

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION OF CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of Preecha Group Public Company Limited

I have reviewed the consolidated statement of financial position of Preecha Group Public Company Limited and its subsidiaries as at 31 March 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. I have also reviewed the separate statement of financial position of Preecha Group Public Company Limited as at 31 March 2017, and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The 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".

Chompoonuch Saetae

Certified Public Accountant

Registration Number 8382

PV Audit Co., Ltd.

Bangkok, 11 May 2017

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION OF CERTIFIED PUBLIC ACCOUNTANT
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2017

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
ASSETS					
Current assets					
	Cash and cash equivalents	70,107	79,286	64,756	73,025
5	Current investments	54,413	54,413	54,413	54,413
4	Trade and other receivables	1,870	1,873	1,810	1,797
6	Cost of property development	281,186	284,694	265,819	269,327
	Other current assets	1,964	1,633	1,581	1,270
	Total current assets	<u>409,540</u>	<u>421,899</u>	<u>388,379</u>	<u>399,832</u>
Non-current assets					
	Restricted bank deposits	955	955	955	955
4, 7	Investments in subsidiaries	-	-	131,278	131,278
	Land held for development	30,000	30,000	30,000	30,000
8	Investment properties	148,682	151,182	146,051	148,500
	Building and equipment	2,898	2,916	2,898	2,916
	Intangible assets	113	74	113	74
	Deferred tax assets	6,536	6,536	6,471	6,471
4	Other non-current assets	7,293	7,101	7,288	7,095
	Total non-current assets	<u>196,477</u>	<u>198,764</u>	<u>325,054</u>	<u>327,289</u>
	Total assets	<u><u>606,017</u></u>	<u><u>620,663</u></u>	<u><u>713,433</u></u>	<u><u>727,121</u></u>

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2017

Thousands Baht					
		Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
		"Reviewed"	"Audited"	"Reviewed"	"Audited"
	Note				
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade and other payables	4	9,713	9,906	13,715	13,711
Current portion of liabilities	10	10,369	10,361	10,369	10,361
Short-term loans from related parties	4	-	-	120,917	120,917
Estimate project cost		2,257	5,777	1,925	5,277
Provision	13	5,466	5,466	5,466	5,466
Other current liabilities	4	614	700	3,580	3,838
Total current liabilities		<u>28,419</u>	<u>32,210</u>	<u>155,972</u>	<u>159,570</u>
Non-current liabilities					
Long-term loans from financial institutions	9	39,888	42,374	39,888	42,374
Long-term liability under finance lease		186	296	186	296
Employee benefit obligations		1,892	1,843	1,715	1,671
Other non-current liabilities		1,894	1,582	1,894	1,582
Total non-current liabilities		<u>43,860</u>	<u>46,095</u>	<u>43,683</u>	<u>45,923</u>
Total liabilities		<u>72,279</u>	<u>78,305</u>	<u>199,655</u>	<u>205,493</u>
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
336,000,000 ordinary shares, Baht 1 par value		<u>336,000</u>	<u>336,000</u>	<u>336,000</u>	<u>336,000</u>
Issued and paid-up share capital					
336,000,000 ordinary shares, fully paid-up		336,000	336,000	336,000	336,000
Premium on share capital		88,751	88,751	88,751	88,751
Retained earnings					
Appropriated - legal reserve		13,287	13,287	13,287	13,287
Unappropriated		95,700	104,320	75,740	83,590
Total shareholders' equity		<u>533,738</u>	<u>542,358</u>	<u>513,778</u>	<u>521,628</u>
Total liabilities and shareholders' equity		<u>606,017</u>	<u>620,663</u>	<u>713,433</u>	<u>727,121</u>

The accompanying notes are an integral part of these financial statements.

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017

"Unaudited"

"Reviewed"

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Note		2017	2016	2017	2016
	Revenue from sales and services	10,985	10,841	10,985	10,841
	Cost of sales and services	(8,312)	(7,837)	(8,312)	(7,837)
	Gross profit	2,673	3,004	2,673	3,004
	Other income	458	256	463	492
	Selling expenses	(1,128)	(1,461)	(1,128)	(1,456)
	Administrative expenses	(9,938)	(11,474)	(9,173)	(10,262)
	Finance costs	(685)	(851)	(685)	(1,269)
	Loss before income tax	(8,620)	(10,526)	(7,850)	(9,491)
	Tax income	-	11	-	10
	Loss for the period	(8,620)	(10,515)	(7,850)	(9,481)
Other comprehensive income (loss):					
Items that will never be reclassified to profit or loss					
	Defined benefit plan actuarial loss	-	(289)	-	(289)
	Income tax relating to defined benefit plan actuarial loss	-	58	-	58
	Other comprehensive loss for the period - net of tax	-	(231)	-	(231)
	Total comprehensive loss	(8,620)	(10,746)	(7,850)	(9,712)
Loss per share					
	Basic loss per share (Baht)	(0.03)	(0.03)	(0.02)	(0.03)
	Weighted average number of ordinary shares (shares)	336,000,000	336,000,000	336,000,000	336,000,000

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017

" Unaudited "

" Reviewed "

	Thousands Baht					
	Consolidated financial statements					
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Available-for-sale investments	Total
			Appropriated	Unappropriated	Other components of shareholders' equity Other comprehensive income	
Balance as at 1 January 2017	336,000	88,751	13,287	104,320	-	542,358
Changes in shareholders' equity:						
Loss for the period	-	-	-	(8,620)	-	(8,620)
Ending balance as at 31 March 2017	336,000	88,751	13,287	95,700	-	533,738
Balance as at 1 January 2016	336,000	88,751	13,287	130,014	585	568,637
Changes in shareholders' equity:						
Loss for the period	-	-	-	(10,515)	-	(10,515)
Other comprehensive loss	-	-	-	(231)	-	(231)
Ending balance as at 31 March 2016	336,000	88,751	13,287	119,268	585	557,891

The accompanying notes are an integral part of these financial statements.

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017

" Unaudited "

" Reviewed "

	Thousands Baht					Total
	Separate financial statements					
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of shareholders' equity	
			Appropriated	Unappropriated	Other comprehensive income Available-for-sale investments	
Balance as at 1 January 2017	336,000	88,751	13,287	83,590	-	521,628
Changes in shareholders' equity:						
Loss for the period	-	-	-	(7,850)	-	(7,850)
Ending balance as at 31 March 2017	336,000	88,751	13,287	75,740	-	513,778
Balance as at 1 January 2016	336,000	88,751	13,287	110,591	585	549,214
Changes in shareholders' equity:						-
Loss for the period	-	-	-	(9,481)	-	(9,481)
Other comprehensive loss	-	-	-	(231)	-	(231)
Ending balance as at 31 March 2016	336,000	88,751	13,287	100,879	585	539,502

The accompanying notes are an integral part of these financial statements.

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017

"Unaudited"
 "Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities:				
Loss before income tax	(8,620)	(10,526)	(7,850)	(9,491)
Adjustments to reconcile loss before income tax to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,720	2,915	2,669	2,735
Interest income	(195)	(220)	(192)	(216)
Interest expenses	685	851	685	1,269
Doubtful accounts	-	93	-	-
Gain on disposal of assets	(90)	-	(90)	-
Employee benefit obligations	49	86	44	48
Loss from operating activities before changes in operating assets and liabilities	(5,451)	(6,801)	(4,734)	(5,655)
Changes in operating assets (increase) decrease				
Restricted bank deposits	-	2,253	-	2,253
Trade and other receivables	193	(809)	177	352
Cost of property development	3,508	(513)	3,508	(513)
Other current assets	(331)	(314)	(311)	(172)
Other non-current assets	(19)	1	(19)	2
Changes in operating liabilities increase (decrease)				
Trade and other payables	48	(3,719)	245	(4,701)
Estimate project cost	(3,520)	904	(3,352)	904
Other current liabilities:	(86)	97	(258)	(232)
Other non-current liabilities	312	(274)	312	(275)
Cash used in operations	(5,346)	(9,175)	(4,432)	(8,037)
Interest received	6	220	2	328
Income tax paid	(174)	(196)	(174)	(196)
Net cash used in operating activities	(5,514)	(9,151)	(4,604)	(7,905)

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities:				
Increase in current investments	-	(90)	-	(90)
Purchases of equipment	(193)	(38)	(193)	(38)
Purchases of intangible assets	(48)	-	(48)	-
Proceeds from sales of assets	90	-	90	-
Net cash used in investing activities	(151)	(128)	(151)	(128)
Cash flows from financing activities:				
Repayments of short-term loans from related parties	-	-	-	(800)
Repayment of loans from financial institutions	(2,483)	(2,478)	(2,483)	(2,478)
Repayment of liability under finance lease	(105)	(100)	(105)	(100)
Interest paid	(926)	(851)	(926)	(1,144)
Net cash used in financing activities	(3,514)	(3,429)	(3,514)	(4,522)
Net decrease in cash and cash equivalents	(9,179)	(12,708)	(8,269)	(12,555)
Cash and cash equivalents at the beginning of period	79,286	76,810	73,025	69,129
Cash and cash equivalents at the end of period	70,107	64,102	64,756	56,574