

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 30 September 2017, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, changes in shareholders' equity and cash flows for the nine-month period then ended, and the condensed notes to the financial statements and I have also reviewed the separate statement of financial position of Preecha Group Public Company Limited as at 30 September 2017, and the related separate statements of comprehensive income for the three-month and nine-month periods then ended, changes in shareholders' equity and cash flows for the nine-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, 9 November 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		"Unaudited"		"Unaudited"	
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
ASSETS					
Current assets					
	Cash and cash equivalents	73,484	79,286	68,077	73,025
5	Current investments	54,986	54,413	54,986	54,413
4	Trade and other receivables	2,152	1,873	2,060	1,797
6	Cost of property development	266,638	284,694	251,271	269,327
	Other current assets	1,956	1,633	1,524	1,270
	Total current assets	<u>399,216</u>	<u>421,899</u>	<u>377,918</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	143,859	151,182	141,331	148,500
	Building and equipment	2,345	2,916	2,345	2,916
	Intangible assets	91	74	91	74
	Deferred tax assets	6,468	6,536	6,402	6,471
4	Other non-current assets	7,770	7,101	7,760	7,095
	Total non-current assets	<u>191,488</u>	<u>198,764</u>	<u>320,162</u>	<u>327,289</u>
	Total assets	<u><u>590,704</u></u>	<u><u>620,663</u></u>	<u><u>698,080</u></u>	<u><u>727,121</u></u>

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

		Thousands Baht				
		Consolidated financial statements		Separate financial statements		
		30 September 2017	31 December 2016	30 September 2017	31 December 2016	
		"Unaudited"		"Unaudited"		
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
	Trade and other payables	4	9,752	9,906	13,786	13,711
	Current portion of liabilities	10	10,348	10,361	10,348	10,361
	Short-term loans from related parties	4	-	-	119,517	120,917
	Estimate project cost		2,496	5,777	2,303	5,277
	Provision	13	5,466	5,466	5,466	5,466
	Other current liabilities	4	6,603	700	9,273	3,838
	Total current liabilities		34,665	32,210	160,693	159,570
Non-current liabilities						
	Long-term loans from financial institutions	9	34,915	42,374	34,915	42,374
	Long-term liability under finance lease		-	296	-	296
	Employee benefit obligations		1,508	1,843	1,324	1,671
	Other non-current liabilities		2,439	1,582	2,439	1,582
	Total non-current liabilities		38,862	46,095	38,678	45,923
	Total liabilities		73,527	78,305	199,371	205,493
SHAREHOLDERS' EQUITY						
Share capital						
Authorized share capital						
	336,000,000 ordinary shares, Baht 1 par value		336,000	336,000	336,000	336,000
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		79,139	104,320	60,671	83,590
	Total shareholders' equity		517,177	542,358	498,709	521,628
	Total liabilities and shareholders' equity		590,704	620,663	698,080	727,121

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 30 SEPTEMBER 2017

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenue from sales and services	24,953	19,623	24,953	19,623
Cost of sales and services	(19,248)	(14,648)	(19,248)	(14,648)
Gross profit	5,705	4,975	5,705	4,975
Other income	689	5,512	590	5,148
Selling expenses	(1,417)	(1,638)	(1,417)	(1,636)
Administrative expenses	(9,864)	(11,032)	(9,229)	(10,150)
Finance costs	(630)	(771)	(630)	(1,190)
Loss before income tax	(5,517)	(2,954)	(4,981)	(2,853)
Tax income (expense)	(68)	202	(69)	201
Loss for the period	(5,585)	(2,752)	(5,050)	(2,652)
Other comprehensive income:				
Items that will never be reclassified to profit or loss				
Defined benefit plan actuarial gains	-	460	-	460
Income tax relating to defined benefit plan actuarial gains	11	(92)	-	(92)
Other comprehensive income for the period - net of tax	-	368	-	368
Total comprehensive loss	(5,585)	(2,384)	(5,050)	(2,284)
Loss per share				
Basic loss per share (Baht)	(0.02)	(0.01)	(0.02)	(0.01)
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 COMPREHENSIVE INCOME
 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017

"Unaudited"

"Reviewed"

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Note		2017	2016	2017	2016
	Revenue from sales and services	41,581	45,955	41,581	45,955
	Cost of sales and services	(31,943)	(34,061)	(31,943)	(34,061)
	Gross profit	9,638	11,894	9,638	11,894
	Other income	1,525	5,995	1,449	6,096
	Selling expenses	(4,302)	(4,593)	(4,302)	(4,583)
	Administrative expenses	(30,002)	(34,866)	(27,663)	(31,446)
	Finance costs	(1,972)	(2,422)	(1,972)	(3,676)
	Loss before income tax	(25,113)	(23,992)	(22,850)	(21,715)
	Tax income (expense)	(68)	628	(69)	620
	Loss for the period	(25,181)	(23,364)	(22,919)	(21,095)
Other comprehensive income:					
Items that will never be reclassified to profit or loss					
	Defined benefit plan actuarial gains	-	171	-	171
	Income tax relating to defined benefit plan actuarial gains	-	(34)	-	(34)
		-	137	-	137
Items that will be reclassified to profit or loss					
	Gain on remeasuring available-for-sale investments	-	1	-	1
	Other comprehensive income for the period - net of tax	-	138	-	138
	Total comprehensive loss	(25,181)	(23,226)	(22,919)	(20,957)
Loss per share					
	Basic loss per share (Baht)	(0.07)	(0.07)	(0.07)	(0.06)
	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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017

" Unaudited "

" Reviewed "

	Thousands Baht					
	Consolidated financial statements					
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of shareholders' equity	Total
			Appropriated	Unappropriated	Other comprehensive income	
				Available-for-sale investments		
Balance as at 1 January 2017	336,000	88,751	13,287	104,320	-	542,358
Changes in shareholders' equity:						
Loss for the period	-	-	-	(25,181)	-	(25,181)
Ending balance as at 30 September 2017	336,000	88,751	13,287	79,139	-	517,177
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	-	-	-	(23,364)	-	(23,364)
Other comprehensive income	-	-	-	137	1	138
Ending balance as at 30 September 2016	336,000	88,751	13,287	106,787	586	545,411

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 Other comprehensive income Available-for-sale investments	
			Appropriated	Unappropriated		
Balance as at 1 January 2017	336,000	88,751	13,287	83,590	-	521,628
Changes in shareholders' equity:						
Loss for the period	-	-	-	(22,919)	-	(22,919)
Ending balance as at 30 September 2017	336,000	88,751	13,287	60,671	-	498,709
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	-	-	-	(21,095)	-	(21,095)
Other comprehensive income	-	-	-	137	1	138
Ending balance as at 30 September 2016	336,000	88,751	13,287	89,633	586	528,257

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities:				
Loss before income tax	(25,113)	(23,992)	(22,850)	(21,715)
Adjustments to reconcile loss before income tax to net cash provided by				
(used in) operating activities				
Depreciation and amortization	8,259	8,658	8,104	8,115
Interest income	(676)	(665)	(659)	(646)
Interest expenses	1,972	2,422	1,972	3,676
Doubtful accounts	-	43	-	-
Loss on impairment	-	49	-	-
Gain on disposal of assets	(90)	(1,715)	(90)	(1,715)
Income from written off of liabilities	(229)	-	(41)	-
Provision for compensation from litigation ang claims	-	3,000	-	3,000
Employee benefit obligations	170	151	158	101
Loss from operating activities before changes in operating assets				
and liabilities	(15,707)	(12,049)	(13,406)	(9,184)
Changes in operating assets (increase) decrease				
Restricted bank deposits	-	2,253	-	2,253
Trade and other receivables	(282)	1,619	(266)	1,275
Cost of property development	18,056	(5,074)	18,056	(5,074)
Other current assets	(323)	(311)	(254)	(249)
Other non-current assets	(17)	(9,686)	(13)	(9,686)
Changes in operating liabilities increase (decrease)				
Trade and other payables	(388)	(9,880)	(347)	(9,484)
Estimate project cost	(3,281)	1,657	(2,974)	1,761
Other current liabilities	5,902	1,551	5,435	777
Other non-current liabilities	857	(266)	857	(265)
Cash generated from (used in) operations	4,817	(30,186)	7,088	(27,876)
Interest received	679	665	662	707
Income tax paid	(652)	(1,023)	(652)	(791)
Net cash provided by (used in) operating activities	4,844	(30,544)	7,098	(27,960)

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities:				
Increase in current investments	(573)	(2,986)	(573)	(2,986)
Purchases of investment properties	(266)	-	(266)	-
Purchases of equipment	(67)	(491)	(67)	(491)
Purchases of intangible assets	(48)	-	(48)	-
Proceeds from sales of assets	90	8,016	90	8,016
Net cash provided by (used in) investing activities	(864)	4,539	(864)	4,539
Cash flows from financing activities:				
Repayments of short-term loans from related parties	-	-	(1,400)	(1,500)
Repayment of loans from financial institutions	(7,449)	(7,435)	(7,449)	(7,435)
Repayment of liability under finance lease	(319)	(305)	(319)	(305)
Interest paid	(2,014)	(2,422)	(2,014)	(2,716)
Net cash used in financing activities	(9,782)	(10,162)	(11,182)	(11,956)
Net decrease in cash and cash equivalents	(5,802)	(36,167)	(4,948)	(35,377)
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	73,484	40,643	68,077	33,752