumulated depreciation		
Balance as at December 31, 2018	(199,271)	(191,921)
Depreciation for the period	(7,912)	(7,904)
Accumulated depreciation on disposals and write-off	10,414	10,414
Accumulated depreciation, transfer - out	-	-
Balance as at September 30, 2019	<u>(196,769)</u>	<u>(189,411)</u>
Allowance for impairment		
Balance as at December 31, 2018	(3,484)	(3,204)
Allowance for impairment for the period	1,449	1,449
Balance as at September 30, 2019	<u>(2,035)</u>	<u>(1,755)</u>
Net book value		
Balance as at December 31, 2018	<u>106,705</u>	<u>106,698</u>
Balance as at September 30, 2019	<u>87,085</u>	<u>87,057</u>

As at September 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 38.54 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 25.00 million, as discussed in Note 13.

“UNAUDITED”

“REVIEWED”

- 29 -

12. INTANGIBLE ASSETS

Movements of the intangible assets account for the nine-month period ended September 30, 2019 are summarized as follows:

	<u>In Thousand Baht</u>
	<u>Consolidated/ Separate financial statements</u>
At cost	
Balance as at December 31, 2018	12,032
Acquisitions during the period	298
Disposals and write-off during the period	-
Balance as at September 30, 2019	<u>12,330</u>
Accumulated amortization	
Balance as at December 31, 2018	(7,268)
Amortization for the period	(559)
Accumulated amortization on disposals and write-off	-
Balance as at September 30, 2019	<u>(7,827)</u>
Net book value	
Balance as at December 31, 2018	<u>4,764</u>
Balance as at September 30, 2019	<u>4,503</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, 2019</u>	<u>As at December 31, 2018</u>
Bank overdrafts from the financial institutions	2,883	37,256
Short-term loans from the financial institutions	324,097	419,169
Total	<u>326,980</u>	<u>456,425</u>

“UNAUDITED”

“REVIEWED”

- 30 -

	Credit line (Million Baht)		Rate	Due Date	Guarantee
	As at September 30, 2019	As at December 31, 2018			
<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 26, 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	Oct 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	Nov 29, 2019	- By the mortgage of the Company's land.
- The fourth bank	120.00	120.00	MLR less 0.25% per annum	Dec 25, 2019	- By the mortgage of the director's relatives land.
- The fifth bank	90.00	90.00	MLR per annum	Oct 7, 2019 and Dec 13, 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	Oct 26, 2019	- By the mortgage of the Company's land.
- The seven bank	-	50.00	10% per annum	Jun 15, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The eight bank	-	55.59	MLR less 1.00% per annum	Sep 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.
	<u>330.43</u>	<u>469.17</u>			
Total credit line	<u><u>395.43</u></u>	<u><u>534.17</u></u>			

“UNAUDITED”

“REVIEWED”

- 31 -

14. LONG-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consists of :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018
Long-term loans from local banks		
The first bank	413,840	451,370
The second bank	129,504	91,667
The third bank	5,140	14,680
The fourth bank	8,218	-
Total	556,702	557,717
<u>Less</u> Current portion due within one year	(273,495)	(395,424)
Long-term loans from the financial institutions - net	<u>283,207</u>	<u>162,293</u>

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

	In Thousand Baht
	Consolidated/ Separate financial Statements
Balance as at December 31, 2018	557,717
Less Repayment during the period	(338,800)
Add Additional borrowings during the period	337,785
Balance as at September 30, 2019	<u>556,702</u>

	Credit line (Million Baht)		Interest rate	Guarantee
	As at September 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	MLR less 0.50% per annum	
- The third credit line	-	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>1,272.90</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	
- The eighth credit line	160.00	-	MLR less 1.90% per annum	
	<u>646.00</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>The fourth bank</u>				
	58.50	-	MLR less 0.25% per annum	By the mortgage of some of the project's land and construction thereon
	<u>2,015.40</u>	<u>2,049.91</u>		

As at September 30, 2019 and December 31, 2018, The Company has the credit limits that have not been withdrawn amounting to Baht 817.80 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

“UNAUDITED”

“REVIEWED”

- 33 -

capital and
(6) to grant beneficiary of the asset protection of the insurance policy to the lender, etc.

15. SHORT-TERM LOAN FROM OTHER COMPANY

As at September 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 nine-month period ended September 30, 2019 is described as follows:

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

16. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the nine-month period ended September 30, 2019 is shown as follows :

The statements of financial position

In Thousand Baht

“UNAUDITED”

“REVIEWED”

- 34 -

	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	4,402	4,209
<u>Less</u> Actual paid of employee benefit obligations	-	-
<u>Plus</u> Actuarial loss from post-employee benefit	242	535
Employee benefit obligations, at the end of the period	60,433	58,856

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,	
	2019	2018	2019	2018
Recognized in profit or loss				
Current service costs	1,146	841	1,092	806
Interest on obligation	321	219	311	212
Total	1,467	1,060	1,403	1,018
Current service costs				
Cost of service	25	16	-	-
Selling expenses	387	271	387	271
Administrative expenses	401	310	372	291
Management benefit expenses	333	244	333	244
Finance costs	321	219	311	212
Total	1,467	1,060	1,403	1,018
<u>Recognized in other comprehensive income</u>				
Actuarial loss from post-employee benefit	242	-	535	-
Total	242	-	535	-
Total	1,709	1,060	1,938	1,018

	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,	
	2019	2018	2019	2018
Current service costs	3,438	2,523	3,276	2,418
Interest on obligation	964	657	933	636

“UNAUDITED”

“REVIEWED”

- 35 -

Total	<u>4,402</u>	<u>3,180</u>	<u>4,209</u>	<u>3,054</u>
Current service costs				
Cost of service	75	48	-	-
Selling expenses	1,161	813	1,161	813
Administrative expenses	1,204	931	1,117	874
Management benefit expenses	998	731	998	731
Finance costs	<u>964</u>	<u>657</u>	<u>933</u>	<u>636</u>
Total	<u>4,402</u>	<u>3,180</u>	<u>4,209</u>	<u>3,054</u>
<u>Recognized in other comprehensive income</u>				
Actuarial loss from post-employee benefit	<u>242</u>	<u>-</u>	<u>535</u>	<u>-</u>
Total	<u>242</u>	<u>-</u>	<u>535</u>	<u>-</u>
Total	<u>4,644</u>	<u>3,180</u>	<u>4,744</u>	<u>3,054</u>

Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income For the nine-month periods ended September 30, 2019 arise from

	In Thousand Baht	
	For the nine-month periods ended	
	September 30, 2019	
	Consolidated	Separate
	Financial	Financial
	Statements	Statements
Recognize in other comprehensive income		
Improvement from experience	4,047	3,500
Population assumption	796	854
Financial assumption	<u>(5,085)</u>	<u>(4,889)</u>
Total	<u>(242)</u>	<u>(535)</u>

“UNAUDITED”

“REVIEWED”

- 36 -

The main assumptions in the estimates the financial assumptions for the Group of Company based on actuarial principles.

For the nine-month periods ended September 30, 2019 and 2018

	Percentage			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Discount rate	2.06 – 2.30	2.30 - 2.46	2.06	2.30
Salary increase rate	5.00	4.00	5.00	4.00
Employee turnover rate	0 - 34	0 - 35	0 - 25	0 - 25
Mortality rate	100.00 based on the table of death B.E. 2560			
Disability rate	5.00 of the mortality rate	5.00 of the mortality rate	5.00 of the mortality rate	5.00 of the mortality rate

17. PROVISION FOR COMPENSATION FOR HOUSING ESTATE JUSTIC PERSONS

	In Thousand Baht
	Consolidated/ Separate Financial Statements
	(For the nine-month)
Balance as at December 31, 2018	19,527
<u>Add</u> increase during the period	1,297
<u>Less</u> decrease during the period	-
Balance as at September 30, 2019	<u><u>20,824</u></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 nine-month periods ended September 30, 2019 and December 31, 2018 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, 2019	31, 2018	30, 2019	31, 2018
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Beginning balance	42,741	32,147	39,198	28,604
Add increase during the period	-	15,844	-	15,844
Less decrease during the period	-	(5,250)	-	(5,250)
Liabilities from purchasing the real estate project	42,741	42,741	39,198	39,198

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.

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,	
		2019	2018	2019	2018
Profit (loss) for the period	(Thousand Baht)	14,658	10,683	14,527	10,864
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)	0.012	0.009	0.011	0.009

		Consolidated Financial Statements		Separate Financial Statements	
		For the nine-month periods		For the nine-month periods	
		ended September 30,		ended September 30,	
		2019	2018	2019	2018

“UNAUDITED”

“REVIEWED”

- 38 -

Profit (loss) for the period	(Thousand Baht)	37,898	37,042	37,195	38,625
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	0.030	0.030	0.031

“UNAUDITED”

“REVIEWED”

- 39 -

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, 2019	31, 2018	30, 2019	31, 2018
Deferred tax assets	16,482	15,368	16,482	15,368
Deferred tax liabilities	(2,148)	(1,273)	(3,869)	(2,994)
	<u>14,334</u>	<u>14,095</u>	<u>12,613</u>	<u>12,374</u>

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

	In Thousand Baht			
	Consolidated Financial Statements			Balance as at September 30, 2019
	Balance as at	Revenue (expenses) during the period		
	December 31, 2018	In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for doubtful account	-	196	-	196
Allowance for declining value-clubhouse	641	(290)	-	351
Provisions for employee benefits	10,822	841	107	11,770
Provisions for compensation for housing estate juristic persons	<u>3,905</u>	<u>260</u>	<u>-</u>	<u>4,165</u>
Total	<u>15,368</u>	<u>1,007</u>	<u>107</u>	<u>16,482</u>
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(16)	-	-	(16)
Property development costs and inventories	<u>(1,257)</u>	<u>(875)</u>	<u>-</u>	<u>(2,132)</u>
Total	<u>(1,273)</u>	<u>(875)</u>	<u>-</u>	<u>(2,148)</u>
Net	<u>14,095</u>	<u>132</u>	<u>107</u>	<u>14,334</u>

“UNAUDITED”

“REVIEWED”

- 40 -

	In Thousand Baht			
	Separate Financial Statements			
	Balance as at	Revenue (expenses) during the		Balance as at
	December 31, 2018	period		September 30, 2019
	In profit or loss	In other		
		comprehensive		
		income		
Deferred tax assets:				
Allowance for doubtful account	-	196	-	196
Allowance for declining value-clubhouse	641	(290)	-	351
Provisions for employee benefits	10,822	841	107	11,770
Provisions for compensation for housing estate juristic persons	3,905	260	-	4,165
Total	15,368	1,007	107	16,482
Deferred tax liabilities:				
Unrealized gain on remeasuring available-for-sale Investments	(16)	-	-	(16)
Property development costs and inventories	(2,978)	(875)	-	(3,853)
Total	(2,994)	(875)	-	(3,869)
Net	12,374	132	107	12,613

21.2 Tax expense (income)

21.2.1 Major components of tax expense (income)

For the nine-month periods ended September 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	8,804	11,902	8,689	11,902
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(132)	(357)	(132)	(357)
Total	8,672	11,545	8,557	11,545
Recognized in other comprehensive income				
Actuarial gain (loss) from post-employee benefit	(107)	-	(107)	-

“UNAUDITED”

“REVIEWED”

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, 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	46,570	48,587	45,752	50,170
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	9,314	9,717	9,150	10,034
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	(642)	1,828	(593)	1,511
Total reconciliation items	(642)	1,828	(593)	1,511
Total tax expense (income)	8,672	11,545	8,557	11,545

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, 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	46,570		48,587	
Tax expense (income) at the applicable tax rate	9,314	20.00	9,717	20.00
Reconciliation items	(642)	(1.38)	1,828	3.76
Tax expense (income) at the average effective tax rate	8,672	18.62	11,545	23.76

	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	45,752		50,170	
Tax expense (income) at the applicable tax rate	9,150	20.00	10,034	20.00
Reconciliation items	(593)	(1.30)	1,511	3.01

Tax expense (income) at the average effective tax rate	8,557	18.70	11,545	23.01
--	-------	-------	--------	-------

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, 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	
Assets measured at fair value					
Current investments					
- Unit trust	498	-	582	-	582
Total	498	-	582	-	582

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-

“UNAUDITED”

“REVIEWED”

- 44 -

month and nine-month periods ended September 30, 2019 and 2018 by segments are as follows:

“UNAUDITED”

“REVIEWED”

- 47 -

For the nine-month period ended September, 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	858,257	108,039	-	-	-	966,296	-	-	966,296
Service income for rent	-	-	11,622	-	5,580	17,202	(1,915)	-	15,287
Other income	16,560	222	17	233	9	17,041	(80)	-	16,961
Total revenues	874,817	108,261	11,639	233	5,589	1,000,539			998,544
Expenses									
Cost of sales	548,300	68,842	-	-	-	617,142	-	-	617,142
Cost of service	-	-	12,556	-	2,653	15,209	-	-	15,209
Selling expenses	123,344	10,816	-	-	-	134,160	-	-	134,160
Administrative expenses	95,503	26,773	4,051	260	1,903	128,490	-	(1,973)	126,517
Management benefit expenses	23,012	2,848	306	-	-	26,166	-	-	26,166
Finance cost	29,361	28	3,225	29	159	32,802	-	(22)	32,780
Total expenses	819,520	109,307	20,138	289	4,715	953,969			951,974
Income (loss) by segments	55,297	(1,046)	(8,499)	(56)	874	46,570			46,570
Tax expenses (income)									8,672
Profit (loss) for the period									37,898
As at September 30, 2019									
Investment property	-	-	190,627	-	-	190,627			190,627
Property, plant and equipment	86,306	391	360	-	28	87,085			87,085

“UNAUDITED”

“REVIEWED”

- 48 -

For the nine-month period ended September 30, 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	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 for rent and 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

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

<u>Payable within:</u>	<u>Million Baht</u>
1 year	2.70
More than 1 year to 3 years	2.03

24.2 As at September 30, 2019, the Company has a commitment of a building construction agreement with the value to be paid in the future of Baht 6.56 million.

24.3 As at September 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 Million Baht</u>	
	<u>Consolidated</u>	<u>Separate</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
- Guarantee for electricity, water and others	8.03	7.63
- Guarantee fund for maintenance of public utilities	176.33	176.33

24.4 As at September 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 September 30, 2019, the Company has the following lawsuits:

24.5.1 As at September 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 in case red case No. 1435/2561. 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. The Appeal Court scheduled for the judgment hearing on November 26, 2019.

24.5.2 As at September 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. AUTHORIZATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

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

“UNAUDITED”

“REVIEWED”

- 51 -

8, 2019