

A N N U A L R E P O R T 2 0 1 8

# BIG CHANGE

## MESSAGE FROM CHAIRMAN

In 2018, the global economy had increased growth rate especially in the first part of the year as a result of strong and continuing economic growth of the United States due to the reform of tax system which helped boosting confidence among production sectors, increased consumption of private sectors, and increased employment opportunities. However, in the latter part of the year, global economic growth had declined due to the impact of trade war between China and the United States, and tight monetary conditions from liquidity issues in global financial system, which also affected the export of Thai products, and were considered as the main factors to be closely monitored and assessed.

The overview of real estate business in 2018: The business had expanded due to economic recovery and clear infrastructure development of BTS extension projects in many areas of Bangkok and nearby provinces, continued growth in demand for condominiums among foreign customers because of the advantage of Thai real estate prices, which were lower than neighboring countries, as well as the Bank of Thailand's housing loan monitoring measures to be enacted in 2019, which resulted in increased market demand at the end of 2018.

For Noble Development PCL in 2018, the Company earned income from real estate development business amounting to 4,974 million baht from ownership transfer to buyers. The Company had launched three projects, including Nue Noble Chaengwattana Project, Noble Around Ari Project and Nobel State 39 Project, and the Company's total sales in 2018 was more than 9,800 million baht, and as of 31 December 2018, the sales revenue pending recognition as future revenue was at an approximate amount of 17,000 million baht.

Thai real estate business in 2019 is expected to slow down due to the Bank of Thailand's housing loan monitoring measures. However, there are still positive factors from the development of various government projects, which begin to evolve in a concrete way, as well as growing demand in condominium market among foreign investors. For the company to be able to expand our business and generate more profit with outstanding marketing strategy, creative housing innovation and unique lifestyle, we expect that in 2019, at least four new projects will be launched in potential locations, near community area and convenient means of transport.

Noble Development PCL would like to extend our appreciation for your support and driving force in strengthening and enabling our company to continuously expand the business. We will adhere to our efficient and transparent operational management and capital management policies under the principles of corporate governance, and maintain debt ratio at suitable level in order to generate returns to shareholders according to our intent and commitment.



Mr. Kitti Thanakitamuay  
Chairman and Chief Executive Officer

# CONTENT

## Message from Chairman

1	01 Company Overview	1
	02 Business Characters	6
	03 Risk Factors	20
	04 Company Factsheet	27
	05 Shareholders	36
	06 Dividend Policy	37
	07 Management Structure	38
	- Details of Company's Directors, Executive Officers, Authorized Person and Company Secretary	45
	- Details of subsidiaries and associated companies' Directors	52
	08 Corporate Governance	53
	09 Corporate Social Responsibilities	91
	10 Internal Control and Risk Management	97
	- The Audit Committee's Report	102
	11 Connected Transaction	104
	12 Financial Highlights	106
	13 Management Discussion and Analysis	109
	14 Report of The Board of Directors' Responsibilities for Financial Reporting	115
2	01 Independent Auditor's Report	
	02 Consolidated and Company Statements of Financial Position	6
	03 Consolidated and Company Statements of Comprehensive Income	8
	04 Consolidated and Company Statements of Changes in Equity	9
	05 Consolidated and Company Statements of Cash Flows	11
	06 Notes to the Consolidated and Separate Financial Statements	13

Investors can learn more on the information of the issuing company from the annual statement (Form 56-1) of the company which are listed on [www.sec.or.th](http://www.sec.or.th) or the company's website (if available).



# PART 1



# COMPANY OVERVIEW

The core business of Noble Development Public Company Limited and its subsidiaries is property development, composed of various types of residential projects such as land plot, single detached houses, townhouses, low rise and high rise condominiums. The Company aims to offer exceptional-design living and creative innovation to satisfy customers' various desires as an alternative option.

## Vision:

The core business of Noble Development Public Company Limited is determination to create innovation to go beyond to satisfy customers' expectation, in addition with modern technology to invent the best residential projects for various types of living.

## Mission:

- The Company is a pioneer and leader in innovative and create a unique residential to meet and bring higher quality to customer satisfaction.
- The Company is managed under the discreet and efficient administration and funds management policies and transparency in corporate governance, including establish creditability to investors and stakeholders in order to continuously grow.
- The Company promotes the responsible for community and society by complying to policies, rules, and regulations strictly.

## Company Overview

The Company has launched total 47 residential projects. Eight of these projects were developed and launched before year 2002 with the total value of Baht 4,877 million while 39 of these projects were developed and launched between year 2002 and 2018 with the total value of THB 83,292 million. The project consists of single detached house, condominium, townhouse, and land plot. The single detached house projects include Noble Tara Ekamai-Rama 9, Noble Tara Ngamwongwan, Noble Tara Pattanakarn, Noble Tara Ngamwongwan 2, Noble Wana Pinklao, Noble Wana Watcharapol, Noble Anawana Pinklao, Noble Geo Watcharapol, Noble Geo Rama 5, and Noble Gable Watcharapol, the latest project with the concept of single detached house and twin house.

The condominium projects include Noble Ora Condo, Noble Lite, Noble 09, Noble Ambience Sarasin, Noble Remix, Noble Solo, Noble Reflex, Noble Reveal, Noble Reform, Noble Refine, Noble RED, Noble Revent, Noble Remix 2, Noble Ploenchit, Noble Revolve Ratchada, Noble Revolve Ratchada 2, Noble Revo Silom, Noble

Recole, Noble BE33, Noble BE19, Noble Around Sukhumvit 33, Noble Ambience Sukhumvit 42, Nue Noble Chaengwattana, Noble Around Ari and Noble State 39. The townhouse and land plot project are First Home, Noble Satorn Thapra, Noble Residence and Noble Cube respectively.

Besides the residential projects, the Company also operates other businesses that are core business-related such as property rental and service, property management services, property services after transfer of ownership and services apartment.

## Changes and important developments for the past three years

- 2016 In March 2016, the Company launched the condominium project, Noble BE19, , located in Soi Sukhumvit 19.
- In June 2016, the Company issued and offered of unsubordinated, unsecured debenture and has bond holders' representative for 3 years total valued of 1,500 Million Baht to public and/or institution investors. The income from bond issuance is the Company's source of fund for repayment debentures, and/or business expansion, and/or working capital.
- 2017 In May 2017, the Company issued and offered of unsubordinated, unsecured debenture and has bond holders' representative for 3 years total valued of 1,500 Million Baht to public and/or institution investors. The income from bond issuance is the Company's source of fund for repayment debentures, and/or business expansion, and/or working capital.
- In July 2017, the Company launched the condominium project, Noble Around Sukhumvit 33, located in Soi Sukhumvit 33.
- In October 2017, the Company issued and offered of unsubordinated, unsecured debenture and has bond holders' representative, with a term not exceeding 270 days total valued of 721.50 Million Baht to certain institutional investors and/or high net worth investors. The income from bond issuance is the Company's source of fund for repayment debentures, and/or business expansion, and/or working capital.
- In November 2017, the Company launched the condominium project, Noble Ambience Sukhumvit 42, located in Soi Sukhumvit 42.
- 2018 In February 2018, the Company issued and offered of unsubordinated, unsecured debenture and has bond holders' representative for 3 years total valued of 1,500 Million Baht to public and/or institution investors. The income from bond issuance is the Company's source of fund for repayment debentures, and/or business expansion, and/or working capital.
- In March 2018, the Company launched the condominium project, Nue Noble Chaengwattana, located on Chaengwattana Road.

In May 2018, the Company launched the condominium project, Noble Around Ari, located on Phaholyothin Road.

In July 2018, the Company issued and offered of unsubordinated, unsecured debenture and has bond holders' representative, with a term not exceeding 270 days total valued of 950 Million Baht to certain institutional investors and/or high net worth investors. The income from bond issuance is the Company's source of fund for repayment debentures, and/or business expansion, and/or working capital.

In October 2018, the Company launched the condominium project, Noble State 39, located in Soi Sukhumvit 39.

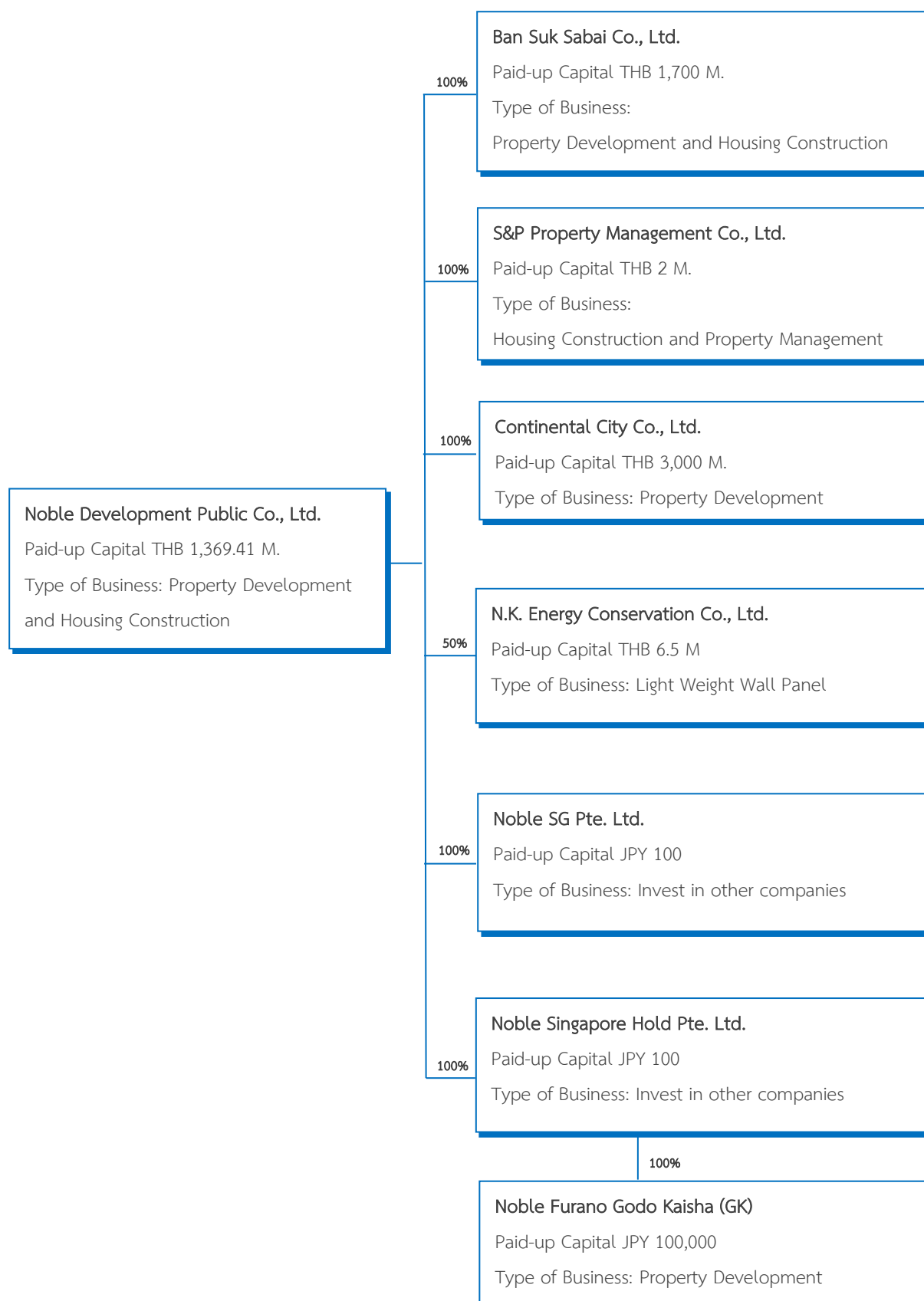
In November 2018, the Company issued and offered of unsubordinated, unsecured debenture and has bond holders' representative for 2 years total valued of 1,050 Million Baht to certain institutional investors and/or high net worth investors. The income from bond issuance is the Company's source of fund for repayment debentures, and/or business expansion, and/or working capital.

The Company has a policy to divide the operation to subsidiaries and associated companies for developing, and managing the projects as shown in the following detail:

Company/Address	Type of Business	Project
1. Ban Suk Sabai Company Limited NOBLE Building, 1035 Ploenchit Rd., Lumpini, Pathumwan, Bangkok	Property Development and Housing Construction	Noble Park Noble Tara Ngamwongwan 2
2. S&P Property Management Company Limited NOBLE Building, 1035 Ploenchit Rd., Lumpini, Pathumwan, Bangkok	Housing Construction and Property Management	Noble Neo City
3. Continental City Company Limited NOBLE Building, 1035 Ploenchit Rd., Lumpini, Pathumwan, Bangkok	Property Development	The Noble Noble Remix Noble Remix 2 Noble Recole Noble BE33 Noble BE19 Noble Around Sukhumvit 33 Nue Noble Chaengwattana Noble Around Ari
4. N.K.Energy Conservation Company Limited 54/4 Moo 7, Bang Saothong, Samutprakarn	Light Weight Wall Panel	Noble Choice Pinklao Noble Choice Vibhavadee
5. Noble SG Pte. Ltd. 1 Raffles Place #28-02 One Raffles Place Singapore (048616)	Invest in other companies	-
6. Noble Singapore Hold Pte. Ltd. 1 Raffles Place #28-02 One Raffles Place Singapore (048616)	Invest in other companies	-
7. Noble Furano Godo Kaisha (GK) 2-1406, Azabudai 2-chome, Minato-ku Tokyo, Japan	Property Development	-



## Company Structure



# BUSINESS CHARACTERS

## Revenues Structure

Unit: THB Million

โครงสร้างรายได้	Operated By <sup>(1)</sup>	Shares holding %	2018		2017		2016	
			Value	%	Value	%	Value	%
<b>Revenue from Real Estate Development</b>								
Single Detached House and Land	NOBLE	-	200.93	3.90	72.68	0.75	110.52	2.42
Condominium	NOBLE	-	4,773.25	92.63	9,480.34	97.42	4,298.81	94.12
<b>Total Revenue from Real Estate Development</b>			<b>4,974.17</b>	<b>96.53</b>	<b>9,553.02</b>	<b>98.17</b>	<b>4,409.32</b>	<b>96.54</b>
<b>Revenue from Sales of Goods, Rental and Services</b>								
Service Apartment	NOBLE	-	44.51	0.86	47.89	0.49	48.53	1.06
Condominium	NOBLE	-	30.26	0.59	46.49	0.48	15.09	0.33
	CC	100%	29.51	0.57	30.05	0.31	29.62	0.65
<b>Total Revenue from Sales of Goods, Rental and Services</b>			<b>104.29</b>	<b>2.02</b>	<b>124.43</b>	<b>1.28</b>	<b>93.24</b>	<b>2.04</b>
<b>Total Revenue from Core Businesses</b>			<b>5,078.46</b>	<b>98.55</b>	<b>9,677.45</b>	<b>99.45</b>	<b>4,502.56</b>	<b>98.58</b>
<b>Other Revenue</b>								
Gain from cancelled contracts	(2)	-	45.81	0.89	10.45	0.11	14.97	0.33
Interest Income	(2)	-	12.70	0.25	22.14	0.23	41.54	0.91
Others Income	(2)	-	15.96	0.31	21.28	0.22	8.47	0.19
<b>Total Other Revenues</b>			<b>74.47</b>	<b>1.45</b>	<b>53.87</b>	<b>0.55</b>	<b>64.97</b>	<b>1.42</b>
<b>Total Revenues</b>			<b>5,152.93</b>	<b>100.00</b>	<b>9,731.31</b>	<b>100.00</b>	<b>4,567.53</b>	<b>100.00</b>
<b>Increase (Decrease) in Revenues from Core Business</b>			<b>(4,598.99)</b>	<b>(47.52)</b>	<b>5,174.88</b>	<b>114.93</b>	<b>4,129.99</b>	<b>1,108.52</b>

Remark (1) NOBLE = Noble Development Public Company Limited.

CC = Continental City Company Limited

(2) Revenues of the Company and its subsidiaries.

## Noble Development Projects

Every Noble Development project is a reflection of the creativity and the conviction of Noble. The mind-set to create innovation to satisfy needs and enhance quality of life which bring happiness to homeowners beyond their expectations are all the Noble's mission.

### Projects developed and launched before 2002

#### Noble Park Project

Noble Park was unveiled in December 1991 as the first horizontal condominium in Thailand. The concept of "Condo house" combines the benefits of living as part of a community and the precepts of condominium residence to the familiar features of Thai ways of living within the development.

#### Noble Home Project

Noble Home comprises single dwelling houses with architectural designs aimed to give a different perspective and individuality including the curved roof, all of which enhanced quality and offered more useable floor space than the average home. The project launched in August 1992.

#### Noble Neo City Project

Noble Neo City is the visual proof of the innovation development that is taking place within Noble. Here, the concept of a life of freedom is catered to. Owners can expand living space within their detached homes in four different steps. They can start with 2 floors 2 bedrooms and, if so wish, they can later add to that and end up with 3 floors 5 bedrooms.

#### The Noble Project

Prestigious detached residences comparable to a contemporary art form. Built right in the heart of Bangkok, The Noble has been designed to offer maximum floor space, resulting in practicality and privacy. The design concept also brings the green-ness of the garden right into the home.

#### Noble House Phayathai Project

Noble's high-rise residential development with 30 storey tower located in central business district, special design offer convenience in terms of commuting and amenities for today's lifestyle. The project consists of 300 residential units and commercial area.

## Noble Choice Project

Noble Choice is the innovation from Noble Development, one spawned from the marriage of state-of-the-art technology and an old-fashioned commitment to service. The success of Noble Choice is evident from all of our satisfied customers who have exercised their freedom of choice to express a wide variety of contemporary lifestyles, all of whom were delighted beyond their expectations. Durable yet flexible, Noble Steel Tech has a proven track record of success overseas where it has been utilized for more than a decade. Noble Choice projects are located in two different areas – Noble Choice Pinklao and Noble Choice Vibhavadee.

## Noble House Ruamrudee Project

Possibly occupying the best location in Bangkok, the key concepts behind this development are privacy and peace. Hence, there are a total of only 23 units designed to give maximum space for the families of those executives who are looking for convenience in traveling.

## Projects launched since 2002

### Noble Tara Ekamai – Rama 9 / Noble Tara Ngamwongwan / Noble Tara Pattanakarn / Noble Tara Ngamwongwan 2 Project

“Tara” means “stream” which implies the concept of the project to bring peace of recreation with tall fences covered by florals surrounding the project to maximize the enjoyment from nature together with the private swimming pool. The Noble’s differentiated concept of C-shape housing keeps every corner of the house close to nature surrounding. The projects are in the best location according to the concept of “Special privacy in the city center”, which located on Rama 9, Ngamwongwan and Pattanakarn.

### Noble Wana Pinklao / Noble Wana Watcharapol Project

The concept of this project is to bring resort feeling to the home, which can be presented in its name: “Wana” means “Forest”. This is a place to take a rest with nature everyday. Every living space links with nature, both view and sensibility by balancing oriental and western philosophy. The project is unique from others in the market with the clubhouse and swimming pool decorated to maximize the privacy. Two Wana projects are Noble Wana Pinklao and Noble Wana Watcharapol.

### Noble Ana Wana Pinklao Project

Noble Ana Wana Pinklao are builded on the success of the previous Noble Wana Pinklao project. Utilizing the popular Wana design on the same Pinklao site, this new development offers a resort-style living experience 365 days a year. Each house has a plot of 100 square wah or more to give each resident that much more exposure to the area’s natural charms.

## Noble Satorn Thapra Project

Noble Satorn Thapra is a project with a very different approach to modern housing. Plots varying in size from 78 to 168 square wahs offer havens of security and serenity in small communities served by common facilities. Customers who wish to design their own homes are given every help and encouragement in selecting the concepts and details that they and their families prefer.

## Noble Ora Thonglor Project

Noble Ora Condominium comprises of two 21-storey condominiums towers with 223 units at one of Bangkok's prime locations, the center of Soi Thonglor. The project has 60's design that provides Condominium facilities but feeling of spacious single house from the large floor-to-ceiling and a tropical style swimming pool.

## Noble Geo Watcharapol / Noble Geo Rama 5 Project

Noble Geo is designed under the Planning & Functioning concept to enable free-style arrangement of furniture. The box-shape houses maximize useable area, larger living room and bedroom. The beautiful natural landscape lawns and gardens can be accessed from every angle of the houses, located in Watcharapol and Rama 5.

## First Home Project

First Home is a townhouse project under the strategies to expand the market base to cover all tiers of customers, located near the city but economical pricing. The project consists of 2-storey townhouses and 3-storey commercial units, located in Soi Watcharapol.

## Noble 09 Project

Noble 09 is a luxurious condominium located in Soi Ruamrudee, only 100 meters away from the Ploenchit BTS station, gives a cozy feeling in modern style. Designed to have serene beige color elegantly combined with naturally formed stone, it goes up to 8 floors and provides more open area with its two towers. Enjoy total privacy with only three units per floor, and spacious interior benefited from airy floor-to-ceiling glass windows.

## Noble Lite Project

Near Aree BTS Station, Noble Lite is located only 150 meters from business center on Phaholyothin Road. With Crash-Pads concept – living near BTS route with no red lights traffic to spare up hours for pleasure and relaxation. The project offers 24 storeys with one to three bedrooms. Each unit is designed for multipurpose activities. The project also provides facilities area, fitness and a swimming pool.

## Noble Ambiance Sarasin Project

It is the condominium for the perfect relaxation of city life and offers the peaceful privacy surrounded by various moods with Perfect Contrast architecture. The exterior is designed to be simple but exciting and amusing with color of the buildings, whereas the interior is designed for spaciousness and airiness with tall glasses from the floor to the ceiling, allowing the natural touches surrounded by beautiful gardens, pools and gyms. Noble Ambiance Sarasin is located in the middle of the city, Soi Sarasin

## Noble Remix Project

The project is the answer for a different kind of lifestyle, especially for people who love extreme's life and freedom in city life, surrounding with this new style condominium project offering conveniences from the transportation via BTS sky train and many facilities along Sukhumvit 36 road.

## Noble Solo Project

It is the condominium in Soi Thonglor that is suitable for freedom lifestyle, releasing from rules and bustling from works and environment by giving more space. These allow residents to find new inspiration to fulfill their lives. It offers a various type of rooms from 1 bedroom to 3 bedrooms.

## Noble Reflex Project

Around 200 meters to Aree BTS station, we can reach the 20-floor condominium stylishly designed by plain architecture with the explicit color of the exterior. This is the real concept of "A Pad for Metropolitan" making Reflex to be condominium for more time to play, sit back and relax. Every square inch is designed to maximize usable area and to be the perfect place for rest. The size varies from 1-bedroom and 2-bedroom.

## Noble Reveal Project

With 27-storey condominium stylishly designed for city living life style and the concept of "Help stop global warming, Drive less". Noble Reveal is just 200 meters away from Ekamai BTS station, on Sukhumvit 63 road. The size varies from 1-bedroom and 2-bedroom.

## Noble Residence Project

Development of land plot, on Pattanakarn road, one of the most elegant locations in center of Bangkok, with 3 kms from Soi Thonglor and just 2 minutes from Airport Link Sky Train, Ramkamhaeng station. The Project allots total of 70 land pieces from 99 sqw. size, for customers to build every masterpiece by their own. In addition, the entire electricity network is grounded, with the peaceful living of parks, swimming pool, club house and gym.

## Noble Cube Project

New concept of town home in the city center for more private living space with designed to magnify the sight with wide mirror. Noble Cube divides useable area by life style. The Project is located in prime area, 3 kms from Soi Thonglor, between Pattanakarn soi 24-26 and just 2 minutes from Airport Link Sky Train, Ramkamhaeng station.

## Noble Reform Project

Condominium located on Phaholyothin Road, business center of Bangkok, only 30 meters away from Aree BTS station. 22-storey condominium designed to maximize usable area and to be the perfect place for rest. The project also provides facilities area, fitness and a swimming pool. The size varies from Studio, 1-bedroom and 2-bedroom.

## Noble Refine Project

Condominium located in Sukhumvit Soi 26, 180 meters away from Phromphong BTS station. 25-storey condominium embedded in the very inside of its own premise away from the entrance encourage the ultimate peace and privacy. The panoramic greenery tree line delicately placed on the drive way special treating in and out traffic a touch of green nature. L-shape and earth tone building designed for keeping the perfect harmony with natural surroundings and decent view sharing among every unit. The size varies from Studio, 1-bedroom and 2-bedroom.

## Noble RED Project

Condominium 23-storey height located in Aree Soi 1, prime area in the middle of Bangkok closed to BTS station; ready to service you to go to many key business areas. Together with ideal facilities, fitness, swimming pool, ready to fulfill and comfort your life. The size varies from 1-bedroom and 2-bedroom.

## Noble Revent Project

Condominium 30-storey height located on Sri-Ayutthaya Road, closed to Phayathai BTS station and airport link station, in the center of Bangkok surrounding by educational institutions and prime business areas. Together with ideal facilities, fitness, swimming pool, ready to fulfill and comfort your life. The size varies from 1-bedroom and 2-bedroom.

## Noble Remix 2 Project

Condominium 11-storey height with the slogan “Walk above it all” at Noble Remix 2. The Project is located on Soi Sukhumvit 36, with ideally located for easy access to Thonglor Station by skylink between the station and the building. The residence unite provide excessive view and great atmosphere with the very high 3-meter and large 2-layer laminate windows. Together with ideal facilities, ultimate fitness sport club, swimming pool, and stream room, ready to fulfill and comfort your modern lifestyle. The Project offers a various type of rooms from 1 bedroom to 3 bedrooms.

## Noble Ploenchit Project

Condominium with 3 buildings, height 51, 45, and 14-storey, nestled among 4 rais of lush and serene garden. With the concept of Vertical Garden City, metropolitan in the heart of Bangkok’s business district, adjacent to many shopping malls and 5-stars Hotels including BTS Ploenchit station. The Project offers a various type of rooms from 1 bedroom to 3 bedrooms and Penthouses, together with private Lift to each individual room.

## Noble Revolve Ratchada Project

Condominium 38-storey with the concept of life’s every function is tailored to your desires. Revolve living Life in harmonious balance with a lifestyle of limitless choice. The Project is adjacent to cultural centre MRT station. The Project offers a various type of rooms from 1 bedroom to 2 bedrooms.

## Noble Revolve Ratchada 2 Project

Condominium with the design concept of revolve around your needs, with a new way to live at the heart of Ratchada, the new business district that fulfills life’s every demand. The height of building is 42 floors but it is the height of happiness. Experience the undercurrents of infinity of lifestyles at the Infinity Edge Pool. With connections to the MRT for shorter connections in life, the Project offers a various type of rooms from 1 bedroom to 2 bedrooms.

## Noble Revo Silom Project

A new budding branch of condominium life that let you design your lifestyle from an infinity of options. A height of 32 floors, located at the heights of interest where Silom meets Sathorn. With a splendid Infinity Edge Pool and one-of-a-kind Sky Fitness room. Close to Surasak BTS station and expressway entrances. The Project offers a various type of rooms from 1 bedroom to 2 bedrooms.

## Noble Recole Project

The 28-storey condominium in the heart of the city with its easy access to MRT Sukhumvit station and BTS Asoke station which is under the concept of whatever you demand from life, find it immediately and relaxing in the Sky Infinity Edge Pool and Sky Fitness. Project comprises of one-bedroom units and two-bedroom units.



## Noble Gable Watcharapol Project

The Single detached house and twin house project with the concept: every lifestyle can be fulfilled and enriched with more space available, which is “every inch of happiness”. True happiness” can simply be found from space under your roof and space around your house. Noble Gable also provides you with good facilities and green space that make your days relaxing.

## Noble BE33 Project

31-storey condominium in the heart of the fashion city. Easy access to Phromphong BTS station with the concept of flip to reveal yourself with sky infinity edge pool, sky garden and sky fitness. The Project offers a various type of rooms from one-bedroom to three-bedroom types.

## Noble BE19 Project

Condominium with 2 buildings, height 48 and 27 stories with 3-meter high ceiling located in the heart of the city near shopping malls and leading schools and conveniently close to MRT Sukhumvit station and BTS Asoke. This project is presented with the concept of living seamlessly by enjoying a life of seamless connections at Sukhumvit 19. The Project offers a various type of rooms from 1 bedroom to 3 bedrooms and Penthouses.

## Noble Around Sukhumvit 33 Project

The 25 stories condominium comprises of one-bedroom units and two-bedroom units, represents a life of fascinating diversity in the multicultural heart of Sukhumvit, near BTS Phrom Phong and The EM District, the world-class shopping centre.

## Noble Ambience Sukhumvit 42 Project

Lagom Design, “just the right fit” the concept of the low-rise condominium near BTS Ekkamai. The atmosphere is simply relaxed, but always answering to all of life's demands, come home to peaceful serenity and leave the chaos of modern life behind. The Project offers tastefully understated but extremely functional one-bedroom units and two-bedroom units.

## Nue Noble Chaengwattana Project

31-storey condominium project on Chaengwattana Road, close to MRT, expressway and leading shopping centers presenting the project with the concept of "Upgrade Your New Look to Urban Style" Choose to space up your life more than ever. Be stylish with splendid and one-of-a-kind designs, as well as integrated facilities to fulfill every moment of your living styles. The Project offers a various type of rooms from one-bedroom to two-bedroom types.

### Noble Around Ari Project

Condominium with 2 buildings, height 39 and 7 stories on Phaholyothin Road Located in the heart of the city, near the BTS station and expressway, presenting a project with the concept of the relationship between the science of living and the art of living among various lifestyles. You can free your creative spirit, find new inspiration all around you and express your true style in the cultural charm neighborhood with trend-setting livability in the heart of Ari. The Project offers one-bedroom type.

### Noble State 39 Project

Condominium with 2 buildings, height 36 and 2 stories, which has been maintained through a well-balanced blend of Thai and foreign cultures. Break out of the old life pattern and get a new one reconstructed in Sukhumvit at Noble State 39, The Project offers a various type of rooms from 1 bedroom to 2 bedrooms and Penthouses.

## Industrial Situation and Competition

In early 2018, the global economy continued its strong growth with the economic growth rate of major regions being higher than that of the average in the last two years. Labor market situation of the United States of America improved and stayed strong. There was a significant drop in unemployment rate due to expansion of private sector investments. The main factor contributing to such expansion was tax reform of the US Government. Many companies had improved operating results and increased profits, but paid taxes at the lowered rates. Regarding Europe's economic situation, reports showed that the production sector of Eurozone grew continuously whereas commercial banks' bad debt problem became less serious as Italy's economy started to grow. As a result, stress about Italy leaving Eurozone (Italexit) was significantly lower. Besides, Japan's economic situation showed an improvement after a long and continuous stagnation. Such improvement was mainly supported by exceptional growth of energy sector as well as export and household spending. China's economy was driven by the manufacturing and hi-technology sectors. The Government of China focused on creation of future industry and promotion of free trade as well as decentralization to enable rural people to enjoy equal facilities and income. The overall economy enjoyed satisfactory growth again in the first half of 2018 thanks to economic recovery of many countries all over the world.

However, in the second half of 2018, many countries experienced slowdown at the same time (synchronized slowdown), which led to global economic stress as a whole. Such synchronized slowdown was caused by many factors, including political situations in Eurozone, such as policy of the new government of Italy as well as progress made in Brexit talks. Recently, although the overall risk to political and economic stability of Eurozone seemed to decrease compared to the previous year, Italy's political crisis was a factor that was able to destroy investors' confidence and global money market continued. Trade war between the United States of America and China, which started in July 2018, continued to negatively affect the global economic system as a whole. This trade war caused significant damage to the economy. The country that was affected the most was China, which lost over USD 400 billion, followed by Japan which lost USD 168 billion, and even USA itself, which initiated the trade war, which lost around USD 145 billion.

As for Thai economy, in the first half of 2018, Thailand enjoyed 4.8% economic growth rate, which was the highest rate in years, as a result of global economic recovery. Tourism sector was still the main driver of Thai economy. Another element that contributed to an improved Gross Domestic Product (GDP) in the first half of the year was continued improvement in consumption spending boosted by expansion in the private sector's consumption and investment as well as an expansion of the public sector's spending and investment. The private sector's consumption and investment increased by 4.7% and 3.6%, respectively, whereas an average floatation rate was 1.1%. Thailand also recorded a Current Account surplus of 6.4% of the country's Gross Domestic Product (GDP). However, in the second half of 2018, Thailand's economy was unavoidably hit by global economic slowdown.

With regard to real estate business in 2018, both demand and supply for residential units have improved when compared to the previous year. Such growth was stimulated by an expansion in the country's overall economic infrastructure, including export and tourism sectors, as well as the government's investment in megaprojects, such as hi-speed train projects or measures to facilitate the Eastern Economic Corridor, which had a significant role in the growth market of real estate, including condominiums, detached houses, and townhouses. The prices of real estate projects in Thailand are lower than those of the neighboring countries. This advantage led to continuous growth of condominium market among foreign customers. Besides, loan supervision measures of the Bank of Thailand have also increased the demand at the end of 2018.

Table 1: Residential units registered in Bangkok Metropolis and Vicinity

	2012	2013	2014	2015	2016	2017	2018
<b>Developer-Built</b>							
Single House, Twin House, Townhouse, Shop House	23,174	37,577	33,935	33,827	31,742	30,978	36,778
Change from previous year	(14.2)%	62.2%	(9.7)%	(0.3)%	(6.5)%	(2.4)%	18.7%
Condominium	78,391	71,440	75,058	67,628	72,886	63,319	65,808
Change from previous year	125.7%	(8.9)%	5.1%	(9.9)%	(2.9)%	(13.1)%	3.9%
<b>Total Developer-Built</b>	101,565	109,017	108,993	101,455	104,628	94,297	102,586
Change from previous year	64.5%	7.3%	0.0%	(6.9)%	(4.0)%	(9.9)%	8.8%
<b>Self-Built</b>	23,437	23,285	24,446	22,375	21,915	20,206	20,291
Change from previous year	16.4%	(0.6)%	5.0%	(8.5)%	(10.4)%	(7.8)%	0.4%
<b>Total Residential Units Registered</b>	125,002	132,302	133,439	123,830	126,543	114,503	122,877
<b>Change from Last Year (%)</b>	<b>52.7%</b>	<b>5.8%</b>	<b>0.9%</b>	<b>(7.2)%</b>	<b>(5.2)%</b>	<b>(9.5)%</b>	<b>7.3%</b>

Source: Bank of Thailand

According to Table 1, the number of completed and registered housing units in Bangkok and vicinity in 2018 was 110,032 units which increased from the previous year by 7.3% mainly due to an increase in the number of detached houses, semi-detached houses, townhouses, and commercial buildings, rising 18.7% from 30,978 units to 36,778 units. Moreover, condominium units increased by 3.9% and self-built houses by 0.4% from 20,206 units to 20,291 units. This indicated that the total number of completed and registered housing units in Bangkok and vicinity increased significantly in all types of housing. It was clear that the residential market in Bangkok and vicinity has improved both in terms of demand and supply. Consumers were more confident in the economic situation. Moreover, clarity in the construction and opening of rapid transit lines in Bangkok area promoted consumers' confidence. Entrepreneurs accelerated the construction of housing projects situated along the rapid transit lines to meet customers' need. Transfer of ownership of housing increased by 5.0%. New home loans increased by 13.3%. In terms of supply, there was an increase in the number of new housing units offered by 28.5% whereas the value increased by 32.6%.

In 2019, Thailand's economy is expected to continuously grow, but may slow down compared to 2018 due to the risk of global economic and financial fluctuations and trade barriers of USA and China, which may cause export slowdown. Positive factors that greatly contributes to Thailand's economy include domestic demand, both in terms of consumption and investment of the private sector, election results, and continuity of the investment projects of the government. In 2019, information on the government's megaprojects, such as the five double-track railway projects and the East Economic Corridor (EEC), should be clearer. As a result of these projects, international companies may move their investment bases to Thailand because the country has more advantages compared to other countries in the region. Regarding tourism sector, it is expected that it will recover continuously after the government has upgraded the tourism safety standards and implemented a variety of measures to stimulate the tourism industry. However, it is necessary to improve the efficiency of domestic air ports since they cannot handle the growing number of tourists.

It is expected that in 2019 Thailand's real estate business will continue to slow down due to many negative factors, such as loan approval criteria of the Bank of Thailand, an increase in interest rate, a decrease in purchasing power of foreign customers, especially those from China, due to trade war between China and the USA, and a reduction in number of Chinese tourists, Government of China's measures to restrict investment in real estates in foreign countries. It is forecasted that in the first quarter of 2019, the transfer of ownership will increase significantly since home loan supervision measures of the Bank of Thailand are expected to be effective on 1 April 2019, which means that pending loan applications have to be approved before such measures come into force. However, due to a very serious competition in the real estate market, entrepreneurs need to make their organizations, goods and services stand out and also have to apply, adjust, develop, enhance and increase creditability to obtain more market shares. Comprehensive development of products, services and technologies is the tool that all entrepreneurs apply to their business operations to ensure sustainable development. Property Technology (PROTECH) is carefully selected by entrepreneurs to utilize with real estate business to provide comprehensive services to consumers from making a decision to buy a project, construction of the project, transfer of ownership, and after-sale services as follows:

- **Making a decision to buy a project:** Hologram is a technology to create a virtual three-dimensional image of an object or place, enabling customers to feel the environment as if they are actually in such place. Drone is also used to take aerial pictures of the project to increase customers' confidence and make it easier for them to make a decision. Besides, online booking system is utilized to reduce queuing problem or fighting over the right to purchase units in the projects with a high demand. Such technology can meet the need of customers in the age of 4G very well.
- **Project construction:** BIM (Building Information Modeling) is an intelligent 3D model-based process that gives architecture, engineering, and construction (AEC) professionals the insight and tools to more efficiently plan, design, construct, and manage buildings and infrastructure. Utilization of BIM helps reduce construction problems and time required to effectively complete the construction. With BIM, every element of construction process is represented on a 3D model and every party involved will work through the same system. Architects are in charge of architectural work, engineers supervise structural work, construction contractors

are responsible for construction and the project owner takes care of the whole picture to ensure that everything goes as planned. This technology plays a very important role in controlling and meeting construction standards, improving safety, accuracy and speed, and reducing any errors caused to customers' units and redundancy in construction process. Thus, cost can effectively managed. Solar cell is an energy-saving innovation utilized by residential projects to promote energy efficiency and sustainability. Another innovation utilized is called air corridor, which is designed to create airflow and ventilation, thus reducing the use of air conditioning systems in the common areas of the housing projects.

- **Transfer of ownership:** real estate entrepreneurs realize the problems encountered by customers who have no experience or time for home or condominium inspection. Therefore, an application has been developed to provide advices on systematic home inspection. Moreover, a service is rendered to help customers find home inspection experts to add value to the product. Some entrepreneurs may also provide an application that helps with room decoration to meet customers' lifestyle and functional requirements before a purchase actually occurs.
- **After-sale service:** After-sale service is another important factor affecting customers' decision to purchase housing. Entrepreneurs should consider innovations that can efficiently facilitate customers' living after moving into the housing projects. Such innovations include Smart Control of Home Automation, which is a system that does not only effectively improve customers' safety and convenience, but also add value to the products. Such technology will help control various systems in the house, such as lighting and electric appliances. For example, it allows users to turn air-conditioners on and off, open or close curtains, control home entertainment systems, such as directing internet radio to play when the room is occupied and stop when users leave the room, and operate energy management and backup system, such as turning electric appliances on and off by relying on environment, communication system, such as sending/receiving texts or commands between users and security system, e.g. connection between the security system or closed circuit TV and security service providers, as well as online notification of utility bills, which allow users to be aware of sums to be paid and make payment via e-banking system. All applications can be managed via smart phones.

Nowadays, these modern innovations and technologies play a significant role in real estate business and are also regarded as a factor that consumers use when selecting a house or condominium. Furthermore, they are an important part of sustainable business development since they improve effectiveness of construction process and reduce costs and errors that may arise.

Apart from applying these modern innovations and technologies to business operations, development of projects for older people and residential design that provides a variety of benefits (mixed-use) also help increase customer base, reduce the exposure to any one particular asset or risk, and generate long-term stable income for entrepreneurs since they meet the needs of more customers. Another strategy that can be used to increase investment capability and customer base is to co-invest with domestic and international companies.

At present, the market share of the real estate sector, especially condominium market in Bangkok, belongs to major developers with a market share of approximately 70-75%. Such market share tends to increase due to their advantage in terms of capital, reputation, and creditability. In 2018, around 41% of condominium demand came from high-end market, followed by middle market at 27% and city condo market at 21%, respectively.

What can be clearly seen today in the real estate business is the merger or joint venture between major developers with good locations, capitals and human resources to support each other and create pressure on small developers that tend to have less market share year after year. This makes it necessary for these small developers to adjust and develop new strategies to effectively handle this ongoing situation. They need to increase the market share of city condos and medium market whose customers are the majority group of Bangkok population in order to truly meet their residential needs.

# RISK FACTORS

Risk factors that may occur and adversely affect the business of the Company are:

## Risk from the price of construction materials and construction costs

According to Table 1, the construction materials average price index is evident that the overall construction materials price in 2018 increased by 2.6% compared to that in 2017, especially the price of steel and steel products which increased by 7.6% compared to that in 2017. The price of cement increased by 2.6% despite a great drop of cement price in 2017.

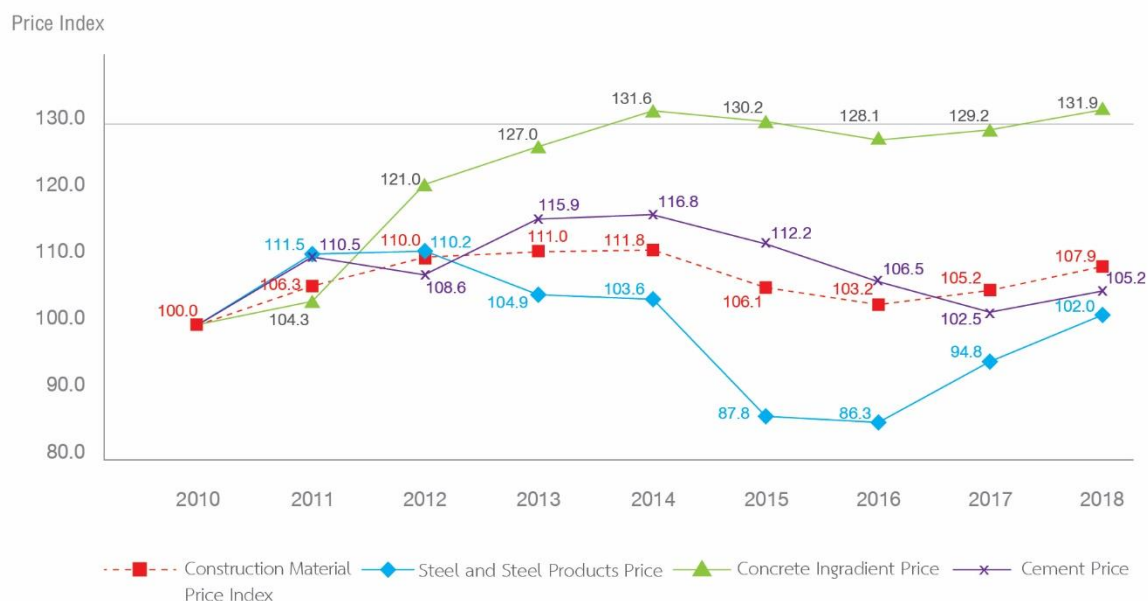
The overall construction materials price in 2018 increased compared to that in 2017. The positive factor was global economic recovery, which boosted the need for Thai construction materials both in foreign and domestic markets. The domestic need for construction materials tends to go up. An expansion of domestic market in many sectors, including real estate, tourism, and public utilities development to support a change into an urban society, greatly contribute to the growth of Thailand's construction materials market. Besides, an increase in the government's construction projects, both old and new ones, has helped increase the need for construction materials.

Table 1: Construction Materials Average Price Index

Group	Base	2012	2013	2014	2015	2016	2017	2018	Change (%)	
	2010								2017	2018
All Commodities Index	100.0	110.0	111.0	111.8	106.1	103.2	105.2	107.9	1.9%	2.60%
Lumber and Wood Products	100.0	105.4	111.2	111.6	112.7	111.6	115.6	116.8	3.6%	1.00%
Cement	100.0	108.6	115.9	116.8	112.2	106.5	102.5	105.2	-3.8%	2.60%
Concrete Ingredient	100.0	121.0	127.0	131.6	130.2	128.1	129.2	131.9	0.9%	2.10%
Steel and Steel Products	100.0	110.2	104.9	103.6	87.8	86.3	94.8	102	9.8%	7.60%
Tiles	100.0	100.8	100.9	101.0	101.1	101.1	100.5	101.9	-0.6%	1.40%
Paints	100.0	105.0	106.5	106.3	106.3	106.9	108.4	108.2	1.4%	-0.20%
Sanitary Ware	100.0	105.4	108.0	107.9	107.8	107.8	107.7	107	-0.1%	-0.60%
Electric and Plumbing	100.0	104.1	102.2	100.7	95.6	94.0	93.8	92.6	-0.2%	-1.30%
Others	100.0	115.6	118.5	122.4	120.6	112.9	112.5	114.2	-0.4%	1.50%



Chart 1: Index of construction material price compare with steel and steel products price, concrete ingredient price, and cement price.



Source: Bureau of Trade and Economic Indices, the Office of Permanent Secretary, Ministry of Commerce

The trend of the construction materials price in 2019 is expected to increase for domestic market. However, the expansion rate is expected to decrease a little for overseas market. The need for Thai construction materials in the international market is expected to grow continuously, especially among CLMV countries and South Asia, which enjoy a high economic growth rate. However, it is expected that such need will be negatively affected by the trade war between USA and China. Meanwhile, domestic need for construction materials is boosted by the government's megaprojects that are under construction, private sector's more projects due to improved confidence in economy, and the government's policies to support the less visited area tourism, which drive commercial construction in the less visited provinces and industrial construction, which is expected to expand in economic zones where investment is strongly promoted.

Apart from the price of the construction materials that tends to rise, an increase in minimum wage in certain areas, which has been effective since April 2018, may affect the construction costs at a certain degree. It is likely that there will be labor shortage due to an increase in construction projects of the public and private sectors, which may cause the high demand for labor in the construction sector, especially skilled and experienced labor.

However, with the Company's policies in advance procurement of significant construction materials, such as steel and steel products, a close monitoring of situation, effective adaptation to the situation, and advance employment of workers and construction planning, it is expected that the Company will continue to be able to expand its operations, reduce the risk of shortage and fluctuation in the price of the construction materials and the increase in labor costs.

## Risk from the price of land

After the new land appraisal value was announced and took effect from 1 January 2016 to 31 December 2019, the price of land rose nationwide. Moreover, the construction and opening of new mass transit lines have significantly increased the land potentials and prices.

Results of the survey conducted by Government Housing Bank (GHB)'s Real Estate Data Center reveal that the prices of land in Bangkok and vicinity have increased continuously from 2017. The main factors influencing such increase are the construction and operation of mass transit lines. Prices of lands located in Phra Khanong, Bangna, Suanluang, and Prawet increased the most in the fourth quarter of 2018 by as high as 61.8% whereas the prices of those empty lands in Rat Burana, Bang Khuntian, Thung Khru, Bang Bon, and Chomthong increased by 55.2%, due to the government's project development and mass transit system construction. The mass transit lines that commenced operations in 2018 included the Green Line (Bearing – Samut Prakan), consisting of nine stations, namely Samrong Station, Poochao Station, Chang Arawan Station, Royal Thai Naval Academy Station, Paknam Station, Sri Nagarind Station, Praeksa Station, Sailuad Station, and Kheha Station. With regard to the Green Line extension (Mochit – Saphan Mai – Khu Khot), it is expected that construction of the infrastructure will be completed in 2019. Moreover, megaprojects, such as high-speed trains, motorways, the East Economic Corridor, and airport expansions, will result in an increase in land price in the regions.

As for the Company, the most attractive locations were in the center of the city, especially locations for the condominium projects. The Company emphasizes its investment in the locations along the mass transit lines, which is in accord with the expansion of mass transit lines policy to facilitate the connection between Bangkok and vicinity. The price of land in these prime locations is likely to rise together with the estimated price and may affect the Company's cost of land. However, with its experience in the business, feasibility study of the project and careful consideration for acquisition of land, the Company has no problems with the risk of land price or the land possession. The lands acquired by the Company for project developments are mostly situated in the locations where our customers are interested in, this can be proved by successful launch of several projects in the past.

## Risk from delay, quality of contractors' works and labor shortage

One of the important factors contributing to effective real estate project development is acquisition of quality construction contractors who can deliver the works on time and meet the standards established by the Company. Due to the above reason, the Company has developed a policy for the selection of contractors. Such selection is conducted by means of bidding, which allows for comparison of prices, reputation of the construction companies, and quality of work to be appropriated for the size of the project. In addition, the Company also hires consulting companies with experience and expertise to supervise the Company's construction projects. The Company closely monitors project construction and facilitates close coordination and collaboration between consulting company and contractors throughout the construction period to

resolve problems and oversee the construction to ensure that it goes as planned. These could help reduce the risk of such matters.

## Risk from global economy and domestic economy

In the first six months of 2018, the global economy grew continuously. The employment rate in the United States of America was high and solid whereas the unemployment rate dropped as a result of tax reform and strong labor market as well as the US Government's plan to invest in infrastructure. As for European countries, the economic activities expanded continuously and the private sector's consumption statistics were in a good direction whereas the employment rate improved and political instability decreased. Japan's economy grew after a slowdown in the previous year. The global economy in the first half of 2018 was good as a whole.

In the second half of 2018, the global economy continued to expand although there was a sign of economic slowdown, which was caused by the trade war between the United States of America and China. The US increase of import taxes caused China's economy to clearly slow down and also affected Japan. Meanwhile, China responded by raising tariff barriers and implementing trade measures against goods imported from the US, resulting in the overall slowdown of global economy.

Thailand's economic growth in 2018 was contributed by the growing global economy. Tourism business was the main economic driver. Although there was a reduction in the number of Chinese tourists, numbers of tourists from Malaysia, India, Europe and Russia increased. Meanwhile, Thailand's export sector began to expand along with the global trade. Macroeconomic Strategy and Planning Office (MSPO) pointed out that in the first nine months of 2018, Thai economy grew by 4.3% and boosted by the growing consumption and investment of the private sector as well as continuous expansion of the government's spending and investment. However, in the second half of 2018, there was a slowdown in export growth due to trade war between the US and China.

With regard to Thailand's real estate market in 2018, economic recovery and clarity regarding development of the infrastructure of mass transit line extension in Bangkok and vicinity have contributed to the growth of real estate sector. Furthermore, home loan supervision measures of the Bank of Thailand which will take effect in 2019 were the factor contributing to an increase in the transfer of ownership of residential units in 2018 compared to the previous year.

The overall real estate market of Thailand is expected to experience a slowdown in 2019 due to the Bank of Thailand's home loan supervision measures, which require buyers to increase down payment to about 10-30%. However, various projects that will be complete soon are positive factors that will draw attention of residents and investors who see the future potential of such projects. In this regard, the Bank of Thailand expects that Thai economy as a whole can grow by 4.2%. Additionally, another positive factor is a demand of foreign investors who are interested in prices of Thailand's real estate products, especially condominium projects, which are cheaper than those of other countries in Asia.

## Risk from missing revenue targets

The main business of the Company is the real estate business. The Company has developed residential projects of many categories, including detached houses and condominiums, and is determined to offer innovations initiated from the desire to deliver satisfaction beyond customers' expectations as well as modern technologies to meet the customers' lifestyles. Moreover, the Company implements strict, effective and transparent financial and capital management policies in accordance with the principles of good corporate governance and works hard to gain the trust of investors and all groups of stakeholders to ensure continuous growth. The Company realizes that its operating results are mainly contributed by its ability to successfully develop and launch the projects and transfer the ownership to the customers. The Company researches the factors of residential buying behavior of consumers, which vary in accordance with the underlying economy, social and personal needs. This enables the Company to adjust its strategy accordingly and satisfy the diverse needs of the customers. Another research study conducted concerns the behavior of foreign customers that have a tendency to grow in Thailand's real estate market. The Company is determined to improve its capabilities continuously. This makes the Company become stronger and be able to grow constantly in the real estate market. In 2018, the Company has launched three condominium projects located in prime business locations, which also facilitate transportation, including New Noble Chaeng Wattana, Noble Around Ari, and Noble State 39, with an aggregate value of 11,000 million baht. The projects received a warm welcome from customers.

As for risk in connection with transfer of ownership, due to the fact that most of the Company's customers are of intermediate to high levels and that the Company has a policy to have its customers make down payment in a proper amount to prevent risk, the Company has put in place an effective process to trace and collect down payment from customers closely to reduce the risk of ownership transfer.

## Risk from the ability to pay debt and compliance with financial covenant

As of 31 December 2018, the Company's loans from financial institution and other investors (net) are as follows:

- Short-term loans – bills of exchange amounting 570.70 million baht. These are loans from financial institutions and due within one year with a discount rate of 4.00% per annum;
- Long-term loans from financial institutions amounting to 6,157.09 million baht with interest rate based on the Minimum Loan Rate (MLR) of the lenders minus 1.50 – 1.85 percent per annum. As of 31 December 2018, the interest rate was 6.25 – 6.65 percent per annum. According to the condition of the loans, the Company must maintain the net interest bearing debt to equity ratio not exceeding 2.2 times or 2.5 times (as specified in each loan agreement) at the ending date of each quarter throughout the term of loan agreement;
- Debentures amounting 6,485.40 million baht with an interest rate of 4.00 – 4.35 percent per annum. The Company must maintain the net interest bearing debt to equity ratio not exceeding 2.5 as of the

end of each fiscal quarter throughout the loan period (as per the conditions specified in the regulations on the rights and obligations of the issuer and shareholders of each debenture).

In the case where the Company is unable to maintain the net interest bearing debt to equity ratio as required, this could result in a default under the terms and conditions of the loans and debentures. This may cause the loans and debentures to be due promptly. However, as of 31 December 2018, the Company's net interest bearing debt to equity ratio was 1.45, which was in compliance with the conditions specified in the regulations on the rights and obligations of the issuer and shareholders as well as the terms of loans.

The Company has a policy to maintain the debt to equity ratio at a reasonable level and not to exceed the limit specified in terms and conditions including the appropriate distribution of the long-term repayments. Furthermore, the Company has continuously developed real estate projects and all of them are successful. The period of repayment of loans for development from financial institutions is consistent with the duration of the ownership transfer of the projects. With its carefully developed investment plans, the Company is confident in its ability to repay principal and interest on time. As of 31 December 2018, the Company also had available credit amounted to 8,422 million baht. Besides, the total value of projects that have not been sold or transferred to customers is approximately 17,000 million baht. These are the sources of capital that the Company has prepared for repayment of loans and debentures.

### Risk from lending to subsidiaries and associates

The amount of short-term loans and accrued interest receivable from subsidiaries as of 31 December 2018 was 21.59 million baht, increasing from the end of 2017 which amounted to 20.86 million baht. The Company set up an allowance for doubtful accounts in full amount. Short-term loans and accrued interest receivable from subsidiaries are loans provided to subsidiaries in which the Company holds 100% of shares. Such loans were used for project development and expansion according to the plans as well as improvement of liquidity while the subsidiaries encountered financial and business difficulties. However, the Company had a policy to manage risks that could arise from lending to subsidiaries and associates by overseeing business operations closely to ensure continuous repayment to the Company. Information on these loans is disclosed in the topic of connected transactions.

### Risk from interest rates fluctuation

Due to successful launch of the previous projects and its strict, prudent, transparent and efficient financial policies, the Company has earned the confidence of financial institutions. Thus, it receives financial support from financial institutions. In addition, the Company has created strategic partnerships with a variety of financial institutions so it receives and can compare many offers and chooses the one that offers the best benefits for the Company.

Loan interest rates in 2019 are expected to remain stable to support the domestic economic recovery so there is a slight risk of a rise in interest rates. However, in the past several years, the Company has issued and offered for sale of bill of exchange and non-subordinated, non-secured debentures with fixed interest rate. The Company's debentures and bill of exchange have been very well accepted by the market which reduces the risk of a rise in interest rates in the future. As for liabilities that may be at risk if they are affected by fluctuations in interest rates, as of 31 December 2018, the amount of such liabilities was 6,168.60 million baht, which was equal to 34.26% of total liabilities. If the interest rate rises by 1%, the Company will incur an increase in liabilities of approximately 61.69 million baht per year.

# COMPANY FACTSHEET

## Noble Development Public Company Limited

Address	NOBLE Building, 1035 Ploenchit Road, Lumpini, Pathumwan, Bangkok
Main Business	Property Development
Registered Number	0107538000312
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Home Page	<a href="http://www.noblehome.com">http://www.noblehome.com</a>
Registered Capital	456,471,175 Ordinary shares with par value of Baht 3
Paid Up Capital	Baht 1,369,413,525

## Subsidiaries and Associated companies

### Ban Suk Sabai Company Limited

Address	NOBLE Building, 1035 Ploenchit Road, Lumpini, Pathumwan, Bangkok
Main Business	Property Development and Housing Construction
Registered Number	0115534002564
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Registered Capital	17,000,000 Ordinary shares with par value of Baht 100
Paid Up Capital	Baht 1,700,000,000

---

### S&P Property Management Company Limited

Address	NOBLE Building, 1035 Ploenchit Road, Lumpini, Pathumwan, Bangkok
Main Business	Housing Construction and Property Management
Registered Number	0105533098789
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Registered Capital	20,000 Ordinary shares with par value of Baht 100
Paid Up Capital	Baht 2,000,000



**Continental City Company Limited**

Address	NOBLE Building, 1035 Ploenchit Road, Lumpini, Pathumwan, Bangkok
Main Business	Property Development
Registered Number	0105528034727
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Registered Capital	30,000,000 Ordinary shares with par value of Baht 100
Paid Up Capital	Baht 3,000,000,000

---

**N.K.Energy Conservation Company Limited**

Address	54/4 Moo 7, Bang Saothong, Samutprakarn
Main Business	Light Weight Wall Panel
Registered Number	0115540002601
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Registered Capital	10,000 Ordinary shares with par value of Baht 1,000
Paid Up Capital	Baht 6,500,000

**Noble SG Pte. Ltd.**

Address	1 RAFFLES PLACE, #28-02 ONE RAFFLES PLACE, SINGAPORE (048616)
Main Business	Invest in Other Companies
Registered Number	201802589W
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Registered Capital	1 share with par value of Yen 100 (JPY)
Paid Up Capital	Yen 100 (JPY)

---

**Noble Singapore Hold Pte. Ltd.**

Address	1 RAFFLES PLACE, #28-02 ONE RAFFLES PLACE, SINGAPORE (048616)
Main Business	Invest in Other Companies
Registered Number	201802587R
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Registered Capital	1 share with par value of Yen 100 (JPY)
Paid Up Capital	Yen 100 (JPY)

**Noble Furano Godo Kaisha (GK)**

Address	2-1406, Azabudai 2-chome, Minato-ku Tokyo, Japan
Main Business	Property Development
Registered Number	0104-03-017748
Telephone	(66) 2251-9955
Fax	(66) 2251-9977
Registered Capital	Yen 100,000 (JPY)
Paid Up Capital	Yen 100,000 (JPY)

## Other Reference Information

Ordinary share Registrar	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building Rachadapisek Road, Dindang, Bangkok 10400 Tel. 0-2009-9000 Fax. 0-2009-9991
Auditor	Mr. Krit Chatchavalwong Certified Public Accountant Registration No. 5016 PricewaterhouseCoopers ABAS Limited 15th Floor Bangkok City Tower 179/74 – 80 South Sathorn Road, Bangkok 10120 Tel. 0-2344-1000
Legal Adviser	Weerawong, Chinnavat & Partners Ltd. 22nd Floor, Mercury Tower 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2264-8000 Fax. 0-2657-2222  Baker & McKenzie Ltd. 990 Abdulrahim Place 5th Floor and 22nd-25th Floors, Rama IV Road Khwaeng Silom, Khet Bangrak Bangkok 10500 Tel. 0-2636-2000 Fax. 0- 2636- 2111
Financial Adviser	No
Debenture Registrar and Debenture Holder Representative	The Debentures of Noble Development Public Company Limited No.1/2016 Due 2019 Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Yan Nawa, Bangkok 10120 Tel. 0-2296-2000
Debenture Registrar and Debenture Holder Representative	The Debentures of Noble Development Public Company Limited No.1/2017 Due 2020 Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Yan Nawa, Bangkok 10120 Tel. 0-2296-2000

Debenture Registrar and Debenture Holder Representative	Short-Term Debentures of Noble Development Public Company Limited No.1/2017 Series 2 Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Yan Nawa, Bangkok 10120 Tel. 0-2296-2000
Debenture Registrar and Debenture Holder Representative	The Debentures of Noble Development Public Company Limited No.1/2018 Due 2021 Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Yan Nawa, Bangkok 10120 Tel. 0-2296-2000
Debenture Registrar and Debenture Holder Representative	The Debentures of Noble Development Public Company Limited No.2/2018 Due 2020 Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Yan Nawa, Bangkok 10120 Tel. 0-2296-2000

## Address and Telephone Number of Head Office and Projects

- Head Office: Noble Development Public Company Limited  
NOBLE Building, 1035 Ploenchit Road, Lumpini, Pathumwan, Bangkok  
Tel. 0-2251-9955
- Noble Wana Watcharapol  
179, Moo 3 Soi Ruammitrattana, Watcharapol Road, Tarang, Bangkok, Bangkok  
Tel. 0-2251-9955
- Noble Geo Rama 5  
58, Moo 6, Nakorn-in-Karnjanapisek Road, Bangkoonkong, Bangkruai, Nontaburi  
Tel. 0-2251-9955
- Noble Remix  
772/662, Sukhumvit Road, Klongton, Klongtoey, Bangkok  
Tel. 0-2251-9955
- Noble Solo  
988, Soi Sukhumvit 55 (Thonglor), Klongton Nue, Wattana, Bangkok  
Tel. 0-2251-9955
- Noble RED  
8, Soi Ari 1, Paholyothin Road, Samsen-nai, Phayathai, Bangkok  
Tel. 0-2251-9955
- Noble Revent  
390, Sri-Ayutthaya Road, Phayathai, Rachatavee, Bangkok  
Tel. 0-2251-9955
- Noble Ploenchit  
1035/1451 NOBLE Building, Lumpini, Patumwan, Bangkok  
Tel. 0-2251-9955
- Noble Revolve Ratchada  
38, Ratchadaphisek Road, Huaykwang, Huaykwang, Bangkok  
Tel. 0-2251-9955
- Noble Revolve Ratchada 2  
42, Ratchadaphisek Road, Huaykwang, Huaykwang, Bangkok  
Tel. 0-2251-9955
- Noble Revo Silom  
88, Surasak Road, Silom, Bangrak, Bangkok  
Tel. 0-2251-9955

- Noble Recole  
772/660, Sukhumvit Road, Klongton, Klongtoey, Bangkok  
Tel. 0-2251-9955
- Noble Gable Watcharapol  
15, Permsin Road, Klong Thanon, Saimai, Bangkok  
Tel. 0-2251-9955
- Noble BE33  
772/660, Sukhumvit Road, Klongton, Klongtoey, Bangkok  
Tel. 0-2251-9955
- Noble BE19  
772/660, Sukhumvit Road, Klongton, Klongtoey, Bangkok  
Tel. 0-2251-9955
- Noble Around Sukhumvit 33  
772/660, Sukhumvit Road, Klongton, Klongtoey, Bangkok  
Tel. 0-2251-9955
- Noble Ambience Sukhumvit 42  
772/663-664, Sukhumvit Road, Klongton, Klongtoey, Bangkok  
Tel. 0-2251-9955
- Nue Noble Chaengwattana  
65 Moo 8, Bang Talad, Pak Kret, Nonthaburi  
Tel. 0-2251-9955
- Noble Around Ari  
308/1, Paholyothin Road, Samsen-nai, Phayathai, Bangkok  
Tel. 0-2251-9955
- Noble State 39  
35, Sukhumvit 39 Road, Klongton Nue, Wattana, Bangkok  
Tel. 0-2251-9955

## SHAREHOLDERS

The first ten major shareholders at closing date of share registered book, March 8, 2019 are as the following:

	Shareholders' Name	Number of Shares	% of Paid up Capital
1	Mr. Kitti Thanakitamnuy	221,223,559	48.46
2	nCrowne Pte. Ltd.	113,661,323	24.90
3	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	19,200,000	4.21
4	Mr. Sukarn Wattanavekin	11,427,000	2.50
5	Mr. Suton Singhasithakul	8,146,800	1.78
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD A/C CLIENTS	7,538,000	1.65
7	Mr. Pichai Wijkapan	6,478,300	1.42
8	Miss Huiju Saesir	4,727,600	1.04
9	Thai NVDR Company Limited	4,668,400	1.02
10	Viravan Group	15,560,999	3.41
	Dr. Amnuay Viravan	10,003,603	2.19
	Samvest Company Limited	3,168,265	0.69
	Amvest Company Limited	2,389,131	0.52
	Total	412,631,981	90.40

“Investors can acquire updated shareholders information from the Website [www.noblehome.com](http://www.noblehome.com)”

Remark - Samvest Company Limited and Amvest Company Limited, which major shareholder is Viravan group, engage in management and investment business



## DIVIDEND POLICY

The Company has a dividend policy to pay dividend to shareholders not less than 25% of the net profit in the Company's financial statement annually after deduction of all reserves as required by law. The dividend policy has to be in line with the law and regulations of the Company. In case of necessity, the dividend payout can be less than the above ratio or omitted as well as taken into consideration of the Company's cash flow, investment plans, business expansion, including other necessity and appropriateness in the future.

However, the aforementioned policy shall be in accordance with the resolutions of shareholders' meeting.

Year	9 month 2018	2017	2016	2015	2014
Earning per share	0.98	4.60	1.72	(0.99)	0.36
Dividend payment	6.90*	0.17	-	-	0.10
Dividend payout ratio (%)	704.1%	3.7%	-	-	27.8%

\*Dividends in 2018 were interim dividends payment for 9 months operation period (from January 1, 2018 to September 30, 2018) and retained earnings.

Regarding the Company's operating result in 2018, the Board of Directors passed the resolution to propose at the annual general shareholders' meeting held on April 30, 2019 to approve not to pay annual dividend for the year 2018.

### Dividend Policy of Subsidiaries

- None -

# MANAGEMENT STRUCTURE

The structure of the Company's directors consists of the followings:

- The Board of Directors 9 persons
- The Audit Committee 4 persons
- The Nomination Committee 5 persons
- The Remuneration Committee 5 persons
- The Risk Management Committee 3 persons
- The Corporate Governance Committee 3 persons

## The Board of Directors

As of December 31, 2018 the Company has 9 directors as follows.

- Executive Directors 3 persons
- Directors 2 persons
- Independent Directors 4 persons

The members of the Board of Directors.

1. Mr. Kitti Thanakitamnuay Chairman
2. Mr. Sitti Leelakasamelek Vice Chairman, Member of the Nomination Committee and Member of the Remuneration Committee
3. Mr. Frank Fung Kuen Leung Vice Chairman
4. Mrs. Thidhapan Taweeri Director, Member of the Risk Management Committee and Member of the Corporate Governance Committee
5. Mr. Theeraphon Voranithiphong Director
6. Mrs. Boonperm Jiamtiranat Independent Director, The Chairman of the Audit Committee, The Chairman of the Corporate Governance Committee, Member of the Nomination Committee and Member of the Remuneration Committee
7. Mr. Narong Dechachaiwong Independent Director, Chairman of the Nomination Committee, Member of the Audit Committee, Member of the Remuneration Committee and Member of the Risk Management Committee

8. Mr. Surachet Suboonson Independent Director, The Chairman of the Remuneration Committee, Member of the Audit Committee, Member of the Nomination Committee and Member of the Corporate Governance Committee
9. Assoc. Prof. Dr. Somchai Supattarakul Independent Director, The Chairman of the Risk Management Committee, Member of the Audit Committee, Member of the Nomination Committee and Member of the Remuneration Committee

The Company's Secretary: Mrs. Angkana Intravichien

Mr. Frank Fung Kuen Leung, and Mrs. Thidhapan Taweesri were appointed as a new director instead Miss Vasana Theiansirisak and Mr. Sira Udol with effect from 28 September 2018.

### The Board of Directors' scope of duties and responsibilities:

1. To perform their duties cautiously and faithfully in compliance with laws, under the scope of the Company's objective and Articles of Associations, together with the shareholders' resolutions for the maximum benefits of the shareholders
2. To set the Company's business plan, strategies, goals, policies and budget together with the Management
3. To supervise, monitor and assess the Management to effectively and transparently perform their duties in accordance with the Company's policy and business plan
4. To review and ensure the efficiency of the internal control system to ensure that the Company's Financial Statements is reliable, accurate and correct, and to prevent the fraudulence in using the Company's properties and improper transaction between the related parties
5. To establish the appropriate structure of the Board of Directors in order to create the balance of power, adequate and appropriate management monitoring

In 2018, the Board of Directors held 38 meetings; 19 regular meetings and 19 sub-meetings, details of attendance is as follows:

		No. of meeting attended (Times)	
		Regular meeting	Sub-meeting*
1.	Mr. Kittit Thanakitamnuy	16	15
2.	Mr. Sitti Leelakasamelek	16	12
3.	Mr. Frank Fung Kuen Leung	3	8
4.	Mrs. Thidhapan Taweesri	1	9
5.	Mr. Theeraphon Voranithiphong	18	19
6.	Mrs. Boonperm Jiamtiranat	17	7

			No. of meeting attended (Times)	
			Regular meeting	Sub-meeting*
7.	Mr. Narong	Dechachaiwong	13	1
8.	Mr. Surachet	Suboonson	17	19
9.	Assoc. Prof. Dr. Somchai	Supattarakul	17	2

\* Sub-meetings are arranged to consider the operation issues that do not affect the Company's management policy, e.g. the request of projects' utilities, house registration numbers, bank accounts opening etc. Thus, the Board of Directors has assigned 5 directors composing Mr. Kittit Thanakitamnuy, Mr. Frank Fung Kuen Leung, Mrs. Thidhapan Taweessri, Mr. Theeraphon Voranithiphong and Mr. Surachet Suboonson to attend the meetings. If any of the 5 directors is unavailable for any meeting, the Company will invite other directors to constitute the meeting.

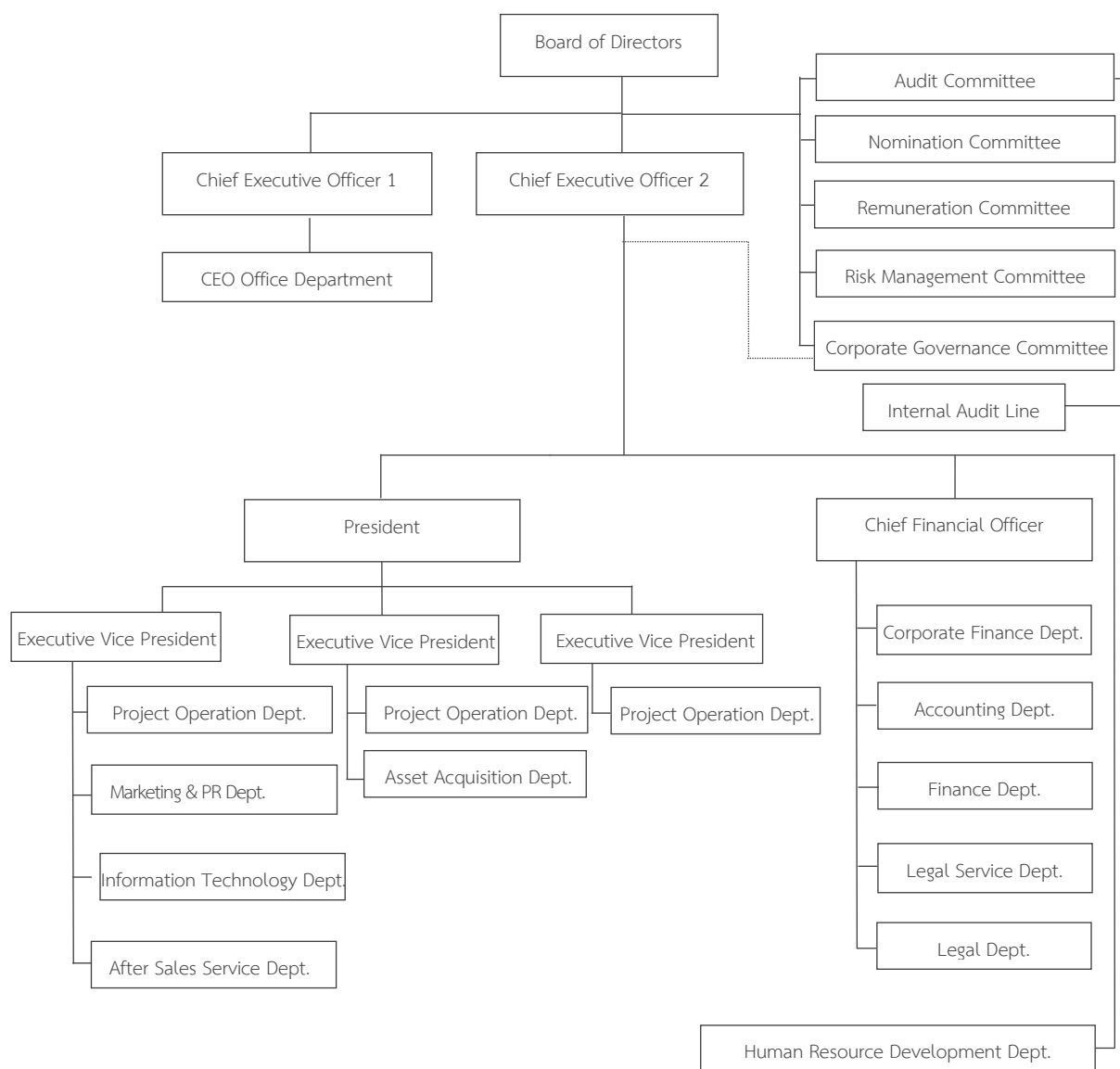
## The Company's Executives

As of December 31, 2018 the Company's Executives are as follows:

- |    |                     |                |   |
|----|---------------------|----------------|---|
| 1. | Mr. Kittit          | Thanakitamnuy  | Chief Executive Officer                         |
| 2. | Mr. Frank Fung Kuen | Leung          | Co-Chief Executive Officer and Acting President |
| 3. | Mr. Wing Cheong     | Chow           | Chief Financial Officer                         |
| 4. | Mr. Arat            | Sawatatat      | Executive Vice President                        |
| 5. | Mr. Theeraphon      | Voranithiphong | Executive Vice President                        |
| 6. | Mr. Sira            | Udol           | Executive Vice President                        |

\* Mr. Frank Fung Kuen Leung and Mr. Wing Cheong Chow were appointed as executive effect from 28 September 2018.

## Organization Chart



## The Corporate Secretary

The Board of Directors has assigned Mrs. Angkana Intravichien as the Company's Secretary effective as of December 26th, 2013. The qualification of the Corporate Secretary as follows:

1. Knowledge and understanding in company business
2. Understand the responsibilities of the Corporate Secretary
3. Knowledge and understanding of law, rules of the Securities and Exchange Commission, stock market, and stock exchange of Thailand
4. Knowledge and understanding in corporate governance and corporate governance rules
5. Not seek the self-benefit from business opportunity including keeping the Company's undisclosed
6. Hospitable and be able to contact and communicate with internal and external units
7. English Knowledge

The Corporate Secretary has responsibilities as listed under section 89/15 and 89/16 in the Securities and Exchange Act B.E 2551 (volume IV), which is effective on August 31st, 2008, to be in charge for the following matters on behalf of the Company or the Board of Directors:

1. To prepare and keep the following documents
  - List of Directors Registration
  - The Board of Directors' Meeting: Invitation for Meeting, Minutes of the Board of Directors meeting and Annual reports of the Company
  - Shareholders' Meeting: Invitation for Meeting: Invitation for Meeting, Minutes of the shareholders' meeting
2. To keep the reports on the interest of directors and executives
3. To perform any other acts as specified in the notification of the Capital Market Supervisory Board

In addition, the Corporate Secretary has responsibilities as to be assigned from the Company.

## Remuneration for the year 2018

### Remuneration in Monetary Value

- Board of Directors

The Board of Director of the Company and Subsidiaries are the same board. The remuneration of each director is included in the Company's remuneration. The directors receive yearly remuneration. The remuneration for the year 2018 was Baht 3,145,000 as followed:

(Unit : Baht/Year)

		Board of Directors	The Audit Committee	The Nomination Committee	The Remuneration Committee	The Risk Management Committee	The Corporate Governance Committee
1.	Mr. Kitti Thanakitamnuay	55,000	-	-	-	-	-
2.	Mr. Sitti Leelakasamelek	50,000	-	50,000	50,000	-	-
3.	Miss Vasana Thieansirisak	37,500	-	-	-	37,500	37,500
4.	Mr. Frank Fung Kuen Leung	12,500	-	-	-	-	-
5.	Mr. Theeraphon Voranithiphong	50,000	-	-	-	-	-
6.	Mr. Sira Udol	37,500	-	-	-	-	-
7.	Mrs. Thidhaphen Taweesri	12,500	-	-	-	12,500	12,500
8.	Mrs. Boonperm Jiamtiranat	50,000	540,000	50,000	50,000	-	50,000
9.	Mr. Narong Dechachaiwong	50,000	450,000	50,000	50,000	50,000	-
10.	Mr. Surachet Suboonson	50,000	450,000	50,000	50,000	-	50,000
11.	Assoc. Prof. Dr. Somchai Supattarakul	50,000	450,000	50,000	50,000	50,000	-

- Executive Officers

Total Remuneration for the Company's executive officers (6 persons) comprised of salary and bonus, ended of December 31, 2018 was Baht 46,969,670

The Remuneration Committee of the Company considers the remuneration forms and criteria for the directors and the executive officers to be clearly, transparently and fairly determined based on the identical and comparable firms in same industry. Remuneration for the directors and the Subcommittees are then determined and approved by the Board of Directors and the shareholders' meeting, respectively. To promote fairness, motivation, and Company's maximum benefits, the executive officers' remuneration is set to correspond with the Company's performance and each director's performance.

### Other Remuneration

-None-

## Personnel

The number of employees and compensation

The number of employee (exclude executives) of the Company as of December 31, 2018 totaling of 390 employees.

	2018	Number of employees
Support line		80
Project operation		310
Total		390

The compensation includes salary, overtime, cost of living support, bonus, provident fund, total of Baht 264,303,651.

Policy on human resource development

The Company have a policy to train and develop its human resources by seminar including encourage employee to attend various seminars to enhance their knowledge and capabilities in order that they can employ their knowledge and capabilities to develop and achieve the Company's objective, especially new technology training to improve their performance more effectively. In addition, the Company has built working unity and good attitude to employees.



## Details of Company's Directors, Executive Officers, Authorized Person and Company Secretary

Name	Age (Yrs)	Education	(% of Holding	Relationship between Directors and Executive Officers	Working Experience		
					Period	Position	Companies
1.Mr.Kitti Thanakitamnuay	63	- B.A., Political Science, Chulalongkorn University - Director Accreditation Program (DAP) Class 71/2008	48.46% <sup>(1)</sup>	-	<u>Listed Companies</u>		
					2012 – 2018	Acting President	Noble Development Public Company Limited
					2006 - Present	Chief Executive Officer	Noble Development Public Company Limited
					1990 – Present	Chairman	Noble Development Public Company Limited
					<u>Other Company</u>		
					2018 – Present	Managing Director	Noble Furano Godo Kaisha (GK)
					2018 – Present	Managing Director	Noble Singapore Hold Pte. Ltd.
					2018 – Present	Managing Director	Noble SG Pte. Ltd.
					2013 – Present	Managing Director	S&P Property Management Company Limited
					2005 – Present	Managing Director	Ban Suk Sabai Company Limited
2. Mr. Frank Fung Kuen Leung	42	- M.Sc. in Operational Research, London School of Economics and Political Science (LSE) - B.Sc. in Economics and Philosophy, University College London (UCL)	24.90% <sup>(2)</sup>	-	<u>Listed Companies</u>		
					2018 – Present	Co-Chief Executive Officer, Acting President and Vice Chairman	Noble Development Public Company Limited
					<u>Other Company</u>		
					2018 – Present	Director	S&P Property Management Company Limited
					2018 – Present	Director	Ban Suk Sabai Company Limited
					2018 – Present	Director	Continental City Company Limited
					2008 – Present	Managing Director	Fulcrum Global Capital Company Limited

Name	Age (Yrs)	Education	(%) of Holding	Relationship between Directors and Executive Officers	Working Experience		
					Period	Position	Companies
3. Mrs. Thidhapan Taweeri	74	- B.Arch., Chulalongkorn University	24.90% <sup>(2)</sup>	-	<u>Listed Companies</u>		
					2018 - Present	Director, Member of the Risk Management Committee and Member of the Corporate Governance Committee	Noble Development Public Company Limited
					<u>Other Company</u>		
					2018 – Present	Director	Ban Suk Sabai Company Limited
					2018 – Present	Director	Continental City Company Limited
					2018 – Present	Director	S&P Property Management Company Limited
					2014 – Present	Specialist to the Commissioner , Sub- <i>ad hoc</i> Committee for Consideration of Town Planning Act, Advisor to the Sub-Committee on Children and Youth	The National Legislative Assembly
4. Mr. Sitti Leelakasamelek	65	- B.A., Accounting, Chulalongkorn University - Director Accreditation Program (DAP) Class 11/2004 - Audit Committee Forum 2014	-	-	<u>Listed Companies</u>		
					2014 - 2018	Deputy Chief Executive Officer	Noble Development Public Company Limited
					2009 – Present	Member of the Nomination Committee and Member of Remuneration Committee	Noble Development Public Company Limited
					1994 – Present	Vice Chairman	Noble Development Public Company Limited
					1991 –2014	Executive Vice President: Support Line	Noble Development Public Company Limited
					2010 - Present	The Chairman of the Audit Committee	Khon Kaen Sugar Industry Public Company Limited
					2007 – Present	Member of Risk Management Committee	Khon Kaen Sugar Industry Public Company Limited
					2004 – Present	Independent Director	Khon Kaen Sugar Industry Public Company Limited

Name	Age (Yrs)	Education	(% of Holding	Relationship between Directors and Executive Officers	Working Experience		
					Period	Position	Companies
					<u>Other Company</u>		
					2018 – Present	Director	Noble Furano Godo Kaisha (GK)
					2018 – Present	Director	Noble Singapore Hold Pte. Ltd.
					2018 – Present	Director	Noble SG Pte. Ltd.
					2013 – Present	Director	S&P Property Management Company Limited
					2012 – Present	Director	N.K.Energy Conservation Company Limited
					2005 – Present	Director	Ban Suk Sabai Company Limited
5. Mrs. Boonperm Jamtiranat	69	- B.A., Accounting, Chulalongkorn University - Director Accreditation Program (DAP) Class 13/2004 - Director Certification Program (DCP) Class 81/2006	-	-	<u>Listed Companies</u>		
					2011 - Present	The Chairman of the Corporate Governance Committee	Noble Development Public Company Limited
					2009 – Present	Member of the Nomination Committee and Member of the Remuneration Committee	Noble Development Public Company Limited
					25 Jan 2001 – Present	Independent Director and The Chairman of the Audit Committee	Noble Development Public Company Limited
					2010 – 2017	The Chairman of the Corporate Governance Committee	Surapon Foods Public Company Limited
					2009 – 2017	Member of the Audit Committee	Surapon Foods Public Company Limited
					1999 – 2017	Independent Director	Surapon Foods Public Company Limited
					<u>Other Company</u>		
					2013 – Present	Director	Continental City Company Limited
					2013 – Present	Director	Ban Suk Sabai Company Limited
					2013 – Present	Director	S&P Property Management Company Limited
					1995 - Present	Director	Noble Estate Company Limited

Name	Age (Yrs)	Education	(% of Holding	Relationship between Directors and Executive Officers	Working Experience		
					Period	Position	Companies
6. Mr. Narong Dechachaiwong	68	- B.A., University of Central Florida, Orlando, Florida, USA - Director Accreditation Program (DAP) Class 2/2003	-	-	<u>Listed Companies</u>		
					2011 – Present	Member of the Risk Management Committee	Noble Development Public Company Limited
					2009 – Present	The Chairman of the Nomination Committee and Member of the Remuneration Committee	Noble Development Public Company Limited
					1999 – Present	Member of the Audit Committee	Noble Development Public Company Limited
					13 May 1998 – Present	Independent Director	Noble Development Public Company Limited
					<u>Other Company</u>		
					2017 – Present	Chairman of the Board	GCT Media Company Limited
					2017 – Present	Director	Thai National Product Company Limited
					2015 – Present	Director	Interpacific Company Limited
					2015 – Present	Director	Inter Function Service Company Limited
					2015 – 2017	Chairman/ Independent Director	Thai National Product Company Limited
					2014 – Present	President	NND (Thailand) Company Limited
					2013 – Present	Director	Continental City Company Limited
					2013 – Present	Director	Ban Suk Sabai Company Limited
					2013 – Present	Director	S&P Property Management Company Limited
7. Mr. Surachet Suboonson	52	- B.A., Accounting, Thammasat University - Director Accreditation Program (DAP) Class 64/2007	-	-	<u>Listed Companies</u>		
					2011 – Present	Member of the Corporate Governance Committee	Noble Development Public Company Limited
					2009 – Present	The Chairman of the Remuneration Committee and Member of the Nomination Committee	Noble Development Public Company Limited
					24 Nov 1999 – Present	Independent Director and Member of the Audit Committee	Noble Development Public Company Limited

Name	Age (Yrs)	Education	(% of Holding	Relationship between Directors and Executive Officers	Working Experience		
					Period	Position	Companies
					<u>Other Company</u>		
					2013 – Present	Director	Continental City Company Limited
					2013 – Present	Director	Ban Suk Sabai Company Limited
					2013 - Present	Director	S&P Property Management Company Limited
8. Assoc. Prof. Dr. Somchai Supattarakul	51	- Ph.D.in Accounting, University of Texas at Austin, U.S.A. - Director Accreditation Program (DAP) Class 96/2012	-	-	<u>Listed Companies</u>		
					2011-Present	Member of the Nomination Committee and The Chairman of the Risk Management Committee	Noble Development Public Company Limited
					9 Mar 2010 – Present	Independent Director and Member of the Audit Committee	Noble Development Public Company Limited
					2010 – Present	Member of the Remuneration Committee	Noble Development Public Company Limited
					<u>Other Company</u>		
					2013 – Present	Director	Continental City Company Limited
					2013 – Present	Director	Ban Suk Sabai Company Limited
					2013 – Present	Director	S&P Property Management Company Limited
					2011 - Present	Associate Professor	Faculty of Commerce and Accountancy, Thammasat University
					<u>Listed Companies</u>		
9. Mr. Theeraphon Vorarithiphong	48	- Master of Finance, The Pennsylvania State University, USA - Director Accreditation Program (DAP) Class 129/2016	-	-	28 Apr 2015 - Present	Director	Noble Development Public Company Limited
					2014 – Present	Executive Vice President	Noble Development Public Company Limited
					2003 – 2014	Project Director	Noble Development Public Company Limited
					<u>Other Company</u>		
					2013 – 2018	Director	Continental City Company Limited
					2013 – 2018	Director	Ban Suk Sabai Company Limited
					2013 – 2018	Director	S&P Property Management Company Limited

Name	Age (Yrs)	Education	(% of Holding	Relationship between Directors and Executive Officers	Working Experience		
					Period	Position	Companies
10. Mr. Wing Cheong Chow	38	- Master of Business Administration, Hong Kong University of Science and Technology - Bachelor of Commerce, Accounting, University of British Columbia, Canada	-	-	<u>Listed Companies</u>		
					2018 – Present	Chief Financial Officer	Noble Development Public Company Limited
					<u>Other Company</u>		
					2015 – Present	Financial Director	Fulcrum Global (Hong Kong) Limited.
11. Mr. Arat Sawatat	50	- Master of Science (Land Development), Texas (A&M) University, USA	-	-	2014 – Present	Executive Vice President	Noble Development Public Company Limited
					2000 - 2014	Project Director	Noble Development Public Company Limited
					<u>Other Company</u>		
					2013 – Present	Director	Continental City Company Limited
					2013 – Present	Director	Ban Suk Sabai Company Limited
					2013 – Present	Director	S&P Property Management Company Limited
12. Mr. Sira Udol	47	- Master of Science in Management SASIN Graduate Institute of Business Administration of Chulalongkorn University - Director Accreditation Program (DAP) Class 129/2016	-	-	<u>Listed Companies</u>		
					28 Apr 2015 - 2018	Director	Noble Development Public Company Limited
					2014 – Present	Executive Vice President	Noble Development Public Company Limited
					2005 - 2014	Project Director	Noble Development Public Company Limited
					<u>Other Company</u>		
					2013 – 2018	Director	Continental City Company Limited
					2013 – 2018	Director	Ban Suk Sabai Company Limited
13. Mrs. Angkana Intravichien	48	- B.A., Accounting, Ramkhamhaeng University - Master of Business	-	-	<u>Listed Companies</u>		
					2015 - Present	Senior Vice President: Accounting and Finance Department	Noble Development Public Company Limited

Name	Age (Yrs)	Education	Relationship between Directors and Executive Officers	Working Experience		
				Period	Position	Companies
		Administration, NIDA		2013 - Present	Company Secretary	Noble Development Public Company Limited
				2003 – 2014	Vice President: Accounting and Finance Department	Noble Development Public Company Limited

- Remark:
1. Number of shares between January 1, 2018 and December 31, 2018 held by personally was 184,892,640 shares. Total of shares held was 221,223,559 shares.  
Number of shares held by spouse and minor children – none
  2. Number of shares between January 1, 2018 and December 31, 2018 held by a juristic person that is related to the definition of the SEC was 113,661,323 shares. Total of shares held was 113,661,323 shares.

## Details of subsidiaries and associated companies' Directors

Director		The Company	Subsidiaries						Associated Company
			1	2	3	4	5	6	
Mr. Kitti	Thanakitamnuy	X X	X	X	X	X	X	X	
Mr. Frank Fung Kuen	Lueng	X X	//	//	//				
Mrs. Thidhapan	Taweesri	//	//	//	//				
Mr. Sitti	Leelakasamelerk	//	//	//	//	//	//	//	X
Miss Vasana	Thieansirisak		//	//	//	//	//	//	
Mrs. Boonperm	Jamtiranat	/	/	/	/				
Mr. Narong	Dechachaiwong	/	/	/	/				
Mr. Surachet	Suboonson	/	/	/	/				
Assoc. Prof. Dr. Somchai	Supattarakul	/	/	/	/				
Mr. Theeraphon	Voranithiphong	//							
Mr. Arat	Sawatatat		/	/	/				
Mr. Pathpong	Sukasem								//
Mr. Somsak	Chongcham								//
Miss Tan Llian Kiow	@Chia Bak Hua					//	//		

**Remark:** X X = Chief Executive Officer X = Managing Director // = Authorized Director / = Director

## Subsidiaries

- 1 : Ban Suk Sabai Company Limited
- 2 : S&P Property Management Company Limited
- 3 : Continental City Company Limited
- 4 : Noble SG Pte. Ltd.
- 5 : Noble Singapore Hold Pte. Ltd.
- 6 : Noble Furano Godo Kaisha (GK)

## Associated Company

- 1 : N.K.Energy Conservation Company Limited



# CORPORATE GOVERNANCE

## 1. Corporate Governance

Realizing the importance of good corporate governance, the primary factor in enhancing effective management system, reflecting high standard and transparent management, leading the Company to achieve a sustainable growth, and building up confidence to shareholders, foreign and domestic investors, stakeholders including customers and creditors; hence, the Company adopt the corporate governance principles set by the Stock Exchange of Thailand as the guideline in operation and consider as the core business policy.

In the Board of Director's meeting no.2/2008 on 26 February 2008, the Board of Director approved the Company's corporate governance and acknowledged to the Board of Directors, Management, and employees. The Company reviews the corporate governance policy annually to be appropriate and comply with international standards laws, rules and regulations. In order to encourage people to implement the corporate governance policy, the Company publicized the corporate governance policy through the Company's website at [www.noblehome.com](http://www.noblehome.com). The Company's corporate governance covers area of

- Equalities of Shareholders
- Roles of the Stakeholders
- Information Disclosure and Transparency
- Board of Directors
- Internal audit and Risk Management

In 2018, Corporate Governance of the Company can be summarized as following;

### 1. Rights of the Shareholders:

The Company embraces the importance of all shareholders' rights. All of company's shareholders shall have these following rights:

- Rights to receive and transfer shares.
- Rights to receive the adequate information on timely basis.
- Rights to share company's profit under the equality ground.
- Rights to attend the meeting and vote for the significant policy or decision of the Company and the right of shareholders that the Board of Directors must address and gain vote from the shareholders' meeting.
- Rights to appoint and discharge company directors, and to approve the independent auditors.

- Rights to voice their opinions and make joint decision making as well as to raise the question during the shareholders' meeting.
- Other legal rights.

In addition to rights of shareholders, the Company operates as the following;

#### 1. Shareholders' meeting

Noble Development organizes an Annual General Shareholders' Meeting within four months after closing date of its fiscal year according to the law. In some urgent cases, the Company may call for an irregular shareholders' meeting, whose agenda shall affect the interest of shareholders that must be approved by shareholders. This irregular shareholders' meeting will be conducted on case by case basis.

The Company provides an opportunity to shareholders to propose subject matters to be included as the agenda and to propose candidate to be nominated for director (Please refer to "Equality of the shareholders" section). The Company also encourages every shareholder to submit their questions through the Company's website prior to the meeting. In 2018, the Company set the agenda for the AGM to be clearly written in the Annual General Meeting of Shareholders 2018 invitation.

The Company has a policy to facilitate and encourage shareholders especially institutional shareholders in attendance. The Company arranges the meeting at the appropriate time, date, place to be convenient for shareholders. The Company also allows the shareholders register at least 1 hour and 30 minutes prior to the meeting which is adequate of time. Additionally, the Company employs the barcode system to make it easy for registration. In 2018, the Company arranges the Annual General Meeting of Shareholders on Friday, April 27, 2018 at 10:00 am at Grand Ball Room 3rd Floor, The Okura Prestige Bangkok Hotel, Wireless Road, Bangkok to facilitate travel for shareholders.

At least 8 directors from the Board of Directors shall attend the shareholders' meeting, including at least 2 from the Audit Committee. Chairman, Chairman of the Sub-Committee, and Chief Executive Officer shall attend every shareholder's meeting to answer questions and concerns posed by shareholders.

Before the meeting, Chairman inform thoroughly of the voting rules in each session, the ballots using, vote counting and reveal counting vote. In the meeting, Chairman also gives opportunity to every shareholders to express their opinion, recommendation, and ask question in each session, and allocate enough time for the meeting and discussion. The Chairman, Chairman of the Sub-Committee, Chief Executive Officer and all executives conduct each meeting suitably and transparently, allowing thorough expression of views and queries before each ballot round under the free vote atmosphere.

The Company determines that the minutes of a meeting will be recorded and clearly state the informing of the voting rules, the ballots using and vote counting to shareholders prior to the meeting, the resolution of the meeting, the number of votes received in each session which state the number of approve, disapprove or abstain votes, including inquiry and important comment in each session thoroughly, and the minutes will be stored for, being inspected, and sent to the Stock Exchange of Thailand afterward for shareholders and investors information. Besides the Company provide video recording to shareholders. The Company received the good score from the 2018 Annual General Meeting evaluated by Thai Investors Association and Listed Companies Association. The Company received 86 points from 657 companies that have been evaluated. The average score of the companies listed on the Stock Exchange of Thailand is 92.42 points.

## 2. Shareholding Structure

Shareholding structure of the Company is clear and simple. The Company publicizes shareholding structure that represents the majority of the first 10 shareholders in the Company website. As at closing date of share registered book, March 8, 2018, the Free Float of the Company is 55.74% of the paid-up capital of the Company. (Details of shareholding of the Board of Directors and the management provided in Details of company's Directors, Executive Officers, Authorized Person, and company Secretary).

The Company did not repurchase shares during 2018. If there are such cases, the Company will disclose the policy of buying back shares later on. The Company has no discrimination or creates barriers to allow shareholders to communicate with each other. Moreover, the Company does not neglect to reveal the agreement between the shareholders which significantly impacts on the Company or other shareholders.

## 2. Equality of the Shareholders:

### 1. Right to attend shareholders' meeting

Other than Rights of the Shareholders, the Company values and treats all shareholders fairly procedures to propose subject matters to be included as the agenda and to propose candidate to be nominated for director. To promote transparency, criteria to propose subject matters to be included as the agenda is clearly defined according to the information publicized on the Company's website. The same concept apply to propose candidate to be nominated as the director, the criteria is posted on the website. [www.noblehome.com](http://www.noblehome.com)

Before each meeting, the Company will send notice before calling the meeting and distribute both Thai and English version of agenda, supplementary documents, and the opinion from Audit Committee (if any) to all shareholders at least 7 days in advance, including three consecutive days of notice on newspaper at least 3 days prior to the meeting.

In case the shareholders cannot self-attend the meeting, the Company proposes that the shareholders can appoint the independent director as the proxy. The Company use proxy form according to Department of Business Development's 5th notification 2007, which has 3 different form; Type A, Type B and Type C. All kind of form is applicable at shareholder's option and can be downloaded at the Company's website. However the Company had sent Type B proxy form accompanying with invitation letter for shareholder meeting. Type B proxy form is the restricted form in which all the voting agendas are specific, for example shareholder can use this form to nominate director one by one. In case the shareholders cannot self-attend the meeting, the Company proposes that the shareholders can appoint the independent director as the voting representative.

The meeting will be conducted in sequence of agenda as specified in the invitation. The Company's shares is only common stock and the Company uses voting tickets to allow each shareholder equal opportunity and for transparency and inspection issues. For appointing the Board of Directors, each director will be elected in each ballot round and the Company gives the opportunity to the shareholder to elect the individual directors as one share one vote. Furthermore, any of a shareholder or a group of people who is considered as interested party in appointment of a director agenda, the Company will advise the shareholder and the group abstain from voting in that agenda.

## 2. Conflict of interest and Connected Transaction

The Company has set clearly a conflict of interest policy. The Audit Committee is responsible for connected transaction and conflict of interest to be legally and comply with the law and regulations of the Office of The Securities and Exchange Commission and the Stock Exchange of Thailand. This is to ensure that the transactions are appropriate and most beneficial to the Company

In 2018, the Company has connected transaction with subsidiaries. The Company has short term loan and interest receivable (Details provided in Connected Transaction). Additionally, the Company has no connected transactions in violation of or non-compliance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

## 3. Role of the Stakeholders

The Company has the policy to serve mutual benefits among itself, and internal and external stakeholders e.g. shareholder, management, employee, customer, creditor, competitor, government, and all relevant agency related to human rights and intellectual property including society, community, and environment. The Board of Directors determines the clear policy and discipline which is notified in Corporate Governance and Business Code of Conduct for stakeholders to coordinate between the Company and stakeholders. By cooperating among itself and interested party to benefit business operation and build up confidence as well as enhance potential, we,

therefore, promote the coherence and trust among every party in order to sustain our competitiveness and stability in expansion. The Company therefore developed “Sustainability Report” in accordance with the framework of Global Reporting Initiative (GRI) and separated from the Annual Report.

The Board of Directors has set up Stakeholders Treatment Policy as per the following details:

#### **Policy and Treatment of Shareholders**

In order to be the best representative of our shareholders to achieve a sustainable growth and competency, the Company upholds the principles of business operations with honesty and treats all shareholders equally including disclose all information to shareholders correctly. The practices regarding shareholders are summarized as follows.

1. Respecting and treating all shareholders equally.
2. Acting with integrity and operating prudently for the best benefit of shareholders.
3. Publicizing data and information through the Company's website at [www.noblehome.com](http://www.noblehome.com).
4. Reporting financial performance, overall operation and more information with accuracy, adequacy and timely decision making.

#### **Policy and Treatment of Customers**

As our most important supporters and stakeholders, we value our customers and do our best to protect their benefit. The Company aims and acknowledges all employees that after sale service as its best, the doorstep, is not the end of relationship but it is where the relationship, and responsibility starts. We develop not only the design, the quality and the standard of our houses, but also give a priority to the pleasant environment in the housing project after the transferring of ownerships. The practices regarding customers are summarized as follows.

1. Treat customers equally, fairly and on the basis of suitable benefit for both parties.
2. The Company provides After Sales Service Department to maintain a good environment and to maintain customer's houses in the housing projects.
3. Giving true and complete information about home styles, materials used by the Company. So that customers can compare the quality and standards of the house to the products from other development companies before deciding to buy.
4. Providing accurate and adequate information to customers. In order that customers can determine the period, rights and obligations which are all true without misleading about quality, quantity or any other condition.
5. Keeping the confidentiality of customer's information and not using it wrongfully for its advantage or related.
6. Contacting customers with courtesy and meet the needs of customers quickly and efficiently.

Moreover, in 2018, the Company has organized various activities properly to build a good relationship between the Company and customers of each project. For example,

- Event the “Discover Persian Treasures” associate on story and inspiration of the weavers who convey the pattern of each carpet, steps to weave and understand the material used in each carpet’s style. As well as advice on how to correctly maintain carpet by professional carpet to create a residential decoration at The Residence 305, Grand Hyatt Erawan Bangkok Hotel.

### Policy and Treatment of Employee

Employee is the most important human resource to the Company, the key drives to success. The Company’s business ethical code of conduct has been written that employees are treated equally and fairly, including the determination of benefits according to the Company’s performance both in short and long term which also consider from knowledge, experiences, individual performance, annual profitability of the Company, welfare and fringe benefit, safety and hygiene in the workplace including the development of knowledge and potential of employees. The practices regarding employees are summarized as follows:

#### Welfare and benefits

- The establishment of the provident fund as security for employees and to secure the job, which is a long-term taking care of employee.
- Life insurance, group accident insurance, group health insurance (Out-patient and in-patient) which employees will receive benefits under the health insurance policy.
- Provision of emergency loans as welfare for employees at all levels.
- Loans to buy a car as welfare for manager level and above employees.
- Financial support for various occasions such as childbirth, patient visiting, death of parents, etc.
- Rights to buy house and condominium projects of the Company to be residence vary in line with working experience according to regulations and approval of the Company.

#### Recreation

- Organize annual vacation trip. In 2018, The Company hosted the New Year party for employees at Kirimaya & Atta Lakeside Resort Suite Khaoyai which employees could bring their families to join the recreation activity. Concept of this year is “Noble Red Carpet Night” and there will be show by new employees and the costume contest under the concept of the party.
- Arrangement for performing activities together. In 2018, The Company hosted the Sport Day for executives and employees to join activities together at Vana Nava Water Jungle HuaHin and there is a night party under the concept “Noble Aloha Night 2018”.

These activities above are to encourage relationship in the workplace.

### Security

- The Company pays attention to security, sanitation and working environment, such as, arranging 24 hour security personnel to ensure that the workplace is a safe environment, the installation of closed circuit cameras to monitor image and sound (CCTV) and implementing fingerprint and face scanning procedure before entering the office.

### Sanitary and Environment

- Employees will receive health insurance from the Company and be admitted to the assigned hospital. The amount of medical expenses is determined by class of employee.
- Setting up hand sanitizer terminals for employees at head office and at individual project sale offices.

The Company realizes the importance and necessity of the safety and health of employees along with the Company business to ensure that employees are safe and exempt from accidents and occupational diseases. In 2018, there was no employee suffered from accidents, absence and illness from work. In cases that the employee has an accident from work, the Company also provides health insurance benefits.

### The potential development of employees

The Company gives priority to the development of knowledge and ability of employees by providing training within the Company continuously and encourages every level of employees to attend training courses and seminars by outside agencies to enhance the knowledge of their duties. This will increase the capacity and efficiency of the operations. The Company also focuses on the management and staff at all levels to set a plan in accordance with the direction and objectives of the Company so that employees are aware of the importance of their own. As a result, the performance effectively goes towards the objectives in the same direction and purpose.

Topics for internal trainings are new employee orientation, professional enhancing image and personality development training, professional sales techniques for real estate training, techniques for dealing with customer complaints training etc. In 2018, the Company has arranged employees to be trained internal and external for the total of 1,848 hours of training, an average of 5.96 hours/person/year.

### **Policy and Treatment of Competitors**

The Company promotes the free-trade policy and fair competition under the legal regulation and business ethic and avoids unfair competition to defeat competitors. The practices regarding competitors are summarized as follows.

- Supporting free trade and do not force a partner to solely trade with the Company.
- Operating under the rules of the competition.

- No inquiring confidential information of the competitors by dishonest or inappropriate method.
- No destructing the reputation of competitors with malicious accusation.

### Policy and Treatment of Partners

The Company transparently and fairly selects our contractors (partners), and follows every contract strictly. As well as procuring the resources considering the best interests of the Company and get a return on the basis of suitable benefits for both parties. The practices regarding partners are summarized as follows.

- Treating partners fairly and equally on the basis of getting a return that is fair to both parties.
- There are selection Criteria, partner assessment and preparation of contract by mutual agreement.
- Considering the problems that arise with contractors to jointly solve problems regularly, such as typically the contract already includes the labor and the material cost. In the situation of material shortage, if the Company is in the better negotiating position, it will supply the materials to contractors to support each other and to maximize the benefits of the business between the Company and partners.

### Policy and Treatment of Creditors

The Company has a policy to give priority to all creditors with all conditions strictly. The Company manages loans to comply with the terms of the loan agreement and control the loan repayments and interest to be paid to all creditors in full by a specified time in order to ensure the financial performance and the ability to pay debts of the Company. The practices regarding creditors are summarized as follows.

- Comply with the contract or conditions with creditors strictly in terms of repayments and other conditions. If the Company cannot fulfill the obligations in the agreement, it will find solutions and prevent damage together.
- Manage to assure creditors to be confident of the financial performance and the ability to pay debts of the Company.
- Disclose the information to creditors completely, and not amend documents for your own benefit.

### Policy and Treatment of Government and Relevant Agency

The Company respects and follows the relevant laws and regulations strictly. We emphasize and understand the intention and objective of each of every related land and building Act e.g. Land Allocation Act, Condominium Act, Building Construction Control Act in order to advantage our customer, environment, community and society.



### Policy and Treatment of Human Rights

The Company gives a priority to human dignity and fundamental rights. The Company encourages management and employee to respect basic human rights to conform to Universal Declaration of Human Rights (UDHR) and carry on this principle to be part of daily operation.

- Comply with international human rights regulations strictly.
- Define regulatory measures to prevent the Company's business to be involved in human rights abuses.
- Not support activities that violate the international law and human rights.
- Provide an understanding of the international human rights for management and employees of the Company.

### Policy and Treatment of Intellectual Property and Copyrights

The Company honors the merit of intellectual property and copyrights, so that every computer or internet operation will have to conform to “Computer-Related Crime Act” B.E. 2550 (2007). The practices regarding Intellectual property and copyrights are summarized as follows.

- Return and copyrights of the work that has been assigned by the Company to set up, work for the Company or is learned from the Company is reserved for the Company.
- Perform tasks using computer software with a valid license. Installing and using computer software which license is not valid in the Company is strictly prohibited.
- Refrain from supporting or downloading the computer software which infringes the intellectual property and copyrights.
- Discourage employees to infringe the intellectual property or copyrights of other persons without their permission.

### Policy and Treatment of Community, Society and Environment

The Company realizes that although profit is the ultimate goal but it should not base on unfair or disturbance basis but responsible to community, society and environment by complying to policies, rules, and regulations.

Therefore, we develop our After Sales Service Department to maintain a pleasant environment and offer maintenance service to the customer even after the proprietorship is transferred. The practices regarding community, society and environment are summarized as follows.

- Encourage and communicate with the social to understand the operations of the Company and the community and Social responsibility without concealing facts that can be disclosed
- The Company created the new community namely “Noble ID” to bring a whole new experience and share a good thing to Noble ID members and also to non-Noble Development clients with no expense. The clients or those who are interested can now be informing about the activities of the "NOBLE ID" at [www.nobleid.com](http://www.nobleid.com)

- Giving the knowledge and awareness about social responsibility and environment to employees of the Company continuously (Details provided in Educating and training employees in environmental matters policy)
- Organize activities in order to give back to the community and society regularly. The activities must be really appropriate and profitable to the community and society

In 2018, the Board of Directors, management and together with company staffs successfully implemented number of Corporate Social Responsibility (CSR) projects to give back to the communities. For example,

- The company and all employees get to share, support and help Thai farmers. The employees will receive jasmine rice and brown jasmine rice of good quality every month from the farmers 500 kg. per month for one year.
- Ms. Adchara Suriyaprasit and Ms. Sugunya Kaeosawang as the company representative deliver material of aluminum amount 30,000 pieces to be used in making artificial leg to disabled for Prostheses Foundation of H.R.H the Princess Mother. In order to create a culture of sharing and save the world.
- The company donated to support “Plant a forest in your heart Project” according to the King. The donation of 50,000 baht to support conservation and planting of mangrove forest in Bangkok. Fulfill the royal thought or idea on conservation and development of mangrove forest in His Majesty King Bhumibol Adulyadej and promote to be an important eco-tourism attraction including the restoration of mangrove forest ecosystems and prevent coastal erosion in Bang Khun Thian area.

In addition, the Company had developed its business operation standard in the aspect of corporate social responsibility by preparing “Sustainability Report” in accordance with Global Reporting Initiative (GRI Standards) to ensure that such report comprehensively covers economic, social and environmental aspects in order to concretely and clearly support sustainable development and has established policies to be measures and support the operations of the Company which cover the following:

#### Educating and training employees in environmental matters policy

The Company has provided the knowledge and awareness of environmental conservation to the management and employees of the Company and has defined measures and practices within the organization to encourage employees to save resources and energy to demonstrate environmental responsibility, save energy by turn off electricity during the lunch break, and turn off air conditioner when not use. The Company tries its best effort and most possible way to reduce global warming. The Company has launched the campaign to motivate consciousness of management and employee in using available resource wisely. The allocation of resource must be effective and efficient for instance, the campaign for the use of recycled paper, starting simultaneously at the

Head Office and all projects, recycling the office paper, the repair and reuse computer appliance and office supplies.

#### Operating to meet the environmental standards policy

The Company commits to grow and develop with environmental responsibility. The Company emphasizes the implementation of defined environmental policies such as the provision of an assessment of the environmental risk, safety and health in all of the housing construction projects to prevent and reduce the potential impacts and prepare for emergency situations, the preparation of emergency protection plan including the potential impacts mitigation, The preparation of the guideline for management of sewage and waste materials and Monitoring and evaluating the environmental management system on a regular basis to improve and develop and accept complaints from within and outside the Company through [www.noblehome.com](http://www.noblehome.com)

#### Policies and guidelines of anti-corruption and anti-bribery

The Company has strong determination to pursue clean and transparent business and not to be affiliated with corruption in all forms. This included prohibiting executives and employees of the Company to corrupt and bribe for business. To prevent the risk of corruption, company has established policy and guideline of anti-corruption in the code of conduct of the Company and announced publicly through [www.noblehome.com](http://www.noblehome.com). The Company forbids all illegal activities, such as prohibiting employees from lending or soliciting money from customers or business partners, no bribing or giving other benefits to government officials, customers, partners, competitors, or other third parties in order to influence their actions that are contrary to law, no discrimination against customers, prohibiting executives and employees from having private transactions or activities related to the Company's business. The Board of Directors, management and employees at all levels are responsible for overseeing the Company's assets to maximize the benefits to the Company and not applying to their own benefits or other people and so on.

In order to encourage complying with the Company, the Company has provided training to employees by training about policies and guidelines of anti-corruption and bribery prohibition also, support on employee's training outside the organization which held by public and private organization to promote honesty and responsibility in their duties. Besides, the Company has set up a central agency which is responsible for monitoring and evaluation including sanctions for violations or non-compliance with such policies and guidelines.

The Company has set guidelines of internal control for various fields to achieve regulatory compliance and prevent the potential risk of fraud. The Internal Audit monitored and evaluated internal control of operations. In 2018, it was found that internal control was adequate, appropriate and effective and no significant issues or failures. Furthermore, in 2018, the internal audit also evaluated the risk of fraud and corruption. It was indicated that there is no risk of corruption affected on the Company business and no events that indicated corruption within and outside the Company.

#### Whistle-blower policy

The Company establishes a channel and procedure that all stakeholders can report or complain in case about an infringement of law or good governance and ethical misconduct which may cause damage to the Company including the complaint case about abuses, corruption through the Company's website at [www.noblehome.com](http://www.noblehome.com). The Company provides protection and relief and conceals information of the whistleblower or complainant and defendant. Only if necessary, it will be disclosed with consideration of safety and damage of the sources of information or related parties.

The Company provides protection, damage mitigation and contact information to stakeholders. The central agency is informed on matters that may cause damage to the Company before transmitting the report to the Audit Committee of the Company afterward.

The Company provides a channel for employees or whistleblowers to report in cases that they are treated unfairly by the actions of the Company or see the unlawful or unethical actions or employee was harassed, threatened and disciplinary sanctioned, such as suspended or expelled from the job or discriminated about the employment through the Company's website at [www.noblehome.com](http://www.noblehome.com) the Company establishes guidelines to protect employees or complainers by not disclosing the name or any information that could identify the complainant and the defendant and retain this information confidentially. Upon receiving the complaint, the Company has a process to deal with employee complaints by the central agency which is primarily responsible for the management of the complaints before transmitting the information to the Commission and management of the Company afterward. When the executives of the Company receive the complaint, it will be taken into consideration and investigation and resolved appropriately. And also follow up on the progress periodically. This central agency will report the results of investigation to the complainant accordingly.

In 2018, the Company was not in any violation of labor law, employment, consumers, competition and environment or prosecuted by the regulators because of not disclosing all data from major event within the given time frame.

#### **4. Information Disclosure and Transparency**

Other than disclosure according to criteria of the Stock Exchange of Thailand, the Company emphasizes on the importance of the correctness, transparency, up-to-date and accessibility of financial, project progress, and performance to shareholders, investors, and related parties through every SET's channel, mass media, and [www.noblehome.com](http://www.noblehome.com) both in Thai and English version. Moreover, the Company also distributes the information, project details and development, and real estate interested tips, shareholder structure, company structure, financial statement, invitation and minutes of the shareholder's meeting, investor relation information, and annual report which can be downloaded from the website. In addition, the Company distribute press release

to spread news, details of the Company's projects and useful hints about property development to investor, shareholder, and people.

To publicize the Company's information, news, and its performance to investors, shareholders, related people thoroughly and give opportunity to investors and analyst who has any inquiries about the Company, beside of domestic investors, the Company gives the opportunity to foreign investors to attend the meeting to be acknowledged the Company's information and progress.

The Company additionally provides investor relations division to be responsible for providing information impacting in the Company's stock price including other important information, in order to provide information and company performance report to investors, shareholders and related parties. The investors and interested person can contact us through

- The Company's website at [www.noblehome.com](http://www.noblehome.com) in Investor relation section or reach us via email : [ir@noblehome.com](mailto:ir@noblehome.com)
- Phone : 0-2251-9955 ext. 1402

Directors realize their great responsibility of financial statement disclosure. Financial statement must present with correction, consistency, and completion of financial status and performance and sufficient notes. The Company must employ appropriate accounting policy, exercise it regularly and has the audited financial statements and comply with generally accepted accounting principles and related rules and regulations. The Company's financial statement was audited by Pricewaterhouse ABAS, which is an auditor appointed by the Securities and Exchange Commission and The Stock Exchange of Thailand. The Company support information and documents to auditor for auditing and expressing its opinion in the auditor's report in the annual meeting already expressing unqualified. In 2018, the Company has submitted financial statements to the Securities and Exchange Commission and The Stock Exchange of Thailand on time and not be amended. Also, the Board of Directors is responsible for the accuracy of all material information in annual report. The Board of Directors has the duty to attend the meetings. There were 38 meetings held in 2018. (Please refer to "Management Structure" section)

The Company's board of directors has set up the audit committee who are independent directors to review accounting policy and quality of financial statement, internal control, and, risk management control. Please see in "The Audit Committee's Report" section.

#### **Report of the Company's security holding**

The Company has established policy in code of conduct that the directors and executives including spouse and minor children are notified of their duties and responsibilities in providing and disclosing their own and their related person of securities' holding to the Board of directors in the Board of Directors' meeting.

## Report on Interest of Directors and Executives

In compliance with section 89/14 of Securities and Exchange Act (No.4) B.E. 2551 (2008) and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re : Report on Interest of Directors, Executives and Related Persons which stipulates, set requirement that the directors and executives report to the Company on their own stake, or those of their related person's vested interest relating to the management of business of the Company or its subsidiaries. Such report shall constitute information to support the Company's operations according to the requirement regarding related party transaction, which are transactions that may cause conflict of interest and lead to the siphoning of interest of the Company and its subsidiaries. The directors and executives must also perform their duties with due care and honesty, and they shall make decision on the Company's matters without vested interest either directly or indirectly by filling in Form for Reporting on Stake of Directors and Executives as follows:

- First report: It should be done by the 15th of the following month from the on which there is transaction of stake.
- Report on changes of information on stake: It should be made without delay, that is, within 3 business days from the date on which the information has changed by specifying the orderly number of such change.

## Whistle Blowing

The Company adheres to Whistle-blower policy by providing a channel that staff and all stakeholders can help monitor. If there is any action that is against the good governance policy, unethical, against policy or unfollow the Company's rules and regulations, illegal or may cause damage. Staff and all stakeholders can report or complain against such actions to the Company in several way via

- The Company's website at [www.noblehome.com](http://www.noblehome.com) in Investor relation section: Whistle blowing and corruption issues topic or reach us via email : [ic@noblehome.com](mailto:ic@noblehome.com)
- Information Center  
Address : Noble development public company limited, Head office  
1035, Noble Building, Ploenchit Road, Lumpini  
Pathumwan, Bangkok 10330  
Phone : 0-2251-9955 ext. 1402  
Fax : 0-2251-9977

Upon receiving the complaint, the Company has a process to deal with employee or whistleblower without disclosure their name, address, information which can be identify the complainer, and keep a secret of data storage to ensure that the whistleblower and the complainer will not be effected from whistle blowing and complaining by the central agency which is primarily responsible

for the management of the complaints before transmitting the information to the Commission and management of the Company afterward. When the executives of the Company receive the complaint, it will be taken into consideration and investigation and resolved appropriately. And also follow up on the progress periodically. This central agency will report the results of investigation to the complainant accordingly.

## 5. Board of Directors' responsibilities:

### 5.1 Board of Directors' structure

Board of Directors consists of 9 directors, as of 31 December 2018,

- 4 executive directors
- 5 independent directors

All directors are characterized by reputable, experienced, knowledgeable, expertise and unbiased. They are not under management's authority, capable of investigation, able to balance other director's power and exercises independent objection. It is confident that operation of the Company is managed freely, clearly, and transparently. In order that, the Company has two Independent Director, who has work experience in relation to the Company's business.

To comply with the Corporate Governance by clearly separating the role, power, and responsibility for balancing business operation, the Board of Directors determines that the Chairman must not be the same person as Managing director. With 55% structure of independent director creates the appropriate transparent checking and monitoring.

In addition, the Board of Directors and the executives must not have been an employee or partner of the external audit company that have worked with the Company in the last 2 years.

#### 5.1.1 Term of board of directors

Under the Company's articles of association, in every annual shareholders meeting, at least one third of board of directors must resign. In the case that three cannot be divided evenly, the closet number is accepted. For the first and second year after the Company has set up and registered, the resigned directors are determined by randomly drawing, after that the directors who stay longest must resign. However, the resigned director can be re-elected, because the Company has confidence in the ability and expertise in the business of each director. The term of director is detailed in corporate governance.

When director's term has come to the end, the Company has the recruitment process for the Board of Directors in a transparent manner. The Nomination committee will choose candidates who will be the Board of Directors by considering qualification, knowledge, business specialized abilities and experience, regardless of gender including vision and ready to devote their time for the duties. Candidates are not prohibited by law and must not have been an employee or partner of the external audit company that have worked with the Company in the last 2 years. Then, present to the meeting of shareholders to elect directors under the rules and procedures of the Company. (Please see in Nomination of the Board of Directors and Remuneration section)

#### 5.1.2 Appointment of company's director in other company

According to the Company's articles of association noticeably, the Company's director is not allowed to be appointed in any board of directors or shareholder or partner of either the Company or the other kind of business entity, whose business activity is the same with the Company or can be a direct competitor with the Company except giving notice to the shareholders meeting prior to the appointment. The same rules apply to subsidiaries, to completely conform the good corporate governance concept set forth by Stock Exchange of Thailand,

In 2018, the number of directors and chief executive office appropriately took a position in subsidiaries or other companies and have no significant effect on company's operations. (Please refer to "Details of company's Directors, Executive Officers, Authorized Person, and company secretary" section)

#### 5.1.3 The corporate secretary

The Board of Directors had a resolution to appoint the corporate secretary who will manage the Shareholders' meeting and management's meeting and following up their resolutions as well as encourage and manage the directors to operate under the law and related rules and regulations.

Moreover, the corporate secretary duties include managing and storing the meeting's supplementary documents as follows: Director registration, Invitation letter for Board of Directors' meeting, minute of Board of Directors' meeting and company annual report, invitation letter for Shareholders' meeting, keeping the related-transaction and conflict of interest report submitted by directors and executives, and other duties as specified by SET and SEC. (Details provided in Management Structure)



## 5.2 Subcommittee

The Company appointed 5 subcommittees in order to follow up and control the Company's operation and report to the Board of Directors regularly. This is consisted of The Audit Committee, The Nomination committee, The Remuneration Committee, The Risk Management Committee, The Corporate Governance Committee.

### 5.2.1 The Audit Committee

The Company's Board of Directors has set up the Audit Committee with 2 years term, fully-experienced in internal control to assist the Company's corporate governance and professional in regulation and standards in financial statement reporting in order to achieve complete, adequate, and transparent financial report. The Chairman of the Audit Committee does the report in order to disclose in annual report and 56-1 report.

### 5.2.2 The Nomination Committee

The Company's Board of Directors has set up the Nomination Committee with 3 years term consisting of independent directors represent 80% and Chairman of Nomination Committee, which is independent directors, to consider the criteria and process to select the appropriate qualified person to be a director and executives. The Nomination Committee reports to the Board of Directors at least twice a year or when significant change arises.

### 5.2.3 The Remuneration Committee

The Company's Board of Directors has set up the Remuneration Committee with 3 years term consisting of independent directors represent 80% and Chairman of Remuneration Committee, which is independent directors to consider the criteria and form of remuneration paid to the directors. The Remuneration Committee reports to the Board of Directors at least twice a year or when significant change arises.

### 5.2.4 The Risk Management Committee

The Company's Board of Directors has set up the Risk Management Committee with 3 years term to analyze and examine risk factors, to lead company's path applying risk management strategy and implementing measures to control overall risks. The committee, then, needs to present its findings to the Board of Directors for an approval by taken into account that company policies are strictly followed and the outcome is the most effective. The Risk Committee reports to the Board of Directors at least once a year or whenever a significant change arises.

### 5.2.5 The Corporate Governance Committee

The Company's Board of Directors has set up the Corporate Governance Committee with 3 years term to analyze and draft out corporate governance policies along with corporate ethics, internal auditing and give advices to committee and managements in how to perform their duties according to corporate procedures with good corporate governance. The committee also needs to revisit corporate governance and ethics on a regular basis as well as follow up and evaluate actions of the Board of Directors to stay in line with company's good governance policies. Corporate Governance Committee reports to the Board of Directors at least once a year or whenever a significant change arises.

The elements of all subcommittee including scope of work, role and responsibility are aligned with policies specified by The Stock Exchange of Thailand.

## 5.3 Roles, duties, and responsibilities of Board of Directors

### 5.3.1 Leadership and Vision

Board of Directors has the knowledge, leadership, capability, and business experience. Board of Directors is determined to represent shareholders to set forth policies, vision, strategies, target, mission statement, business plan, budget, good governance, and monitoring management, under law, regulation, related rules, objectives, article of association, and the resolution of the shareholders' meeting. The segregation of Board and management allows maximum goodwill and best interest of the Company and shareholders as well.

In addition, the Board of Directors determines the vision and mission of the Company which is clearly written and disclosed in the Company's website. This will be a framework to determine the operating direction of the Company. It will have to reconsider the vision and mission of the Company every 5 years in order to comply with the changing conditions. In 2016, the Board of Directors had reviewed and approved the vision and mission in the Board of Directors in meeting no.1/2016 on February 24, 2016. Besides, the Board of Directors set the system to monitor and control management to keep the work process in the right direction as of vision and mission determined.

### 5.3.2 Corporate Governance and Code of Conduct

The Company operates under moral and ethical code of conduct to maintain a good standard of administration and operation with honestly and fairly to the Company itself and to every stakeholders. The Company clearly determined written Corporate Governance and code of conduct in the Company website at [www.noblehome.com](http://www.noblehome.com)

including the rights of shareholders, roles of stakeholder, information disclosure and Transparency, internal audit and risk management, transaction with relating persons, policy of conflict of interest, policy of anti-corruption and anti-bribery, policy of educating and training employees in environmental matters, company policy under environment standard, the whistle-blower policy including the protection of the employees and complainants, and operation with honestly and fairly under the laws and regulations to guideline and direct Board of Directors, management and employees to the same direction for the Company, all of stakeholders, public and society including follow up this policy continuously.

In order to comply with the Company policy, the Company's corporate governance policies are reviewed annually and guidelines for code of conduct are reviewed every two years or whenever a significant change arises. For the year 2018, Corporate Governance Committee has reviewed the corporate governance policies and code of conduct and reported the results of that reviews in the Board of Directors meeting No. 4/2018 on February 22, 2018 before implementing and letting employees know. The Company provides a guide of corporate governance policies and codes of conduct in both Thai and English to disseminate to the directors, management and employees to comply with the guide of codes of conduct of the Company and assigns the agency which is responsible for promoting the directors, management and employees at all levels to comply with corporate governance policy and codes of conduct understandingly.

The Company determines the codes for executives and employees to be the employees' guideline to work honestly, as well as penalty set up to prevent violation. The Company has training policy to increase employees' potential to work more effectively including follow up the consequence consistently.

### 5.3.3 Internal Control and Risk Management

The Board of Directors defines and assigns roles and responsibilities of the Board of Directors, Subcommittee, Executive Committee and Managing Director distinctly. The Board of Directors has the highest approval authority and also provides internal control and risk management as follows:

#### *Internal Control system*

The Company's Board of Directors insists on internal control and audit for effective internal control. The Company has set up an internal audit line to monitor and assess the internal control system in operation and financial transaction and duties together with independent control system, reciprocal check-and-balance power permit the ultimate interest to the organization. The internal control team reports

directly to Audit Committee. At present, Miss Narissara Pengsopa is taking care of the Company's internal Control. (Please refer to "Internal Control and Risk Management" section).

#### *Risk management*

In order that the risk management is appropriate and beneficial to the Company, the Board of Directors commits the Risk Management Committee to be responsible for setting the overall risk management policies which are as follows.

- The Company determines that risk management is the responsibility of the directors, management and employees to be aware of the risks in their own and company's operations by participating and paying more attention to risk management adequately and appropriately.
- Provide effective risk management processes at all stages of the operations to follow the corporate governance policy and integrate risk management and information technology management for better management to reduce the chance and impact of the risk, the uncertainty in the operations and increase the opportunity of success.
- Risk management measures affecting the Company must be handled systematically to reduce the risk to an acceptable level and to be consistent with the changing conditions. Measures that manage risk to an acceptable level must be approved by the Risk Management Committee prior to implement.
- Support risk management to be successful throughout the Company by using limited resources effectively to identify, evaluate and manage risks appropriately.

The Company's Board of Directors has a duty to promote the Company to set good internal control, proper risk management, and regulate the administration to be in line with internal control system and risk management policy as stated in the Risk Management Committee. The Company's Board of Directors assessed the internal control including risk management in the Board of Director meeting 4/2019 on February 28, 2019.

#### *Conflict of interest policy*

To prevent and avoid conflict of interest, the Company has strict corporate policy. The policy and guideline are clearly specified in the corporate governance policies and business ethics of the Company. The Company does not allow directors and management including spouses and minor children to use inside and undisclosed information for their own interest. The directors and executives are required to submit the report regarding any security holding and change on their security holding on the same day as submit to Securities and Exchange Commission and inform the

report of security holding in the Broad of Directors meeting once a year including the report of change in security holding every time any change occurs. (Details provided in “Monitoring the utilization of internal information”)

#### 5.4 Board of Directors’ meeting

On the regular but appropriately and necessity basis, the Company organizes Board of Directors’ meeting at least once in every three months in which the agenda generally involves the operating results presided by Chairman and meetings are organized in appropriate time to discuss important matter carefully.

There are 2 categories of meeting

As for the meeting of Subcommittee: involves agenda of normal daily operation that do not affect the Company’s policy for instance, water meter request, home address acquiring, and bank account opening/closing. Five directors have been assigned from Board of Directors to attend subcommittee meeting namely, Mr.Kitti Thanakitamnuy, Mr.Frank Fung Kuen Leung, Mrs. Thidhapan Taweessri, Mr. Surachet Suboonson and Mr. Theeraphon Voranithiphong. The minutes of the subcommittee meeting is proposed to the Board of Directors for consideration. (Please see the attendance of Subcommittee in Management Structure)

As for the meeting of Board of Directors: involves agenda of company policy, investment, financial statement, corporate governance. At least 7 days prior to every meeting, the directors will receive the materials consisted of the meeting agenda and relevant information. Chairman and directors are free to propose matters to be included as the agenda for the meeting. Each director is required to attend every board meeting, unless the proper excuse, and freely to raise and screen the agenda. Directors preserve the rights to obtain more relevant information, if needed.

In every meeting, the Chairman shall allocate considerably enough time for deliberate discussion and allow the executive management who involves in any given agenda to attend. The minutes will be recorded in detail and retained for the Board of Directors and related person to be later inspected. In 2018, each director attended not less than 80% of the entire meetings of the Board of Directors in all year. (Please see the attendance of Board of Directors in Management Structure)

Other than 2 meetings above, the Company insists on every subcommittee’s meeting for management to be efficiently.

The Audit Committee meeting was attended by non-management directors and non-management members. The Audit Committee held at least 4 meetings a year with External Auditors and occasionally extra meeting on a proper time basis. The meeting does not limited to reviewing the Financial Statements but also being acknowledged the internal

audit and suggestion from external auditor for more efficient management. In 2018, the Audit Committee had 5 meetings with the external auditors and internal audit department.

As for the meeting of the Nomination Committee, The board of directors has set forth the nomination committee to have a meeting at least twice a year or base on necessary and emergency basis. In every meeting, the usual agenda including, qualification of director, nomination procedure, and consider individual who fits the criteria. The result will be sent to the board of directors and therefore shareholder meeting for final decision.

As for the meeting of the Remuneration Committee, the Board of Directors specifies the Remuneration Committee to conduct the meeting at least twice a year and at times when there is an urgent need. In each of the meeting, not only considering the criteria and form of remuneration paid to the directors, but the committee also needs to consider the amount of remuneration to be paid to the directors to align with the regulations. Then, the committee is to present the amount of remuneration to be paid to the Board of Directors for an approval. As for the amount of remuneration to be paid to the committee, the Board of Directors is to further present that to the shareholders for consideration and approval.

As for the meeting of the Risk Management Committee, the Board of Directors specifies the Risk Management Committee to conduct the meeting at least once a year and at times when there is an urgent need. In each of the meeting, not only performing analysis on significant risk factors as well as applying risk management strategy, but the committee also needs to consider reviewing policy currently in place and its effectiveness.

As for the meeting of the Corporate Governance Committee, the Board of Directors specifies the Corporate Governance Committee to conduct the meeting at least once a year and at times when there is an urgent need. In each of the meeting, not only reviewing corporate governance policies along with corporate ethics in order to synchronize with international standards in terms of legal and related procedures, but the committee also need to follow up and evaluate actions of the Board of Directors to stay in line with company's good governance policies.

Before each of the subcommittee meeting, the Company is to issue out a formal invitation, meeting agenda along with other supplementary documents to all subcommittee at least seven days in advance before the day of the meeting. Moreover, the Company is to put together minutes of each meeting in written format to sum up and later present to the Board of Directors.

Additionally, the Company encourages meetings among non-management committee to freely express and discuss any topic of interests without the presence of management; feedback of the meeting could be useful and beneficial to further improve the Company's management.

## 5.5 Self-Assessment

The Board of Directors conducts the test annually as follow:

### Board Self-Assessment

Board of Directors set up every director to evaluate the Board of Directors performance in the evaluation procedure, using the self-assessment form based on Board Self-Assessment, which are set up into 2 types in order to:

- (1) Self-Assessment of the entire Board of Directors form.
- (2) Self-Assessment of the individual director form.

The criteria of evaluation are the percentage of full score in each topic as follows:

More than	85%	=	Excellent
More than	75%	=	Very good
More than	65%	=	Good
More than	50%	=	Average
Lower than	50%	=	Poor

The Company secretary conclude the result of the assessment of the entire Board of Directors and the individual director and report to the Board of Directors to be informed in the next company's board meeting.

This assessment is consistent with a self-evaluation of the Board of Directors specified by the Stock Exchange of Thailand on February, 2015. This assessment will help each director and the Board of Directors to review works and obstacles during the past year and also help monitor and analysis to prove that the work of the Board of Directors is whether effective and perform all the duties of directors or not. To increase the effectiveness of the Board of Directors, the Board of Directors did the assessment test for evaluate the entire Board of Directors and the individual director in the Board of Director meeting 4/2019 on February 28, 2019 and received a score of 97.50%. Assessment and Evaluation results in categories are in the table below:

Assessment	Result (%)
1. Structure and properties of the Board of Directors	92.31
2. Role, duty, and responsibility of the Board of Directors	98.75
3. The meeting of the Board of Directors	100.00
4. The Duty of Directors	100.00
5. Relationship with the management	100.00
6. Self-development and development of management	95.83

### Self-Assessment accordingly to the topic of Good Corporate Governance

The Board of Directors held the self-assessment accordingly to the topic of Good Corporate Governance. The Corporate Governance Committee annually reviews the Self-Assessment annually to be appropriate and comply with international standards laws, rules and regulations corresponding to the change of circumstance and presents to the Board of Directors in meeting no. 4/2019 on February 28, 2019 and received a score of 93.76%. Assessment and Evaluation results in categories are in the table below:

Assessment	Result (%)
1. Rights and Equalities of Shareholders	99.53
2. Roles of the Stakeholders	96.59
3. Information Disclosure and Transparency	97.79
4. Responsibility of the Board of Directors	88.69

### Assessment of performance of Audit Committee

Assessment of performance of Audit Committee. The assessment consists of 2 evaluation topics which are:

- The overall performance of Audit Committee
- The Specific performance of Audit Committee

For 2018, the Company held the performance assessment in the Board of Directors in meeting no. 4/2019 on February 28, 2019, average score of Audit Committee received a score of 100% ranking Excellent.

### Self-Assessment of Subcommittees

The Board of Directors held the performance assessment test of 4 subcommittees including Nomination Committee, Remuneration Committee, Risk Management Committee and Corporate Governance Committee in order to help monitor and order working process to increase the effectiveness of the work. There are 3 criteria for assessment as follows:

- Structure and properties of the Board of Directors
- The meeting of the Board of Directors
- Role, duty, and responsibility of the Board of Directors

This assessment is consistent with a self-evaluation of the Board of Directors specified by the Stock Exchange of Thailand on February, 2015. This assessment will help each director of subcommittee and subcommittees to review works and obstacles during the past year and also help monitor and analysis to prove that the work of the Board of Directors is whether effective and perform all the duties of directors or not.



For 2018, the Company held the self-assessment of subcommittees in the Board of Directors in meeting no. 4/2019 on February 28, 2019, average score of each subcommittee are in percentage as follows:

- Nomination Committee scored 97.50% and ranked in Excellent level
- Remuneration Committee scored 96.43% and ranked in Excellent level
- Risk Management Committee scored 98.61% and ranked in Excellent level
- Corporate Governance Committee scored 96.05% and ranked in Excellent level

#### Performance Assessment of Chief Executive Officer

Board of Directors has set up performance assessment of Chief Executive Officer, whereas the assessment criteria is determined by The Remuneration Committee. The assessment consists of 10 evaluation topics which are:

- Leadership
- Strategic planning
- Implementation
- Business planning and company's financial result
- Relationship with the Board of Director
- Relationship with external
- Management and relationships with employees
- Succession planning
- Knowledge in product and service
- Personal attribute

On February 28, 2019, the Board of Directors' meeting no. 4/2019, the Board of Directors has set up performance assessment of Chief Executive Officer for the year 2018 which received 99.07% ranking excellent.

## **5.6 Remunerations**

The Company has clearly determined the policy controlling remuneration of directors which was approved at the shareholders' meeting. The Directors will received remuneration annually. Remunerations for the Board of Directors in 2018 are detailed in the "Remuneration for the year 2018" section.

The Board of Directors appointed the Remuneration committee to consider the criteria and form of remuneration paid to the directors before presenting to the Board of Director. The remunerations depend on the Company's operating results and their individual performances and comparing to the equivalent industry. The objective is to motivate and create a competitive strength, which is detailed in the "Remuneration for the year 2018" section.

## 5.7 Directors and management training

The Company arranges the meeting between Directors and each project executives to share vision and opinion that leads to a good coherence, business direction, policy, and strategy afterward. Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All the Company's directors have passed the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD) which is detailed in "Board of Directors, Audit Committee and Executive Officers" section. Besides, Board of Directors emphasis in enhancing knowledge development of directors by encouraging at least 1 director to attend Director Certification Program (DCP) or related training continuously to enhance operation knowledge, the being professional executives and Corporate Governance development, leading to the Company's sustainable success.

### 5.7.1 Directors' orientation

Whenever the new director is appointed, the corporate secretary will provide the document indicating roles, duties, and responsibilities of the Company's director.

The Company arranges an orientation program for the new director regarding its business and other related topics including:

- Vision and goal
- Management structure
- Operating and activity
- Roles, duties and responsibility of director
- Corporate governance
- Personal profile of directors and executives
- Director compensation and qualification

### 5.7.2 Succession planning

To prepare for the retirement of senior management and in order to avoid disruption in operation, the Company plans and works on in each area for instance, new project development, marketing, and sales. Each working group consists of top management and top line managers to determine working plans and coordinate together. For instance, the working group of new investment project, whose job includes acquiring a new land, consists of Deputy Chief Executive Officer, Managing Director, Chief Financial Officer, Executive Vice President and other executive in that department. The Company believes that this method can be a tool to develop the potential of junior management as well as to empower responsibility of senior management. The encouragement

of participation from top to bottom will enhance the transfer of skill and experience step by step and also obligation and responsibility at the same time.

## 5.8 Law, regulation, and rule

The Company communicates to its directors, executives and employees to strictly follow law, regulation and rule of the Company, and also monitor regularly. In 2018, the Company was not incompatible with the law and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. And the Company has no criminal case for fraud or offenses against morality/ethics of the Company including none of non-executive directors is resigned due to the issues of corporate governance policy of the Company.

## 2. Subcommittees

The Company has 5 subcommittees detail as follows.

### The Audit Committee's and scope of duties

As of December 31, 2018, the Company has the Audit Committee as follows.

1.	Mrs. Boonperm	Jiamtiranat	The Chairman of the Audit Committee
2.	Mr. Narong	Taychachaiwong	Member of the Audit Committee
3.	Mr. Surachet	Suboonson	Member of the Audit Committee
4.	Assoc. Prof. Dr. Somchai	Supattarakul	Member of the Audit Committee

**The Audit Committee's Secretary:** Mrs. Angkana Intravichien

The Audit Committee is consisted of 3 members of the Audit Committee who have adequate knowledge and experiences to review creditability of the financial reports, who are Mrs. Boonperm Jiamtiranat as The Chairman of the Audit Committee, Mr. Surachet Suboonson as a member of the Audit Committee and Assoc. Prof. Dr. Somchai Supattarakul as a member of the Audit Committee. The Company indicates the committee background qualifications in the certificate and biography of the audit committee which already been submitted for SET.

### Qualification of the Audit Committee

- (1) Appointed by the Board of Directors or shareholders.
- (2) Everybody must be independent director.
- (3) They are not director who is assigned by the Board of Directors to make decision for operation of Company, parent company, subsidiary company, associate company, the same level subsidiary company, or conflicting juristic person.
- (4) They are not director of Company, parent company, subsidiary company and the same level subsidiary company.
- (5) They have duty as per specified by the Stock Exchange of Thailand.

The Audit Committee of the Company is independent director who is not executive director of the Company. Therefore, there is no conflict of interest whether directly or indirectly including not participating in the administration. Thus, the Audit Committee can perform duty and comment freely.

**The Audit Committee's scope of duties and responsibilities:**

- (1) To review the company's financial reporting process to ensure that it is accurate and adequate
- (2) To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit
- (3) To review the Company's compliance with the law on securities and exchange, the Stock Exchange's regulations, and the laws relating to the Company's business
- (4) To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
- (5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company
- (6) To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and to ensure that they are in compliance with the Stock Exchange's regulations
- (7) To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee

The Audit Committee shall hold office for a term of 2 years.

In 2018, the Company had a total of 5 meetings of the Audit Committee. The details of attendance are as follows.

			Number of attendance
1.	Mrs. Boonperm	Jiamtiranat	5
2.	Mr. Narong	Taychachaiwong	4
3.	Mr. Surachet	Suboonson	4
4.	Assoc. Prof. Dr. Somchai	Supattarakul	5

\* There are the meetings of the Audit Committee at least a meeting per quarter and special meeting properly. The meeting of the Audit Committee will join with the external auditors to verify the financial statements in each quarter. At the meeting of the Audit Committee in each year, it will be the meeting about the performance of internal audit and inform the Audit Committee about internal audit results.

## The Nomination Committee's and scope of duties

As of December 31, 2018, the Company has the Nomination Committee as follows:

1.	Mr. Narong	Taychachaiwong	The Chairman of the Nomination Committee
2.	Mrs. Boonperm	Jiamtiranat	Member of the Nomination Committee
3.	Mr. Surachet	Suboonson	Member of the Nomination Committee
4.	Assoc. Prof. Dr. Somchai	Supattarakul	Member of the Nomination Committee
5.	Mr. Sitti	Leelakasamelerk	Member of the Nomination Committee

The persons holding the position of the Nomination Committee of the Company are four independent directors and the Chairman of the Nomination Committee is independent director. Thus, the Nomination Committee can perform duty and comment freely.

### The Nomination Committee's scope of duties and responsibilities:

- (1) To consider the structure and member of the Board of Directors that are suitable to the size, category and business complication, qualifications of each director regarding the skills, experiences, special ability relating to the business or industry operated by the Company.
- (2) To set the qualification requirements of directorial candidates in accordance with the balance of knowledge, experience and expertise, to consider independent directors, and devoting the time to board duties
- (3) To determine the selection process for candidates that best suites the Company's unique characters. For example, the committee may proposed the current directors be reappointed, or inquire the directors to nominate suitable candidates
- (4) To select persons whose qualifications best meet the criteria prescribed by laws and regulations to the board and the board then considers the selected candidates in the notice of the shareholders' approval
- (5) To supervise the Company to organize the orientation of the new directors and distribute document or information beneficial to the directors' duty performance as well as to prepare the knowledge development plan of the directors continuously.
- (6) To make plan to succeeded the job of the directors, CEO and high raking executives who have been retired or cannot perform their duties in order to make the Company's business to be continuously operated and review such plan annually.
- (7) Other assignment as per the Board of Directors assigned

The Nomination Committee shall hold office for a term of 3 years.

In 2018, the Company had a total of 2 meetings of the Nomination Committee. The details of attendance are as follows.

			Number of attendance
1.	Mr. Narong	Taychachaiwong	2
2.	Mrs. Boonperm	Jiamtiranat	2
3.	Mr. Surachet	Suboonson	2
4.	Assoc. Prof. Dr. Somchai	Supattarakul	2
5.	Mr. Sitti	Leelakasamelek	2

### The Remuneration Committee's and scope of duties

As of December 31, 2018, the Company has the Remuneration Committee as follows:

1.	Mr. Surachet	Suboonson	The Chairman of the Remuneration Committee
2.	Mrs. Boonperm	Jiamtiranat	Member of the Remuneration Committee
3.	Mr. Narong	Taychachaiwong	Member of the Remuneration Committee
4.	Assoc. Prof. Dr. Somchai	Supattarakul	Member of the Remuneration Committee
5.	Mr. Sitti	Leelakasamelek	Member of the Remuneration Committee

The persons holding the position of the Remuneration Committee of the Company are four independent directors and the Chairman of the Remuneration Committee is independent director. Thus, the Remuneration Committee can perform duty and comment freely.

### The Remuneration Committee's scope of duties and responsibilities:

- (1) Consider the forms of and criteria for the remuneration of directors. To construct an appropriate and fair remuneration package, the Committee should go through the following steps:
  - Review the forms and criteria of the existing remuneration package by referring to other remuneration packages of other companies in the same industry
  - Review each form of remuneration packages by considering the appropriate amount and proportion of each form. For instance, the remuneration may take in to account from performance and size of the Company, including knowledge, capabilities and experience required from directors and Chief Executive Officer. The Remuneration to the Directors should be appropriated and sufficient enough that encourages the directors to limit the number of directorship in other companies, so that directors will have sufficient time to attend board meetings and perform their duties effectively
- (2) Establish the criteria for evaluating the performance of Chief Executive Officer and propose those criteria to the Board of Directors for approval
- (3) Determine the annual remuneration packages of Directors in accordance with established criteria. For the Director's remuneration, the Board of Directors must propose to the Shareholder's meeting for considering and approval

- (4) If the Company wishes to reward its directors and employees with ESOP, the committee should consider and determine how the term and conditions of the program will encourage directors and employees to devote themselves to create long-term value for shareholders and retain high quality personnel. However, the committee should ensure that directors and employees are not overpaid and the scheme is fair to shareholders
- (5) Other assignment as per the Board of Directors assigned

The Remuneration Committee shall hold office for a term of 3 years.

In 2018, the Company had a total of 2 meetings of the Remuneration Committee. The details of attendance are as follows.

			Number of attendance
1.	Mr. Surachet	Suboonson	2
2.	Mrs. Boonperm	Jamtiranat	2
3.	Mr. Narong	Taychachaiwong	2
4.	Assoc. Prof. Dr. Somchai	Supattarakul	2
5.	Mr. Sitti	Leelakasamelek	2

#### The Risk Management Committee's and scope of duties

As of December 31, 2018, the Company has the Risk Management Committee as follows:

- |    |                          |                |   |
|----|--------------------------|----------------|---|
| 1. | Assoc. Prof. Dr. Somchai | Supattarakul   | The Chairman of the Risk Management Committee |
| 2. | Mr. Narong               | Taychachaiwong | Member of the Risk Management Committee       |
| 3. | Mrs. Thidhapan           | Taweessri*     | Member of the Risk Management Committee       |

\*To hold the position of the Risk Management Committee in place of Miss Vasana Thieansirisak on November 12, 2018.

The persons holding the position of the Risk Management Committee of the Company are two independent directors and the Chairman of the Risk Management Committee is independent director. Thus, the Risk Management Committee can perform duty and comment freely.

#### The Risk Management Committee's scope of duties and responsibilities:

- (1) Determine the overall risk management policy of the Company for the Board of Directors approval
- (2) Determine guidelines and strategies of the risk management in consistency with risk management policy to maintain acceptable risk levels
- (3) Analyze and monitor Key Risk factors, both external and internal including finance risks, operating risks, investment risks, business risks and external situation risks
- (4) To follow the risk management consistently, for example, to designate the Management in preparing for the risk management report and present it to the Risk Management Committee regularly
- (5) Ensure the risk management policy to be fully communicated and acknowledged in the organization

- (6) To supervise and give support to the sufficiency verification and review of the overall risk management policy of the organization regularly for at least every year to assure that such risk management policy is in compliance with and suitable for the conditions of overall business operation as well as to provide the effectiveness assessment of the policy compliances as stipulated
- (7) Support and enhance the risk management in consistency of the universal standard
- (8) Other assignment as per the Board of Directors assigned

The Risk management Committee shall hold office for a term of 3 years.

In 2018, the Company had a meeting of the Risk Management Committee. The details of attendance are as follows.

			Number of attendance
1.	Assoc. Prof. Dr. Somchai	Supattarakul	1
2.	Mr. Narong	Taychachaiwong	1
3.	Mrs. Thidhapan	Taweessri*	0**

\* To hold the position of the Risk Management Committee in place of Miss Vasana Thieansirisak on November 12, 2018.

\*\*Number of attendance is zero because she as member of the Risk Management Committee on November 12, 2018, which is the date after the meeting.

### The Corporate Governance committee's and scope of duties

As of December 31, 2018, the Company has the Corporate Governance Committee as follows:

- |    |                |             |  |
|----|----------------|-------------|--|
| 1. | Mrs.Boonperm   | Jiamtiranat | The Chairman of the Corporate Governance Committee |
| 2. | Mr. Surachet   | Suboonson   | Member of the Corporate Governance Committee       |
| 3. | Mrs. Thidhapan | Taweessri*  | Member of the Corporate Governance Committee       |

\* To hold the position of the Corporate Governance Committee in place of Miss Vasana Thieansirisak on November 12, 2018.

The persons holding the position of the Corporate Governance Committee of the Company are two independent directors and the Chairman of the Corporate Governance Committee is independent director. Thus, the Corporate Governance Committee can perform duty and comment freely.

### The Corporate Governance Committee's scope of duties and responsibilities:

- (1) Study and formulate the Corporate Governance Policy and the Code of Conduct within the law and regulations of up to date regulatory agencies, i.e. Securities and Exchange Commission Thailand as well as guidelines for good corporate governance consistent with the universal standards
- (2) Advise the Board of Directors and directors to practice appropriately and continuously in compliance with Corporate Governance Policy as expectation of shareholders and stakeholders
- (3) Review the Corporate Governance Policy and the Code of Conduct regularly to comply with universal standards as well as laws, regulations and recommends of internal corporate governance



- (4) Encourage the public announcement of the good Corporate Governance and participate the environmental and social responsibility
- (5) Follow up and evaluate the practice of the Board of Directors and directors in compliance with the Corporate Governance Policy yearly
- (6) Arrange the yearly evaluation report of Corporate Governance Policy as clause 5 and propose to the board of directors as well as give recommends as deemed appropriate
- (7) Other assignment as per the Board of Directors assigned

The Corporate Governance Committee shall hold office for a term of 3 years.

In 2018, the Company had a total of 2 meetings of the Corporate Governance Committee. The details of attendance are as follows.

			Number of attendance
1.	Mrs. Boonperm	Jiamtiranat	2
2.	Mr. Surachet	Suboonson	2
3.	Mrs. Thidhaphen	Taweesri*	1

\* To hold the position of the Corporate Governance Committee in place of Miss Vasana Thieansirisak on November 12, 2018.

### 3. Nomination of the Board of Directors and Remuneration

Independent Director means a person who is fully qualified and independent as requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission. These are as follows.

- holding shares not exceeding one per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.
- neither being nor used to be an executive director, employee, staff, advisor who receive salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office.
- not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company.
- neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person,

unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.

The term ‘business relationship’ under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of three% or more of the net tangible assets of the Company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

- neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.
- neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.
- not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.
- not undertaking any business in the same nature and in competition to the business of the company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the company or its subsidiary company.
- not having any other characteristics which cause the inability to express independent opinions with regard to the Company’s business operations.

#### **Nomination of the Board of Directors**

The nomination of the Board of Directors will be approved by the shareholder’s meeting. The Nomination Committee will consider and determine the qualifications of directorial candidates that best suits with

the Company and propose the candidates to the Company's directors. The Company's directors will propose the candidates in the Shareholders' meeting for elect the Board of Directors via the following manners:

- (1) In every Annual General Shareholder's meeting, one-third of the total number of directors will complete their term, if number of directors is not divisible by one-third, the closest number is acceptable. A drawing process is used to determine who will end their term in the first and second year after the registration of the Company. For the following year, directors who have served the longest period will resign. The resigning directors could be selected again and could therefore return to their positions as the director.
- (2) In other case of clause 1, whenever there is a vacancy for the position of director, the resolution of the Board of Directors not less than three-fourths of the remaining directors can select a person who meets all the relevant qualifications and who abides by the public limited company regulations as a replacement director in the next Board of Directors' meeting, except in case when the remaining term of service is less than two month, a replacement director's term is limited to the remaining term of the director he is replacing.
- (3) The shareholders' meeting will elect the Board of Directors via the following manners:
  - (3.1) Each shareholder shall have a number of votes equal to the number of shares held.
  - (3.2) Each shareholder shall use his entire vote as prescribed in previous clause to nominate one, or several persons as director but the shareholder cannot allot his votes to any person in any number.
  - (3.3) The candidates with the highest vote, ranked in descending order shall be appointed as directors until all of the director positions are filled. In case of a tie vote, the Chairman of the meeting shall have an additional casting vote.

Regard of the Company's articles of association, the shareholders' meeting may pass a resolution removing any of directors prior to the expiration of the director's term office, by the vote of not less than three quarters of the number of shareholders attending the meeting, having the right to vote with the share held in total not less than half of the total shares held by the shareholders attending the meeting and having the right to vote.

To comply with good corporate governance practice and to portray equitable and fairness treatment of all shareholders, the Company provides the opportunity for all shareholders to propose candidate to be nominated as the director prior to the Annual General Shareholders' Meeting. To consider, scrutinize, and select the qualified candidate to be nominated as the director and able to perform duty effectively for the Company's maximum benefit, the Company specified details and criteria announced on company's website [www.noblehome.com](http://www.noblehome.com)

### Criteria and qualification of the candidate of the Board of Directors

The Nomination Committee determines the qualifications of directorial candidates to ensure the transparency and adhere to the good corporate governance policy. The criteria for consideration are as follows.

- (1) Considering the appropriateness of knowledge, ability, experience in administration and personality of the candidate of the Board of Director in various fields which are as follows.
  - Integrity and Accountability
  - Informed Judgement
  - The maturity and stability. Being a good listener and courageous to comment differently and independently.
  - Adhering to the principles and standards like a professional
- (2) Considering the specific knowledge and expertise that is required for the Board of Director. So the Board of Director can determine the strategy, policy and regulate to comply with strategies effectively, such as knowledge of the Company's business (Industry Knowledge), strategy and vision (Strategic Planning), risk management, and knowledge of Accounting and Finance (Accounting and Finance) and so on.
- (3) Considering the independence of each director to determine whether the independent director is eligible to be an independent director or not.
- (4) Considering the readiness to fully devote time to duty as the Director of the Company.

In addition, the person who has been nominated to be elected as directors must be qualified and not disqualified as follows.

- Qualified and not prohibited by a public limited company Law, Securities and Exchange law, other related laws and the Company's good corporate governance policy
- No directors shall operate any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a partner with unlimited liability in a limited partnership or become a director of a private company or a public limited company which has the same nature as and is in competition with the business of the Company, either for his or her own benefit or for the benefit of other persons, unless he notifies such to the shareholders meeting prior to the resolution for his or her appointment.

## 4. Monitoring the business operations of subsidiaries and associated companies

The Company is responsible for the supervision and control of the administration of various subsidiaries and associated companies under proportion of company's shares in each company. The Company sent a representative and a director of the Company to be a director of subsidiaries and associated companies to manage and control the operations of the subsidiaries and associated companies. They are responsible for making policy and managing major business operations including appropriate arranging the transaction, the acquisition or disposition of significant assets.

## 5. Monitoring the utilization of internal information

The Company set the policy to avoid the abuse of the Company's internal information for personal benefit including engaging in any transaction of the Company shares within one month before the financial statements are disclosed to the public, that may affect the securities' trading prices, as follows

- The Company prohibits directors and executives including their spouses and dependents from abusing the unpublicized internal information for their personal benefits,
- The Board of Directors and executives have the duty to submit the report on any changed regarding their securities holding to the Company, SET and SEC. The Company also informed its executives of their duties and obligations in preparing such report and disclosure of securities holding, including the stipulations on penalties in Article 275 of the Securities and Exchange Act B.E.2535 (A.D.1992), which are maximum THB 500,000 fine and maximum THB 10,000 fine per day until the report in question has been filed. They must as well report same matter to the Company in the same day.
- The executives will be punished if they use the internal information for their personal benefits.
- According to Article 59 of the Securities and Exchange Act B.E.2535 (A.D.1992), the executives must report any change regarding their securities holding, SET and SEC. They must as well report same matter to the Company in the same day.

The Company has established a policy in business ethics by prohibiting directors and executives of the Company to use inside information for personal benefit including for securities trading especially within a month before the financial statements are published to the public. In addition, the regulations of the Company determine that "Informing the business of the Company or technic including financial and marketing information and others to any third party without permission from an authorized personnel of the Company is strictly prohibited" the Company has disclosed this regulations to the Board of Directors, management and employees are aware of and follow strictly. If there is an infringement or fail to comply with the Company, it is considered a serious offense and it is imposed sanctions.

In 2018, the directors and executive officers precisely followed the trading rules of the Stock Exchange and the Company is not complained about the infringement rights of the shareholders or the offense of directors and management about the insider trading of the Company's securities. This demonstrates the performance of the Company in taking care of this matter.

## 6. Remunerations for External Auditor Audit Fee

### 6.1 Audit Fee

In 2018, the Company and its subsidiaries paid the audit fee totaling Baht 3,600,000 and out of pocket expenses totaling Baht 58,930 to the Company's external auditor, PricewaterhouseCoopers ABAS Ltd.

## 6.2 Non-Audit Fee

In 2018, the Company and its subsidiaries have a commitment to pay for the uncompleted services, which are legal and tax matters service fee, to PricewaterhouseCoopers ABAS Ltd., totaling Baht 40,000.

## 7. Applying with the principle of the good corporate governance for the company registered in 2017

In 2018 the Corporate Governance Committee had considered the principle of the good corporate governance for the company registered in 2017 (Corporate Governance Code: “CG Code”) issued by the Securities and Exchange Commission, Thailand (SEC), that most practice principles have been applied for use by the Company and presented them to the Board of Directors to know about the practical guidelines according to such principle in the Board of Director’s meeting No. 4/2019 on February 28, 2019. However, the Board of Directors has considered and reviewed the principle of practice as in CG Code to be applied for use as appropriated in accordance with the Company’s business context and also reviewed and improved the good governance policy to be in compliance with CG Code just in time for the development of the good governance that seemed to be changed quickly.

## 8. Compliance with good corporate governance policy in other matters

The Company has adopted a good governance policy base on Corporate Governance Principles 2012: “CG Principles” of the stock exchange of Thailand that emphasized on the transparency of business operations to gain the confidence of shareholders, investors and stakeholders. The principles are as follows:

- Treats Shareholders and stakeholders equally and fairly.
- The Board of Directors dedicates to perform duties with deliberateness and transparency to maximize the benefits of the organization, shareholders, investors and stakeholders.
- Assigns a code of conduct to guide the operations of the Board of Directors, management and employees in accordance with good corporate governance policy.

# CORPORATE SOCIAL RESPONSIBILITIES

Noble Development Public Company Limited puts emphasis on doing real estate development business in conjunction with the principles of social and environmental responsibility to build a sustainable society. The Board of Directors integrates the social and environmental policies into corporate governance policies and business ethics and announces to the public. This includes the monitoring of compliance with such policies strictly.

## Responsibility to society

Being the Company of Thailand, the Company realizes that even if profit seeking is a business goal, the Company makes profits truly based on fair, noninterference and responsibility to society. The Company provides social policies to be a framework for social work as follows.

1. Support and encourage the management and employees at all levels to have a responsibility to society by strictly adhering to the policies and regulations of social care.
2. Understand and communicate with society about the operation of the Company, community and social responsibilities without concealing facts that can be disclosed.
3. Maintain a good living environment for every project by setting up the unit to be responsible for managing this issue.
4. Create valuable activities in regular basis to return a goodwill back to people and society.
5. Encourage the management and employees at all levels to aware of community and social responsibilities in regular basis.
6. The Company integrity is the main priority without taking an advantage of people and society, the Company provides the effective system or channel for people to comment or file their complain regarding quality of product and service, or any kind of unlawfully action through the Company's website: [www.noblehome.com](http://www.noblehome.com)

In addition, the Company is also carrying out the following social responsible activities

- The Company has created the new community namely "Noble ID" to bring a whole new experience and share a good thing to Noble ID member. This offer is not limited to Noble Development client, general public can participate this fun activities without any fee. One can follow up through the website: [www.nobleid.com](http://www.nobleid.com).
- The Company supports and encourages management and employee of the Company to create the activities to improve society and environment regularly. One who interested in participation can follow up through the website: [www.noblehome.com](http://www.noblehome.com).
- The Company had continuously supported and encouraged social responsible activities as follows:

- The company and all employees get to share, support and help Thai farmers. The employees will receive jasmine rice and brown jasmine rice of good quality every month from the farmers 500 kg. per month for one year.
- Ms. Adchara Suriyaprasit and Ms. Sugunya Kaeosawang as the company representative deliver material of aluminum amount 30,000 pieces to be used in making artificial leg to disabled for Prostheses Foundation of H.R.H the Princess Mother. In order to create a culture of sharing and save the world.
- The company donated to support project of “Afforest at heart” according to the King. The donation of 50,000 baht to support conservation and planting of mangrove forest in Bangkok. Fulfill the royal thought or idea on conservation and development of mangrove forest in His Majesty King Bhumibol Adulyade and promote to be an important eco-tourism attraction including the restoration of mangrove forest ecosystems and prevent coastal erosion in Bang Khun Thian area.

All the activities in 2018, the Company has been publicized through the Company's website: [www.noblehome.com](http://www.noblehome.com)

## Responsibilities to environment

The Company is aware of the importance of participation in the environment conservation. Therefore the environmental policies are provided to be a framework for all of the Company's operations as follows:

1. Strictly being the law-abiding business unit, understand the good intention of and conform to law governing real estate sector for example, The Enhancement and Conservation of National Environmental Quality Act, Land Code Act, Condominium Act, and other related law for the sake of customer, home buyer, and environment.
2. Promote the conservation of the environment and conduct the applicable procedures. The Company emphasizes the implementation of the environmental policies such as the provision of an assessment of the environmental risk, safety and health in all of the housing construction projects and monitoring and evaluating the environmental management system on a regular basis to improve and develop.
3. Provide education and training in environmental issues for the employees as defined in the policy. Giving the knowledge and awareness to management and employees including new employees on environmental conservation, energy savings. They are also encouraged to make a best effort to reduce the impacts of climate change and global warming as well.
4. Encourage to use natural resource efficiently and support the energy preserving project. The Company specifically creates the perfect combination of living space, energy saving and environmental friendly. The design mainly relies on the raw materials that can alleviate the heat from building.
5. Giving knowledge and create awareness to management and employees in environmental issue and energy preservation. With its best effort and most possible way to reduce global warming
6. Encourage management and employee to be aware of effective and efficient allocation of resources to make it last long and reach it highest potential



In addition, the Company also provides a variety of activities to promote and support the sustainable environmental development. The Company realizes the participation of environmental conservation and reduces energy consumption. The environmental consciousness of the Company can be categorized by using variety of projects as follows

## Single detached houses and townhouses projects

The following projects are all under natural concept to protect environment:

- Noble Tara Ekamai – Rama 9 / Noble Tara Ngamwongwan/ Noble Tara Pattanakarn / Noble Tara Ngamwongwan 2; the concept of the project to bring peace of recreation with tall fences covered by floras surrounding the project to maximize the enjoyment from nature. The Noble’s differentiated concept of C-shape housing keeps every corner of the house close to nature surrounding.
- Noble Wana Pinklao / Noble Wana Watcharapol Project/ Noble Ana Wana Pinklao Project; the concept of “resort at home”, this is a place to take a rest with nature everyday. Every living space links with nature, no exception for bathroom whose one side is open to green garden through a floor-to-ceiling glass window.
- Noble Geo Watcharapol / Noble Geo Rama 5 Project, Noble Geo is designed under the Planning & Function concept to enable free-style arrangement of furniture. The beautiful natural landscape lawns and gardens can be accessible from every angle of the house.
- Noble Cube Project: The townhouse project in the city center for more private living space with designed to magnify the sight with wide mirror. Noble Cube divides useable area by life style. The project is located in the center of business area.
- Noble Gable Watcharapol Project: The New concept for living designed under the concept Every lifestyle can be fulfilled and enriched with more space available and that is “every inch of happiness” you will experience every day. “True happiness” can simply be found from space under your roof and space around your house. Noble Gable also provides you with good facilities and green space that make your days relaxing.

Furthermore, From 2016 to 2018 the Company presented the idea of designing under the concept “Thinking Like Zen Living Like Zen” blended with the architectural design that reflecting the Japanese living that all the elements of life will be simply organized and the balance will be maintained unrivalled to the nature with peace and relaxation.

## Condominium projects

The appreciation of energy conservation and reducing global warming simply reflect in condominium projects of the Company, under the concept of “Crash-pads”. The projects are located in downtown close to business area and transportation network, therefore increase happiness and no time and energy wasted to commute. The following projects are all built close to BTS station:

- Noble State 39 Project: “To be modern is not a fashion, it is a state” when modernity is not just about fashion but the reflection of relationship and continuity of past, present and future much like the charming district of “Phrom Phong”, which has been maintained through a well-balanced blend of Thai and foreign cultures only 450 meters from BTS Phrom Phong.
- Noble Around Ari Project: only 90 meters from BTS Ari. The fully-fitted condo Inspired by a modernist architect Ludwig Mies van der Rohe’s “The Skin and Bones Architecture” embraces the concept of simplicity and transparency with geometry design to reconnect residents with nature.
- Nue Noble Chaengwattana Project: under the concept “Upgrade Your New Look to Urban Style” Be stylish with splendid and one-of-a-kind designs, as well as integrated facilities to fulfill every moment of your living styles just only 20 steps to MRT Pink Line.
- Noble Ambience Sukhumvit 42 Project: The condominium under the concept “Not too little, not too much; just right” is the concept of Lagom design to reduce unnecessary clutter in order to find “just the right fit” in every accessory for the atmosphere is simply relaxed, but always answering all of life’s demands, just only 350 meters from Ekkamai BTS station.
- Noble Around Sukhumvit 33 Project: “Contrast Is The New Exquisiteness” inspired by the diverse charms of a high – contrast lifestyle in the heart of a multicultural district like Sukhumvit. The Material Collaboration concept is expressed in the design intention to perfectly marry luxurious urban living with the relaxation offered by nature, reflecting today’s modern lifestyle near BTS Phrom Phong and The EM District, the world-class shopping centre.
- Noble BE19 Project: The modern condominium 48 and 27 stories under the concept “Living Seamlessly” enjoy a life of seamless connections. Let nothing interrupt your rhythms of happiness with flawless facilities to keep your life firing smoothly in Sukhumvit 19 near BTS Asoke and MRT Sukhumvit station.
- Noble BE33 Project: The luxury condominium Fully Fitted, just 350 meters to The EM District. The 31-storey condominium private with only 282 units. Located in the heart of new fashion and business area for all lifestyle, near the Em District and Prompong BTS station. Turn your life into freedom with Sky Infinity Edge Pool, Sky Garden and Sky Fitness. Remarkable reflective Lobby connected to over a thousand sqm of green space.
- Noble Recole Sukhumvit 19 Project: 28-storey condominium in the heart of the city under the concept “Explore limitlessly” with unlimited possibilities of discovering new things and going everywhere you desired. The project is on the best location adjacent to MRT Sukhumvit station and BTS Asoke station.

- Noble Revo Silom Project: The condominium under concept” A new, budding branch of life that lets you design your lifestyle from an infinity of options, located at the heights interest where silom meets sathorn, closed to Surasak BTS just only 160 meters, and not far from express way.
- Noble Revolve Ratchada and Noble Revolve Ratchada2: the condominium with “Revolve living” life style in every life function on Ratchadapisek road, just only 80 metres from cultural centre MRT station.
- Noble Ploenchit Project: Condominium 51-storey height nestled among 4 rais of lush and serene garden in Ploenchit metropolitan at the heart of Bangkok’s business district. With the concept of Vertical Garden City, the resident can inhale with fresh air.
- Noble Remix Project: In concept “Walk above it all”. The Project is located on Soi Sukhumvit 36, with ideally located for easy access to Thonglor Station by skylink between the station and the building.
- Noble Revent Project: The Project is closed to Phayathai BTS station and airport link station, in the center of Bangkok surrounding by educational institutions and prime business areas.

Beside of the above projects, the Company has many other projects closed to BTS station, such as Noble Remix2 Project, Noble Reflex Project, Noble Reveal Project, Noble Reform Project, Noble Refine Project, Noble ReD Project and Noble Lite Project.

The Company realizes that the sustainable coexistence is needed to be implemented as a sequence of correlation from large to tiny. Each level has its own mechanism, which is consistent with the natural mechanisms, to preserve the natural equilibrium by using natural as a role model to integrate both horizontally and vertically. So the Company brings this idea to design a green building and also clearly integrates with the appropriate technology and concept design, namely Passive Design. Green building is the application of appropriate technology that helps to derive benefits from the natural environment, which consists of three major components, including the relevance of weather, cozy living and uses of natural energy. The design principles are as follows:

- The design of energy efficiency and green spaces.
- The selection of low-power construction materials.
- The usage of the Modular system to minimize waste materials
- The control of pollution that building may be released.
- The management of water usage, wastewater treatment system, drainage and effectively flood protection.
- The preservation of the ecology of the area.
- The design is focused on the residents’ comfort from outdoor green space.
- The safety and health of the residents.

In addition to the housing design concept which is in accordance with the nature concept and the condominium construction along the public transportation route which is the environmental conservation and reduces global warming, the Company also selects the products that can truly save energy to install in all of the residential projects. In order to prevent and reduce pollution caused by the housing such as air pollution, water pollution, the Company installs wastewater treatment system to every house and condo projects including plants garden and trees in the project which make it shady and pleasant.

The concept that reflects the intention of creativity to offer the value-add innovation can respond to customer's needs and lifestyle in accordance with environmental conservation and energy saving. The Company can seamlessly operate business in conjunction with social and environmental responsibility which leads to sustainable development as well as to disclose such operation in the "Sustainability Report" according to the report of The Global Reporting Standards: GRI Standards which is a separate from the Annual Report.

For more information please visit the Company's website: [www.noblehome.com](http://www.noblehome.com)

# INTERNAL CONTROL AND RISK MANAGEMENT

The Company's Board of Directors has set up the audit committee who are independent directors to review quality of internal control which in turn secure the Company's assets and best interest of shareholders constant. The internal audit unit is endeavoring to control and diagnose all business operations for its own excellence. The noteworthy issue will be deliberately fixed, especially the issue that relates to risk management and connected transaction that can lead to conflict of interest.

The scope of internal audit can be divided into 3 workflows: construction, sales, and ownership transfer. Above all, the internal audit must ensure that every workflow correspond with law and good corporate governance. The internal control must be adequate, appropriate and effective. The internal control including, the assessment of policies, procedures, job allocations and submitting the useful report to management in timely manner.

The Board of Directors' Meeting No. 4/2019 held on February 28, 2019, the all four of Audit Committee attended the meeting. The Board of Directors evaluated the Company's internal control for 2018 using the evaluation of the adequacy of the Company's internal control. A summary is as follows:

## 1. Internal control

The Company recognizes the importance of the business with honesty, integrity and ethics. The Board of Directors and the management define policies and practices relating to code of conduct in writing. In order that the committee, the management and all employees understand the Company's code of conduct using in the business and practices. The policies set out in the code of conduct including conflict of interest policy, policy and guideline of anti-corruption and whistle blowing policy, etc. The management and all employees are informed about policies. In addition, the Company provides a process of monitoring and evaluation of the compliance with the code of conduct by the Internal Audit. This includes processes that can detect the violation and can punish or deal with the contravention within a reasonable time.

The Board of Directors defines and assigns roles and responsibilities of the Board of Directors, Subcommittee, Executive Committee and Managing Director distinctly, oversees the determination of the obvious and measurable business objectives and oversees roles of the Board of Directors and the management in accordance with the law, charter, which covers the role of the Audit Committee, the Board of Directors consist of independent directors who have knowledge about company business, expertise, reliability and independence in the performance of duties, for instance, no business relationship with the Company. Moreover, the Board of Directors also oversees the development and implementation of Internal Control and its surrounding, Risk assessment, Activities control, Information system and communication and Monitoring system.

The management defines the structure of organization that supports the objectives of the Company. It is appropriately considered for both business and law and included the provision of effective internal control. The internal audit department reports directly to the Audit Committee. In addition, the management defines a reporting line of suitability about authority, responsibility and communication.

The Company has policies and procedures to acquire, develop and retain staffs with the appropriate skills. There are performance evaluation processes, solution or preparation for the lack of proficient personnel in a timely manner and the acquisition process, develop and retain all executives and employees.

The Board of Directors and the management provide process and communication to make all staffs to be responsible for internal control. This includes determining a performance evaluation, creating proper incentives, evaluating the motivation and reward continuously and emphasizing on the link of the success of the duty in compliance with the internal control system. And also provide the operation revision if necessary. Including does not create excessive pressure on the performance of individual employees.

## 2. Risk management

The Company has clearly defined objectives of the organization to identify and assess the risks related to achieve the objectives and establish the risk management committee. The risk management committee approves and informs risk management policy to the management and all employees to know and comply with the policy. The Company consents with the accredited accounting standards which is suitable for business and discloses complete and accurate data. The Company determines the essence of the financial statement considering the important factors, such as, users of financial statement, the size of items and business trends. These make financial statement of the company completely reflect the operational activities of the company.

The Company has identified the risks that may affect the enterprise, business units and departments and analyze all kinds of risks that may result from both the internal and external factors. These include the risk of strategy, operation, report, compliances and information technology and the management at all levels involved with risk management. The Company assesses the important of the risks by considering the chance of events and consequences that may occur along with the measures and action plans to manage risk, for example, Acceptance, Reduction, Avoidance or Sharing. Moreover, the Company considers and assesses the probability of fraud which covers corruption in different forms, such as, the preparation of fraud financial statement, the corruption, changes on the important data and the acquisition or use of the property without right. Nevertheless, the objectives are reviewed carefully by considering the possibility of the objectives as well as determining rational incentives or compensation that discourage employees to act inappropriately.

Furthermore, the Company has evaluated the change in external factors, business model and corporate leaders that may affect the business, internal controls and financial statement and prepared measures to respond to the changes adequately.

### 3. Activities control

The Company's control measures are appropriate to the risks and characteristics of the organization. The internal control measures are given in writing which cover all procedures appropriately, such as, policies and procedures relating to financial transactions, etc., and configure a variety of appropriate internal control measures, for instance, protection and monitoring, etc. The Company determines the internal control at all levels of the organization and divides the duty of approval, recording transaction, information and assets management independently in order to balance and examine properly. In addition, the Company also suitably set infrastructure control, the acquisition process, development and maintenance of the technology as well as security control.

The Company's policy is tightened to monitor the transactions of shareholders, directors, managements or persons related to such person to comply with the approval procedures, such as, company's regulations, the rules of the Stock Exchange of Thailand, etc. Besides, the approval of transactions must be done by persons who have no interest in the transactions, be the best interests of the Company and treat as the transactions with the third parties (at arms' length basis).

In addition, the Company regularly monitors the operations of its subsidiaries and associated companies and assigns guidelines to company's delegates who are appointed to be directors or managements to implement.

### 4. Information system and communication

The Company determines information to be used in the operation from within and outside the organization which are efficient and relevant to the jobs and considered the costs and benefits including the amount and accuracy of information. The Company provides adequate information to the Board of Directors to assist the decision making and manage that the Board of Directors will receive notice of the meeting or supplementary documents which includes the necessary and adequate information for consideration before the meeting at least within the minimum period indicated by law. The minutes of meeting will be totally recorded to be able to trace back to the appropriateness of the performance of each individual.

The Company's accounting-related documents are well organized and completely being stored. Never have any complaints from auditor in this internal control. And the accounting policy using are comply with generally accepted accounting principles and suitable for the business type.

The Company has effective communication processes between internal and stakeholders outside the organization with a proper channel of communication to support the internal control. The important

information is reported to the Board of Directors regularly and the Board of Directors can always access to necessary information for the operation or review various transactions as required. In accordance with the complaints of misconduct, the Company has provided a channel of communication to all groups of stakeholders both inside and outside to report information or clues about the scam, fraud within the company, Unethical or other irregular actions that may cause damage to the Company through the Website. Upon receiving the complaint, the Company's the complaint agency will handle the complaint within a reasonable period of time. This Company has a procedure to protect the whistleblower safety as well.

## 5. Monitoring system

The Company oversees the operation compared to objective of business. In case of discrepancy, the Company will take necessary step to overcome the obstacle and analyze the cause of failure in order to prevent the future failure. The Company provides procedures to monitor compliance with the code of conduct and prohibits the management and employees to behave in a manner that may cause a conflict of interest. Similarly, the internal control will be regularly examined its effectiveness. This includes a process of monitoring and evaluation of internal control by the Internal Audit. In case of error is detected, the Board of Directors and Audit Committee must be informed. The management is entitled to report fraud, illegal activities, and other violations that may significantly affect the reputation and financial status of the Company, to the Board of Directors.

Based on the evaluation of internal control of the Company in five components which are Internal control, Risk management, Activities control, Information system and communication and monitoring system, the Board of Director considers that internal control of the Company is appropriate and the Company provides adequate personnel to implement the internal control effectively. The internal control system also sufficiently monitors the operations of its subsidiaries to protect the assets of the Company and subsidiaries from the directors or the management to use improperly or without authority including transactions with persons who may have conflicts of interest and related parties. For other internal control topics, the Board of Director agrees that the Company has adequate internal controls as well.

### The head of Internal Audit of the Company

Currently, the head of Internal Audit of the Company is Ms. Narissara Pengsopa. She graduated with a Bachelor of Arts (Accounting), Thammasat University and a Master of Business Administration, Ramkhamheang University. She has experienced in performing the external audit at famous audit firm for not less than 5 years. Nowadays, she has been Assistant Vice President Internal Audit of the Company for more than 11 years. In 2018, head of Internal Audit have attended the courses related to internal audit operation which are the 2018 annual seminar "Transforming IA for the Digital Age" organized by the institute of Internal



Auditors of Thailand and the seminar “The review of Internal Control system by the international framework of internal control organized by Federation of Accounting Professions (FAP). Moreover, the head of internal audit excellently comprehend the activities and operations of the Company.

The head of Internal Audit, Ms. Narissara Pengsopa, is well-qualified to perform such duties which have been approved by the Audit Committee because of the independence and experienced in working in both external audit and internal audit of the Company. Besides, she had been trained in internal audit courses and other related courses. In order to consider and approve, appoint, dismissal or transfer the head of the internal audit of the Company, it must be approved by the Audit Committee.

## THE AUDIT COMMITTEE'S REPORT

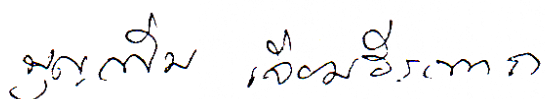
The Audit Committee of Noble Development Public Company Limited comprises of 4 independent directors. The chairman of the Audit Committee is Mrs. Boonperm Jiamtiranat and members of the Committee are Mr. Narong Taychachaiwong, Mr. Surachet Suboonson and Assoc. Prof. Dr. Somchai Supattarakul. The 4 independent directors are neither involved with management nor hired by Company. The chairman of the Audit Committee and two of the independent directors has knowledge and experiences in accounting field.

The Audit Committee of the Company has the scope of duties and responsibilities to the Board of Director to ensure that the Company has established appropriate and effective internal control system and internal audit system and review that the Company abides by the law and the regulations of the Stock Exchange of Thailand or any relevant laws governing the Company's business. In 2018, the Audit Committee held 5 meetings and 1 meeting in 2019, adding together 6 meetings until the day of issued report to review and regulate the operations in accordance with assigned scope of duties and responsibilities and report to the Board of Directors. The details can be summarized as follows:

1. Review of quarterly and annual financial statements: The meetings with the Company's auditor, PricewaterhouseCoopers ABAS Ltd, were held in order to acknowledge the matters and exchange opinions, to evaluate the quality and accuracy of the 2018 quarterly and annual Financial Statements prepared by the Management, and also to assess the adequacy of disclosure in financial statement information. In conclusion, the Audit Committee agreed with the Company's auditor that the financial statement per se present fairly in all material respects in accordance with generally accepted accounting principles.
2. Review of internal audit assessment: The Audit Committee reviewed the internal control system to evaluate the efficiency, adequacy, and appropriateness of the Company's internal control system, which could affect the reliability and accuracy of the financial statements. The meetings with the internal audit team were also held to acknowledge the result of the Company's internal control system, as well as suggestions to improve the Company's internal control system to be sufficient and more efficient and to comply with the announcement of SEC and SET. The Audit Committee agreed with the Company's auditor that the Company had a decent internal audit system as well as internal control for subsidiaries both adequate and effective.
3. Review of rules and regulation conformity: The Audit Committee had verified the Company's compliance with the Securities and Exchange Act of the Stock Exchange of Thailand, and also laws, rules, and regulations related to the Company's operation. Significantly, no violation of related law, rules and regulation were found.

4. Review of risk management: The Audit Committee reviewed and revised the connection between internal audit and risk management from all of the Company's operations, including the re-assessment of policy risk, risk management, risk management framework, and the progress of risk management. The Audit Committee concluded that the Company had adequacy and appropriateness together with efficiency and effective risk management and constantly adjustment to the changing situation.
5. Review of connected transactions: The Audit Committee reviewed and revised the Company's disclosure of connected transactions or conflict of interest transactions. According to rules and regulations set by SET and SEC, The Audit Committee found that the Company's financial statement disclosure of that transactions were adequately and suitable.
6. Review of related party transactions: The Audit Committee reviewed and revised the Company's disclosure of related party transactions. According to rules and regulations set by SEC, The Audit Committee found that the Company's financial statement disclosure of that transactions were adequately and suitable.
7. Reappointment of external auditor: The Audit Committee considered and proposed to reappoint PricewaterhouseCoopers ABAS Ltd.'s auditor as the Company's auditor for another year in 2018. The auditor reappointment and auditing fee would be considered and proposed to the Board of Directors and afterward it would be proposed to the Annual General Shareholders' Meeting onward.
8. Review of works in during the past year: The Audit Committee annually arranges performance evaluation on a self-assessment basis. The evaluation covers their overall and specific performance in accordance with the Audit Committee Charter. The outcome of the evaluation revealed that the Committee has fully complied with its assigned duties and responsibilities.

From the acts of auditing independently and thoroughly within the appointed scopes and responsibilities, the Audit Committee concluded that the Company had an sufficient and efficient internal control system that was appropriate to the Company's operation and no significant transaction or situation related to internal control system that could become significant weakness which might affect the Company's financial status and operating performance. The Company's financial statements were disclosed adequately and properly regarding related transactions and conflict of interest transactions. In addition, the Audit Committee found no situation that the Company operated against the laws, rules and regulations significantly. Furthermore, the Company's operation and good governance framework worked together in a perfect harmony making the operation itself better and fit to the business environment.



Mrs. Boonperm Jiamtiranat

Chairman of the Audit Committee

February 28, 2019

## CONNECTED TRANSACTION

In 2018, The Company has connected transaction with subsidiaries person and disclosed these subjects in the notes no.12 and no.16 of consolidated and Company financial statements as of December 31, 2018.

As of December 31, 2018, the Company declares short term loans to and interest receivable from subsidiaries in the amount of 21.59 Million Baht details are as follows:

Unit : Million Baht

	Share Holding %	Loans	Adjustment	Accrued Interest	Other A/R	Allowance for Doubtful
S&P Property Management Company Limited	100%	13.43	0.00	8.16	-	21.59
<b>Total</b>		<b>13.43</b>	<b>0.00</b>	<b>8.16</b>	<b>-</b>	<b>21.59</b>

The Relationships between the Company and related companies as follow:

	Relationship with the Company
S&P Property Management Company Limited	<ul style="list-style-type: none"> <li>A subsidiary company which the Company holds 100% of shares.</li> <li>The Director of the Company (Mr. Kitti Thanakitamnuy, Mr. Frank Fung Kuen Lueng, Mrs.Thidhapan Taweessri, Mr. Sitti Leelakasamelek, Mrs. Boonperm Jiamtiranat, Mr. Narong Dechachaiwong, Mr. Surachet Suboonson and Assoc. Prof. Dr. Somchai Supattarakul) are the director of S&amp;P Property Management Company Limited</li> </ul>

The above loans are aimed to help subsidiaries in developing projects and business expansion as well as to boost up their liquidation. They are necessary and reasonably considering the Company's group wide benefits. In order that, the Company charges an interest at the rate not lower than that of the market standard and closely monitor the subsidiaries' repayments.

In meeting no. 1/2019 on February 28, 2019, the Audit Committee endorsed 2018 annual financial statement which covers information disclosure in the Notes to the Consolidated and Company Financial Statement by it certified public accountant. The committee found that the financial statement was adequately accurate and in accordance with generally accepted accounting principles as well as its connected transactions which were suitable and purposely for normal business use.

In the future, the following connected transaction between the Company or subsidiaries and director or executives or related person can be approved by the management and doesn't require the approval of

the Board of Directors or Shareholder's meeting resolution, regarding the rules and regulations of SET and SEC.

1. Ordinary transaction whose business term and condition is done in normal practice and would have been the same with the otherwise general counter party, without negotiation power from director, executive, or related person.
2. The transaction has been done under the rights of employee, given that rights are not a special treat for particular person.

Regarding the policy toward connected transaction and conflicted of interest person, it has been done strictly under the rules and regulations of SET and SEC. In addition, price, compensation, and fee of connected transactions are determined based on market price with the intention that the transaction will be fair and best interest of the Company.

In case there were doubtful items in connected transactions which require opinions from a specialist, the Company would arrange one for its Audit Committee, either a specialist or its certified accountant, in order to fulfill its need as necessary. Then, the feedback would be part of the decision making by the Board of Directors or the shareholders depending on the situation and the Company will disclose related information in the Notes to the Consolidated and Company Financial Statement.

# FINANCIAL HIGHLIGHTS

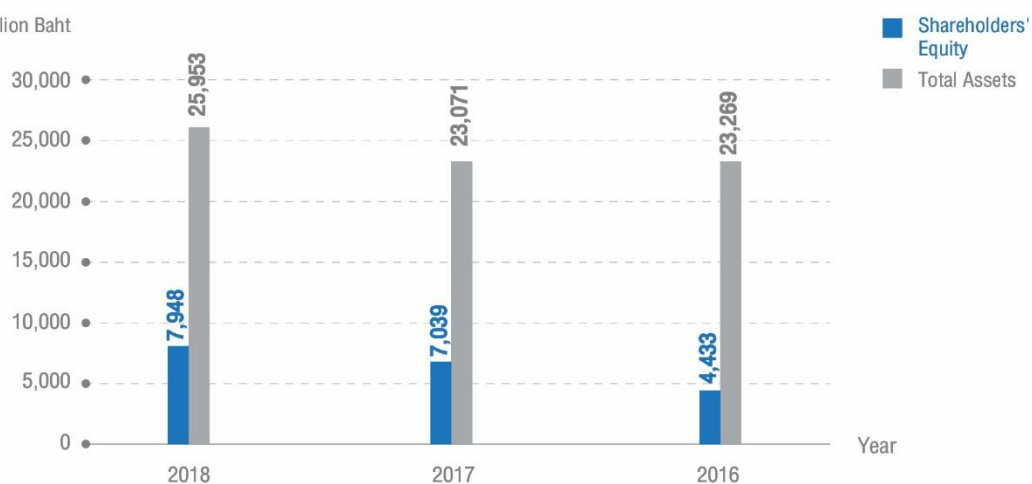
Unit : THB Million

	2018	2017	2016
<b>Operating Performance</b>			
Revenue from Sales-Real Estate Development Business	4,974	9,553	4,409
Revenue from Sales of Goods, Rental and Services	104	124	93
Total Revenues	5,153	9,731	4,568
Gross Profit from Real Estate Development Business	2,158	3,995	1,928
Revenue from Sales of Goods, Rental and Services	61	63	27
Net Profit	987	2,206	682
<b>Financial Status</b>			
Total Assets	25,953	23,071	23,269
Total Liabilities	18,004	16,032	18,836
Issued and Paid-up Share Capital	1,369	1,369	1,369
Shareholders' Equity	7,948	7,039	4,433
<b>Financial Ratio</b>			
Gross Profit Margin from Real Estate Development Business	43.39	41.82	43.72
Gross Profit Margin from Sales of Goods, Rental and Services	58.39	50.34	28.54
Net Profit Margin	19.15	22.67	14.94
Return on Assets	4.03	9.52	2.95
Return on Equity	13.17	38.45	16.66
Debt to Equity Ratio	2.27	2.28	4.25
Net Debt to Equity Ratio	2.05	2.15	4.02
Net Interest-Bearing Debt Ratio	1.45	1.66	3.00
Book Value per Share (Baht)	17.41	15.42	9.71
Earning per Share (Baht)	2.16	4.83	1.49

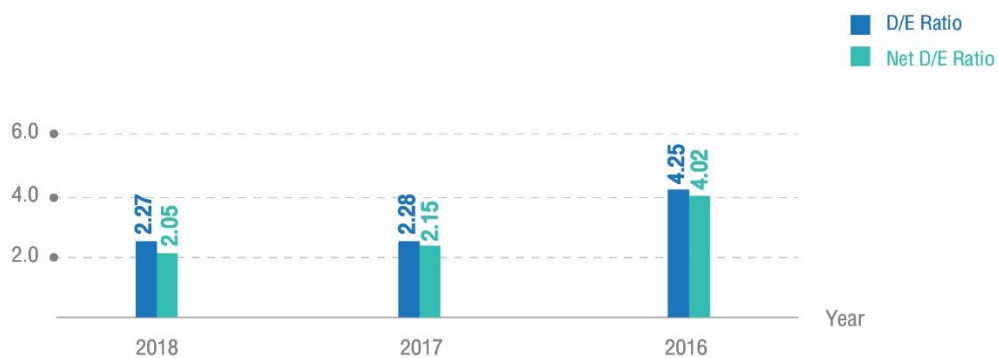
## Charts of Operating Performance

Total Assets and Shareholders' Equity

Unit : Million Baht

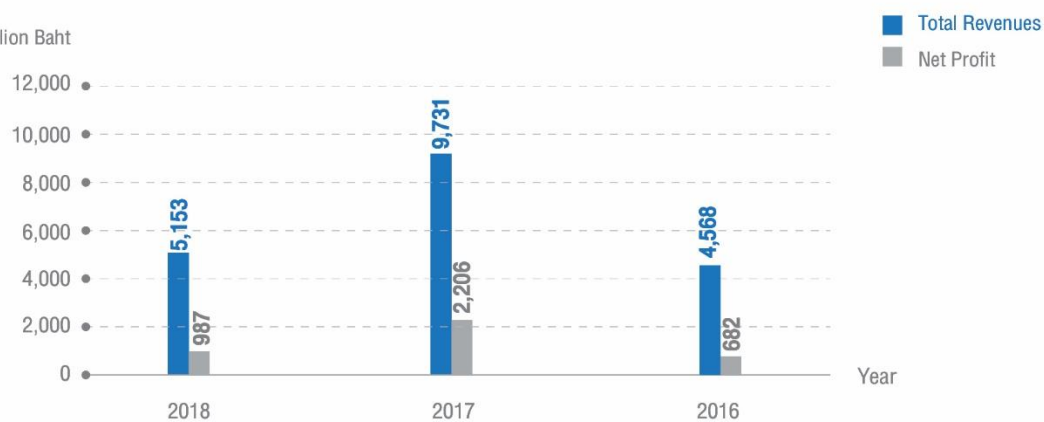


Debt and Net Debt to Equity Ratio



Total Revenues and Net Profit

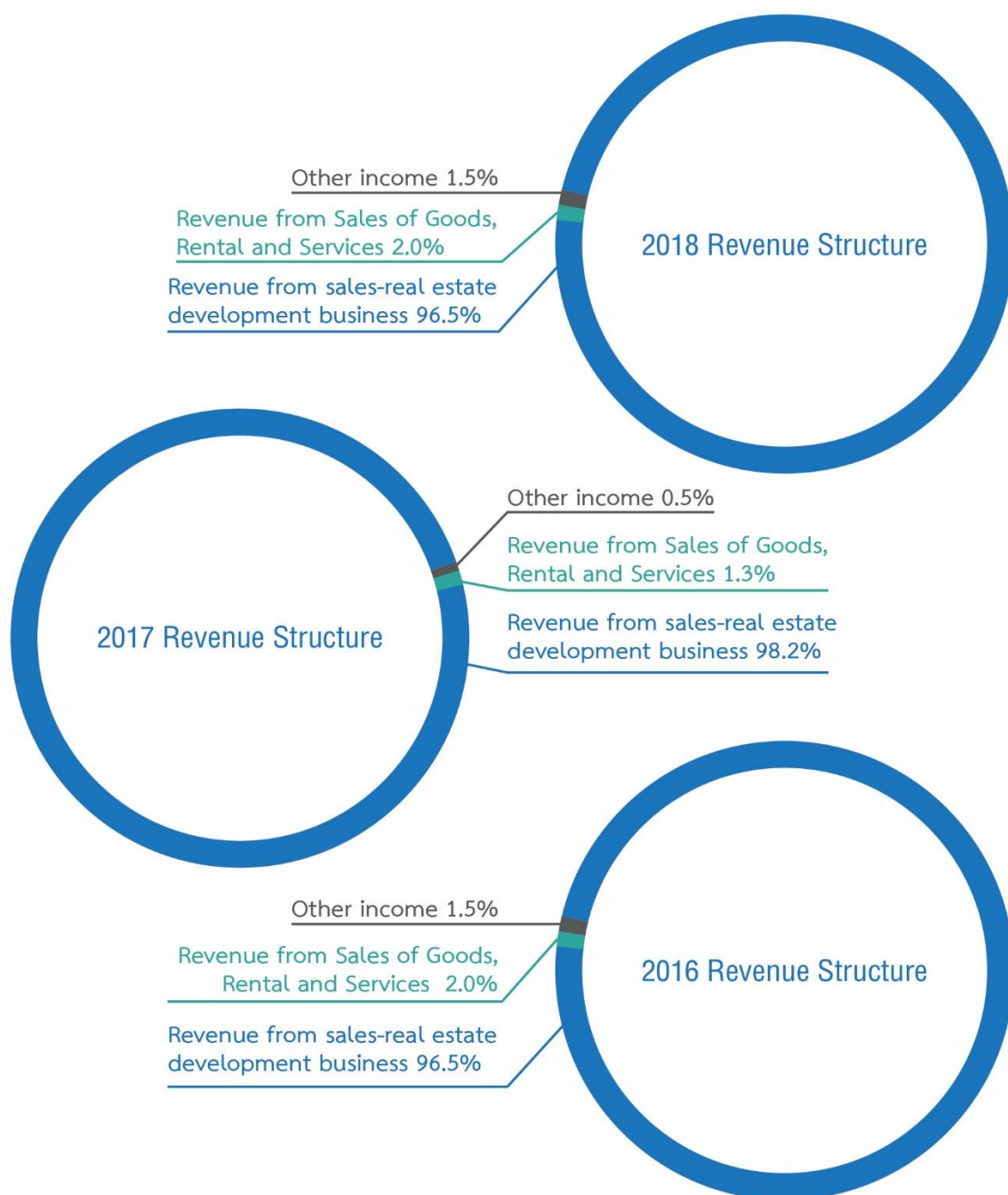
Unit : Million Baht



## Charts of Revenue Structure

Unit : Million Baht

	2018	2017	2016
Revenue from sales-real estate development business	4,974	9,553	4,409
Revenue from Sales of Goods, Rental and Services	104	124	93
Other income	74	54	65
<b>Total</b>	<b>5,153</b>	<b>9,731</b>	<b>4,568</b>





# MANAGEMENT DISCUSSION AND ANALYSIS

## Operating Results

Overall operation of 2018 : The Company had net profit amounting to 986.98 million baht, which had decreased when comparing to net profit of 2,205.67 million baht in 2017, as per details of overall operation shown below.

- In 2018, the Company recognized its income from the decrease in ownership transfer, by having income from the sales-real estate development business amounting to 4,974.17 million baht which had decreased by 4,578.84 million baht when comparing to last year mainly because in 2017, the Company recognized income from Noble Ploenchit Project, a large project with sales revenue being recognized over 6,400 million baht. In addition, the Company was able to recognize revenue from Noble Revolve Ratchada Project and Nobel Revo Silom Project in 2017 as well. While in 2018, the Company recognized revenue from Noble Revolve Ratchada 2 Project amounting to 2,600 million baht and from other projects that had been fully constructed. As of 31 December 2018, the Company had remaining sales revenue that ownership had not be transferred (unrecognized revenue) at an approximate amount of 17,000 million baht.

(million baht)

Revenue	For the year ended 31 December			
	2017		2018	
	Amount	%	Amount	%
Revenues from sales-real estate development business	9,553.02	98.17	4,974.17	96.53
Revenue from sales of goods, rental and services	124.43	1.28	104.29	2.02
Other income	53.87	0.55	74.47	1.45
Total income	9,731.31	100.00	5,152.93	100.00

- The value of the Company's project sales in 2018 was at an approximate amount of 9,800 million baht which was higher than sales revenue of 3,900 million baht in 2017. In 2018, the Company had launched three projects, including Nue Noble Chaengwattana Project, Noble Around Ari Project and Noble State 39 Project, which had been well accepted by buyers on the first sale date.
- Cost of sales-real estate development business in 2018 was at the amount of 2,815.81 million baht, which had decreased by 2,742.04 million baht, whereby the decreased cost of sales was proportionately in accord with the revenue from sales-real estate development business.
- Gross profit margin in 2018 was at the rate of 43.7 percent which was slightly higher than the rate of 41.9 percent last year, whereby gross profit margin from real estate development business was at the rate of 43.4 percent which was higher than the rate of 41.8 percent last year because in 2018, the Company had recognized substantial amount of revenue from Noble Revolve Ratchada 2 Project, whereby Noble Revolve Ratchada 2 Project was the project with high gross profit margin.

- Total expenses of the Company in 2018 was at the amount of 1,059.15 million baht, which was lower than last year by 297.11 million baht mainly because the increase of gain from fair value adjustment on investment property and the decrease of expenses relating to ownership transfer and specific tax. This was in accord with the decrease of revenue from sales-real estate development business. In addition, total expenses of the Company in 2018 was at the rate of 20.9 percent of sales revenue and revenue from the sales of goods, rental and services, which was higher than the rate of 14.0 percent last year.
- In 2018, the Company had net profit when comparing to total revenue at the rate of 19.2 percent, which was lower than the rate of 22.7 percent last year due to the decrease of revenue from sales-real estate development business.
- The return on equity in 2018 was at the rate of 13.2 percent, which was lower than the rate of 38.5 percent last year.

## Financial status

Total assets of the Company and subsidiaries as of 31 December 2018 was at the amount of 25,952.70 million baht, which had increased by 2,882.09 million baht when comparing to last year, as per details of total assets shown below.

- Cash and deposits at financial institutions without obligation were at the amount of 1,684.24 million baht, which had increased by 761.17 million baht when comparing to last year.
- Trade and other accounts receivable (net) was at the amount of 519.74 million baht, which had increased by 145.80 million baht mainly because the increase of advance payment under construction contracts.
- For details on default in payment of real estate projects currently in operation, as of 31 December 2018, the ratio was at 0.18 percent of total sales value as shown in Table 1 and Table 2.
- The real estate development cost was at the amount of 15,582.86 million baht, which was higher than last year by 1,252.45 million baht mainly because the Company had invested in the purchase of land for future project development, and construction progress of the Company's condominium projects.

Total liabilities as of 31 December 2018 was at the amount of 18,004.25 million baht, which was higher than in 2017 by 1,972.65 million baht; the amount of loan had increased by 576.53 million baht; deposit and advance payment from customers had increased by 1,010.58 million baht, mainly because the increased loan resulting from the issuance of debentures and loan for project development and land purchase for future project development. The deposits and advances received from customers had increased mainly because the receipt of installment payment for condominium projects under construction, which was considered as debts that will generate income in the future.

In 2018, the Company had redeemed its matured debentures having value of 2,571.50 million baht in April, June, July, September and November, respectively. In this regard, the Company had issued and offered debentures in 2018 at the total value of 3,500.00 million baht, which consisted of long-term debentures

amounting to 1,500 million baht being issued and offered in February, and 1,050 million baht being issued and offered in November, and short-term debentures amounting to 950 million baht being issued and offered in July.

	(million baht)	
Financial Liabilities	31 December 2017	31 December 2018
Bills of exchange	1,170.32	570.70
Short – term borrowings	-	499.02
Current portion of long-term borrowings (net)	2,869.26	3,072.69
Long-term borrowings (net)	8,597.08	9,070.78
Total	12,636.66	13,213.20

Financial liabilities as of 31 December 2018 can be summarized as per details shown below.

- Bill of exchange amounting to 570.70 million baht, with discount rate of 4.00 percent per annum; this bill of exchange will become matured within February, March and June of 2019.
- Loan from financial institutions was at the amount of 6,157.09 million baht, with interest rate based on Minimum Loan Rate (MLR) of commercial banks providing the loan. As of 31 December 2018, MLR was at 6.25-6.65 percent per annum. The loan was granted under the condition that the Company must maintain the net interest bearing debt to equity ratio not exceeding 2.2 times or 2.5 times (as specified in each loan agreement) at the ending date of each quarter throughout the term of loan agreement. Such loan will become due within 2019 at the amount of 625.60 million baht.
- The debentures were at the amount of 6,485.40 million baht with interest rate of 4.00 – 4.35 percent per annum, under the condition that the Company must maintain the net interest bearing debt to equity ratio not exceeding 2.5 times at the ending date of each quarter, and at the ending date of 2nd quarter and 4th quarter throughout the term of debentures (according to the condition as specified in the terms regarding the right and duty of debenture issuer and holder for each set of debentures)

As of 31 December 2018, the Company's debt to equity ratio was at 2.27 times, which was lower than the ratio of 2.28 times in 2017, whereby the net interest bearing debt to equity ratio was calculated from liabilities with interest, less cash, bank deposits, cash equivalents, and investment at financial institutions without guarantee obligation as of 31 December 2018, at the ratio of 1.45 times, which was lower than the ratio of 1.66 times in 2017.

The Company's ratio of secured loan to total assets as of 31 December 2018 was at the rate of 23.7 percent, which was lower than the rate of 25.6 percent in 2017.

The Company's liquidity ratio in 2018 was at 2.64 times, which was lower than the ratio of 2.88 times in 2017 because deposits and advances received from customers in 2018 higher than in 2017 by 1,010.58 million baht, and such debts were considered as debts that will generate income in the future.

The Company's interest coverage ratio in 2018 was at 2.39 times, which was lower than the ratio of 4.84 times in 2017. The Company's repayment ability ratio in 2018 was at 0.08 time, which was lower than the ratio of 0.18 time in 2017. The interest coverage ratio and repayment ability ratio had decreased mainly because the Company's net profit from the overall operation in 2018 had decreased.

The shareholders' equity of the Company as of 31 December 2018 was at the amount of 7,948.45 million baht, which was higher than the amount of 909.43 million baht as of 31 December 2017 due to net profit from the overall operation in 2018, whereby the book value per share was at 17.41 baht per share, which was higher than the value of 15.42 baht in 2017.

## Cash Flow status

Cash and cash equivalents as of 31 December 2018 was 1,563.85 million baht, which had increased when comparing to cash and cash equivalents of 923.07 million baht in 2017, as per details shown below.

- Cash flow from the Company's operating activities in 2018 was at the net amount of 370.43 million baht, while the net amount in 2017 was at 1,638.27 million baht. Cash flow from the Company's operating activities had decreased because in 2018, the Company had speeded up the construction of condominium projects in order to keep up with ownership transfer schedule, and the Company had also invested in land purchase for project development.
- Cash flow from the Company's investment activities in 2018 was at negative net amount of 213.85 million baht, while it was at negative net amount of 63.66 million baht in 2017 mainly because the Company had deposited money in savings account at the bank.
- Cash flow from the Company's financing activities in 2018 was at net amount of 484.21 million baht, which was higher than negative net amount of 1,673.27 million baht in 2017 mainly because in 2017, the Company had repaid bill of exchange and loan for Noble Ploenchit Project and Noble Revolve Ratchada Project under the conditions of loan agreement at substantial amount.

Thai economy in 2018 had increased growth rate as a result of global economic recovery especially in tourism business and clear infrastructure development of BTS extension in several areas of Bangkok and nearby provinces, leading to Thailand's economic growth rate of 4.2 percent in 2018.

Real estate development business in 2018 had substantially expanded due to the investment in transport and infrastructure by government sectors, driving force from the Bank of Thailand's housing loan monitoring policy to be enacted in 2019, as well as expected adjustment of interest rates, which was the factor that accelerated consumer's decision in purchasing housings.

With regard to the Company's overall operation in previous year, the Company had total project sales approximately 9,800 million baht, and projects being launched in 2018 included Nue Noble Chaengwattana Project, Noble Around Ari Project and Noble State 39 Project, whereby the Company had recognized revenue from sales-real estate development business at the amount of 4,974.17 million baht, and most sales

revenue came from the transfer of ownership in Noble Revolve Ratchada 2 Project that the construction had been completed in 2018.

For the overview of Thai economy in 2019, economic growth rate is expected at 4 - 5 percent, which mainly contributed by income from export and tourism same as in 2018. Thai economy may face a number of risks, including trade war between the United States and China, domestic factors due to unstable financial system especially in real estate sectors, behavior in seeking profit with underpricing of risks arising from low interest rates for a long period of time, and the new election in 2019. If the election goes on smoothly and the government continues to support large-scale investment projects as planned, then it is expected that the situation will boost the confidence of private sectors.

In supporting continuous operational expansion, the Company expects to launch four projects in 2019, which consist of three condominium projects located in the center of the city, near BTS projects, key business areas, convenient public utilities and facilities in order to meet a variety of needs and lifestyles, as well as one housing estate project. In 2019, the Company has two projects, including Noble Recole Project and Noble BE33 Project, having total project value of 5,400 million baht, which will be ready for ownership transfer. The Company needs to speed up the construction in order to meet the schedule of ownership transfer by the fourth quarter of 2019.

Table 1 Details of existing project payment as of December 31, 2018

Project	Sale value <sup>(1)</sup> (Million Baht)	Accumulated Due Payment Amount		Accumulated Paid Amount		Accumulated Overdue Amount		Remaining of Not Due Amount	
		Million Baht	Percentage of Sale Value	Million Baht	Percentage of Accumulated Due Payment	Million Baht	Percentage of Accumulated Due Payment	Million Baht	Percentage of Sale Value
Noble BE33	1,764.08	427.05	24%	423.53	99%	3.52	1%	1,337.03	76%
Noble BE19	2,427.48	559.04	23%	550.49	98%	8.55	2%	1,868.44	77%
Noble Around Sukhumvit 33	1,903.99	386.85	20%	382.88	99%	3.97	1%	1,517.14	80%
Noble Ambience Sukhumvit 42	1,427.22	328.74	23%	328.38	100%	0.36	0%	1,098.48	77%
Nue Noble Chaengwattana	2,093.17	386.03	18%	380.57	99%	5.46	1%	1,707.15	82%
Noble Around Ari	3,163.52	242.79	8%	241.48	99%	1.31	1%	2,920.74	92%
Noble State 39	508.00	38.71	8%	37.37	97%	1.34	3%	469.29	92%

Table 2 Details of Default in payment as of December 31, 2018

Project	Accumulated Overdue Amount		1-3 Months Overdue		3-6 Months Overdue		More than 6 Months Overdue	
	Total	Baht	Total	Baht	Total	Baht	Total	Baht
Noble BE33	13	3,519,312	12	2,972,312	1	547,000	-	-
Noble BE19	12	8,552,805	6	703,140	3	1,309,665	3	6,540,000
Noble Around Sukhumvit 33	12	3,970,386	11	3,843,386	1	127,000	-	-
Noble Ambience Sukhumvit 42	6	358,694	6	358,694	-	-	-	-
Nue Noble Chaengwattana	10	5,461,289	10	5,461,289	-	-	-	-
Noble Around Ari	16	1,306,193	14	1,124,193	2	182,000	-	-
Noble State 39	2	1,342,017	2	1,342,017	-	-	-	-

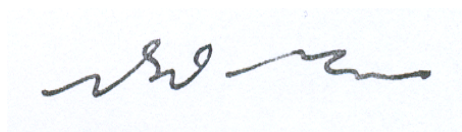
(1) Sale value from sale and purchase agreements

## REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The financial statements of Noble Development Public Company Limited and the consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with generally accepted accounting standards that presented the accuracy and completeness of information. The accounting policies pursued are appropriate and consistent with sufficient disclosure of information in the notes of financial statement.

The Board of Directors has appointed an audit committee comprise of independent directors to review the quality of financial reporting, disclosure connected transactions, conflict of interest transactions, risk management, and internal control to be efficiency. The views of the audit committee are disclosed in the audit committee's report in this annual report.

In the Board of Directors' opinion, the Company's internal control is adequate, appropriate and should inspire reasonable confidence that the financial statements for the year ended Dec 31, 2018 of the Company, and the consolidated financial statements of the Company and its subsidiaries represent the financial status and performance of the Company correctly, in accordance with generally accepted accounting standards.



Mr. Kitti Thanakitamnuay

Chairman



# PART 2





**NOBLE DEVELOPMENT PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2018**

# **Independent Auditor's Report**

To the shareholders and the Board of Directors of Noble Development Public Company Limited

## **My opinion**

In my opinion, the consolidated financial statements of Noble Development Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then end; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

## **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters, valuation of inventory and valuation of investment property, were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters	How my audit addressed the key audit matters
<p><b>Valuation of inventory</b></p> <p>Refer to Note 2.7 'Accounting policies for inventories' and Note 14 'Inventories (net)'. The Group's inventories comprises land, houses and condominiums for sale and others.</p> <p>In the consolidated and separate financial statements, the Company recorded an allowance for inventories for impaired condominium units for sale. Management calculated the estimated loss by comparing the net realisable value of the inventory with its book value. Management assessed that the allowance amount was appropriate, and so believes no more allowance for impaired inventories is needed.</p> <p>The Company did not record an allowance for slow-moving houses for sale, because management assessed that the houses can still be sold with no loss. Management made this assessment by comparing the net realisable value of the houses with their book value.</p> <p>I focussed on the valuation of inventory because of the judgments made by management in assessing the appropriate level of allowance for inventories. Judgment was used by management when considering the marketing plans and the selling period, and when comparing net realisable value and book value.</p>	<p>I evaluated management's assessment of the value of inventories by:</p> <ul style="list-style-type: none"><li>• understanding and challenging the future marketing and selling plans and the sources of information management used to determine the net realisable value of the inventories</li><li>• comparing the net realisable value assessed by management with other reliable sources of information, and comparing the results to the inventories book value</li><li>• visiting the project sites to assess the condition of the slow-moving inventories</li><li>• considering the after-period-ended and historical selling data of other projects where slow-moving inventories were sold with no loss and comparing this to the data for the current slow-moving inventories.</li></ul> <p>Based on the above procedures, I found assessment method of the value of inventories to be appropriate.</p>

Key audit matters	How my audit addressed the key audit matters
<p><b>Valuation of investment property</b></p> <p>Refer to Note 2.10 'Accounting policies for investment property' and Note 17 'Investment property (net)'.</p> <p>The Group's investment property comprises land and condominiums for lease. During the year, the Group changed its accounting policy regarding the measurement of investment property from a cost method to a fair value method. After initial recognition, investment property is carried at fair value, which is acceptable under the Thai Accounting Standards (TAS40: Investment property).</p> <p>As at 31 December 2018, the Group recorded the fair value of investment property at Baht 1,329.89 million in the consolidated financial statements and at Baht 635.53 million in the separate financial statements. It also recognised a net gain from fair value adjustments on investment property of Baht 354.57 million in the consolidated statement of comprehensive income and Baht 89.06 million in the separate statement of comprehensive income.</p> <p>The valuations of the Group's investment property were carried out by an independent professional valuer who was engaged by the Group after their qualifications and expertise were assessed. The valuation is determined using the 'market approach'. This approach involves a comparative analysis of the available market data on identical or comparable property in the same or nearby locations. The valuer takes into account other relevant information, including legal rights, the individual nature of each property, utilisation, economic outlook and industry forecasts.</p> <p>I focussed on the valuation of investment property because of the magnitude of the change in the value of the investment property and because the valuation model depends on judgment. Valuer's judgment is used to determine the valuation of the market price of the property and the appropriateness and reliability of market data.</p>	<p>I performed the procedures in relation to assessment of the value of the investment property by:</p> <ul style="list-style-type: none"> <li>• reading appraisal report and discussing with the valuer the method used to gather the market data used for in comparative analysis to determine the appropriate price</li> <li>• understanding the valuation processes and techniques used by the valuer to assess if they are consistent with industry practice</li> <li>• evaluating the reasonableness of the valuation method used for the investment property, which is the market approach by comparing the value of the Group's property with the selling price of identical or comparable properties in the same or nearby locations.</li> </ul> <p>I also evaluated the competence, capabilities and objectivity of the valuer.</p> <p>Based on the above procedures, I found the assessment of the investment property's value to be appropriate.</p>

## **Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of Management for the consolidated and separate financial statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists management in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

*Krit Chatchavalwong.*

**Krit Chatchavalwong**

Certified Public Accountant (Thailand) No. 5016

Bangkok

28 February 2019

**Noble Development Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2018**

	Notes	Consolidated financial statements			Separate financial statements		
		(Restated)		(Restated)	(Restated)		(Restated)
		31 December	31 December	1 January	31 December	31 December	1 January
		2018	2017	2017	2018	2017	2017
		Baht	Baht	Baht	Baht	Baht	Baht
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents (net)	8	1,563,854,797	923,071,812	1,021,734,370	1,322,536,322	842,609,850	194,121,445
Temporary investments							
at financial institutions (net)	9	157,144,244	40,639,776	43,249,491	156,952,244	40,447,776	43,057,491
Trade and other accounts receivable (net)	10	519,741,808	373,943,460	263,384,440	134,671,109	104,154,360	189,724,101
Short-term loans to and interest receivable from							
- other company (net)	11	-	-	-	-	-	-
- subsidiary (net)	12 c)	-	-	-	-	-	-
Inventories (net)	13	5,160,308,806	5,135,297,503	1,105,647,655	5,156,753,911	5,129,028,261	1,099,731,218
Current portion of assets recognised from costs of obtaining contracts	30	1,481,616	39,523,680	-	1,481,616	39,523,680	-
Real estate development cost	14	15,582,859,706	14,330,412,721	18,857,645,539	8,751,983,745	8,698,314,450	13,856,048,361
Other current assets	15	407,014,466	330,852,862	508,369,075	400,007,158	327,787,829	505,490,742
<b>Total current assets</b>		<b>23,392,405,443</b>	<b>21,173,741,814</b>	<b>21,800,030,570</b>	<b>15,924,386,105</b>	<b>15,181,866,206</b>	<b>15,888,173,358</b>
<b>Non-current assets</b>							
Investments in subsidiaries, associate and others (net)	16	17,413,825	-	-	4,701,630,564	4,701,630,506	4,701,630,506
Investment properties	17	1,329,889,481	973,873,480	924,735,158	635,526,681	545,028,914	543,347,424
Property, plant and equipment (net)	18	817,415,759	811,931,170	867,017,510	794,334,949	778,547,996	816,733,806
Intangible assets (net)	19	570,477	2,258,965	2,008,879	567,654	2,208,409	1,904,401
Deferred tax assets (net)	20	-	6,855,262	50,072,676	-	-	20,457,457
Assets recognised from cost of obtaining contracts	30	391,404,271	94,658,022	16,881,996	98,920,573	1,481,616	-
Other non-current assets (net)	21	3,600,582	7,295,469	8,768,589	2,018,469	6,757,704	7,539,770
<b>Total non-current assets</b>		<b>2,560,294,395</b>	<b>1,896,872,368</b>	<b>1,869,484,808</b>	<b>6,232,998,890</b>	<b>6,035,655,145</b>	<b>6,091,613,364</b>
<b>Total assets</b>		<b>25,952,699,838</b>	<b>23,070,614,182</b>	<b>23,669,515,378</b>	<b>22,157,384,995</b>	<b>21,217,521,351</b>	<b>21,979,786,722</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes on pages 13 to 67 are an integral part of these consolidated and separate financial statements.

**Noble Development Public Company Limited**  
**Statements of Financial Position**  
**As at 31 December 2018**

	Notes	Consolidated financial statements			Separate financial statements		
		(Restated)		(Restated)	(Restated)		(Restated)
		31 December	31 December	1 January	31 December	31 December	1 January
		2018	2017	2017	2018	2017	2017
		Baht	Baht	Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>							
<b>Current liabilities</b>							
Short-term borrowings	22	1,069,724,762	1,170,320,350	1,723,144,706	1,069,724,762	1,170,320,350	1,723,144,706
Short-term loan from and accrued interest expense to subsidiary	12 d)	-	-	-	3,062,073,257	3,401,434,406	2,752,832,685
Current portion of long-term borrowings (net)	22	3,072,686,565	2,869,256,471	4,855,015,633	2,447,086,565	2,869,256,471	4,855,015,633
Trade and other accounts payable	23	1,125,004,751	731,443,248	609,281,316	702,017,623	611,763,383	554,574,248
Deposits and advances received from customers		3,433,193,787	2,422,615,092	3,846,272,687	886,128,973	938,099,235	2,975,533,130
Accrued income tax		136,193,222	162,050,759	17,818,260	129,659,538	155,664,891	11,051,720
Other current liabilities	24	7,638,131	8,381,762	14,852,873	4,712,214	6,995,204	13,693,984
<b>Total current liabilities</b>		<b>8,844,441,218</b>	<b>7,364,067,682</b>	<b>11,066,385,475</b>	<b>8,301,402,932</b>	<b>9,153,533,940</b>	<b>12,885,846,106</b>
<b>Non-current liabilities</b>							
Long-term trade accounts payable from construction		12,273,529	13,532,353	-	12,273,529	13,532,353	-
Rental guarantee received from customer		9,800,612	14,489,670	14,142,111	5,157,862	5,307,862	4,841,051
Long-term borrowings (net)	22	9,070,781,330	8,597,082,301	7,723,240,258	6,531,610,769	5,504,578,364	4,720,510,915
Deferred tax liabilities (net)	20	37,491,234	7,222,761	161,117	35,963,009	24,706,158	-
Employee benefit obligations	25	29,459,077	35,198,605	32,252,079	29,356,923	35,106,885	32,197,217
<b>Total non-current liabilities</b>		<b>9,159,805,782</b>	<b>8,667,525,690</b>	<b>7,769,795,565</b>	<b>6,614,362,092</b>	<b>5,583,231,622</b>	<b>4,757,549,183</b>
<b>Total liabilities</b>		<b>18,004,247,000</b>	<b>16,031,593,372</b>	<b>18,836,181,040</b>	<b>14,915,765,024</b>	<b>14,736,765,562</b>	<b>17,643,395,289</b>
<b>Equity</b>							
<b>Share capital</b>							
<b>Authorised share capital</b>							
456,471,175 ordinary shares of par Baht 3 each	26	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525
<b>Issued and fully paid-up share capital</b>							
456,471,175 ordinary shares of par Baht 3 each		1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525	1,369,413,525
Share premium		69,174,340	69,174,340	69,174,340	69,174,340	69,174,340	69,174,340
<b>Retained earnings</b>							
Appropriated - Legal reserve	28	145,228,172	145,228,172	145,228,172	145,228,172	145,228,172	145,228,172
Unappropriated		6,371,568,275	5,462,189,912	3,256,517,592	5,665,364,294	4,904,500,112	2,760,135,756
Other components of equity (net)		(7,534,880)	(7,560,360)	(7,560,360)	(7,560,360)	(7,560,360)	(7,560,360)
<b>Equity attributable to owners of the parent</b>		<b>7,947,849,432</b>	<b>7,038,445,589</b>	<b>4,832,773,269</b>	<b>7,241,619,971</b>	<b>6,480,755,789</b>	<b>4,336,391,433</b>
Non-controlling interests	29	603,406	575,221	561,069	-	-	-
<b>Total equity</b>		<b>7,948,452,838</b>	<b>7,039,020,810</b>	<b>4,833,334,338</b>	<b>7,241,619,971</b>	<b>6,480,755,789</b>	<b>4,336,391,433</b>
<b>Total liabilities and equity</b>		<b>25,952,699,838</b>	<b>23,070,614,182</b>	<b>23,669,515,378</b>	<b>22,157,384,995</b>	<b>21,217,521,351</b>	<b>21,979,786,722</b>

The accompanying notes on pages 13 to 67 are an integral part of these consolidated and separate financial statements.



**Noble Development Public Company Limited**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		(Restated)		(Restated)	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenues from sales					
- real estate development business	30	4,974,174,870	9,553,018,666	4,975,892,870	9,561,003,666
Revenue from sales of goods, rental and services	30	104,286,632	124,428,078	74,772,446	94,380,203
Cost of sales - real estate development business	31	(2,815,808,538)	(5,557,850,853)	(2,831,262,640)	(5,583,613,010)
Cost of goods sold, rental and services		(43,392,885)	(61,790,464)	(36,991,464)	(55,137,215)
<b>Gross profit</b>		<b>2,219,260,079</b>	<b>4,057,805,427</b>	<b>2,182,411,212</b>	<b>4,016,633,644</b>
Other income	32	74,466,847	53,865,476	57,181,308	15,323,218
<b>Profit before expenses</b>		<b>2,293,726,926</b>	<b>4,111,670,903</b>	<b>2,239,592,520</b>	<b>4,031,956,862</b>
Selling and servicing expenses	31	(538,714,851)	(655,148,245)	(437,957,158)	(571,653,346)
Administrative expenses	31	(637,861,840)	(501,674,577)	(544,519,922)	(440,087,942)
Other gain (loss)	33	338,602,794	33,068,319	78,258,352	1,668,900
Finance costs	34	(221,175,208)	(232,508,122)	(286,069,034)	(343,752,550)
<b>Total expenses</b>		<b>(1,059,149,105)</b>	<b>(1,356,262,625)</b>	<b>(1,190,287,762)</b>	<b>(1,353,824,938)</b>
<b>Profit before income tax</b>		<b>1,234,577,821</b>	<b>2,755,408,278</b>	<b>1,049,304,758</b>	<b>2,678,131,924</b>
Income tax expense	35	(247,571,343)	(549,721,806)	(210,840,646)	(533,767,568)
<b>Profit for the year</b>		<b>987,006,478</b>	<b>2,205,686,472</b>	<b>838,464,112</b>	<b>2,144,364,356</b>
<b>Other comprehensive income:</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of employee benefit obligations		31,850	-	-	-
Income tax related to remeasurements of employee benefit obligations		(6,370)	-	-	-
<b>Other comprehensive income for the year, net off tax</b>		<b>25,480</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>987,031,958</b>	<b>2,205,686,472</b>	<b>838,464,112</b>	<b>2,144,364,356</b>
<b>Profit attributable to:</b>					
Owners of the parent		986,978,293	2,205,672,320	838,464,112	2,144,364,356
Non-controlling interests		28,185	14,152	-	-
		<b>987,006,478</b>	<b>2,205,686,472</b>	<b>838,464,112</b>	<b>2,144,364,356</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		987,003,773	2,205,672,320	838,464,112	2,144,364,356
Non-controlling interests		28,185	14,152	-	-
		<b>987,031,958</b>	<b>2,205,686,472</b>	<b>838,464,112</b>	<b>2,144,364,356</b>
<b>Earnings per share</b>					
Basic earnings per share (Baht)	36	<b>2.16</b>	<b>4.83</b>	<b>1.84</b>	<b>4.70</b>

The accompanying notes on pages 13 to 67 are an integral part of these consolidated and separate financial statements.

Noble Development Public Company Limited  
Statements of Changes in Equity  
For the year ended 31 December 2018

Consolidated financial statements (Baht)								
Attributable to owners of the parent								
Notes	Authorised, issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity (net) Other comprehensive income Remeasurements of employee benefit obligations (net)	Total owners of the parent	Non-controlling interests	Total equity
			Appropriated - legal reserve	Unappropriated				
Opening balance as at 1 January 2018 - as previously reported	1,369,413,525	69,174,340	145,228,172	4,899,824,740	(7,560,360)	6,476,080,417	547,707	6,476,628,124
Impact early adopted of the new standard	6	-	-	107,337,908	-	107,337,908	7,454	107,345,362
Impact of change in accounting policy	6	-	-	455,027,264	-	455,027,264	20,060	455,047,324
Opening balance as at 1 January 2018 - after restated	1,369,413,525	69,174,340	145,228,172	5,462,189,912	(7,560,360)	7,038,445,589	575,221	7,039,020,810
Change in equity for the year 2018								
Dividend payment	27	-	-	(77,599,930)	-	(77,599,930)	-	(77,599,930)
Remeasurements of employment benefit obligation		-	-	-	25,480	25,480	-	25,480
Total comprehensive income for the year		-	-	986,978,293	-	986,978,293	28,185	987,006,478
Closing balance as at 31 December 2018	1,369,413,525	69,174,340	145,228,172	6,371,568,275	(7,534,880)	7,947,849,432	603,406	7,948,452,838
Consolidated financial statements (Baht)								
Attributable to owners of the parent								
Note	Authorised, issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity (net) Other comprehensive income Remeasurements of employee benefit obligations (net)	Total owners of the parent	Non-controlling interests	Total equity
			Appropriated - legal reserve	Unappropriated				
Opening balance as at 1 January 2017 - as previously reported	1,369,413,525	69,174,340	145,228,172	2,856,152,382	(7,560,360)	4,432,408,059	545,402	4,432,953,461
Impact early adopted of the new standard	6	-	-	13,504,246	-	13,504,246	1,351	13,505,597
Impact of change in accounting policy	6	-	-	386,860,964	-	386,860,964	14,316	386,875,280
Opening balance as at 1 January 2017 - after restated	1,369,413,525	69,174,340	145,228,172	3,256,517,592	(7,560,360)	4,832,773,269	561,069	4,833,334,338
Change in equity for the year 2017								
Total comprehensive income for the year (restated)	-	-	-	2,205,672,320	-	2,205,672,320	14,152	2,205,686,472
Closing balance as at 31 December 2017 - after restated	1,369,413,525	69,174,340	145,228,172	5,462,189,912	(7,560,360)	7,038,445,589	575,221	7,039,020,810

The accompanying notes on pages 13 to 67 are an integral part of these consolidated and separate financial statements.

**Noble Development Public Company Limited**  
**Statements of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2018**

Separate financial statements (Baht)						
Notes	Authorised, issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity (net)	Total equity
			Appropriated - legal reserve	Unappropriated	Other comprehensive income Remeasurement of employee benefit obligations (net)	
<b>Opening balance as at 1 January 2018 - as previously reported</b>	1,369,413,525	69,174,340	145,228,172	4,617,031,514	(7,560,360)	6,193,287,191
Impact early adopted of the new standard	6 -	-	-	32,804,236	-	32,804,236
Impact of change in accounting policy	6 -	-	-	254,664,362	-	254,664,362
<b>Opening balance as at 1 January 2018 - after restated</b>	1,369,413,525	69,174,340	145,228,172	4,904,500,112	(7,560,360)	6,480,755,789
<b>Change in equity for the year 2018</b>						
Dividend payment	27 -	-	-	(77,599,930)	-	(77,599,930)
Total comprehensive income for the year	-	-	-	838,464,112	-	838,464,112
<b>Closing balance as at 31 December 2018</b>	<u>1,369,413,525</u>	<u>69,174,340</u>	<u>145,228,172</u>	<u>5,665,364,294</u>	<u>(7,560,360)</u>	<u>7,241,619,971</u>
Separate financial statements (Baht)						
Note	Authorised, issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity (net)	Total equity
			Appropriated - legal reserve	Unappropriated	Other comprehensive income Remeasurement of employee benefit obligations (net)	
<b>Opening balance as at 1 January 2017 - as previously reported</b>	1,369,413,525	69,174,340	145,228,172	2,517,207,854	(7,560,360)	4,093,463,531
Impact early adopted of the new standard	6 -	-	-	-	-	-
Impact of change in accounting policy	6 -	-	-	242,927,902	-	242,927,902
<b>Opening balance as at 1 January 2017 - after restated</b>	1,369,413,525	69,174,340	145,228,172	2,760,135,756	(7,560,360)	4,336,391,433
<b>Change in equity for the year 2017</b>						
Total comprehensive income for the year (restated)	-	-	-	2,144,364,356	-	2,144,364,356
<b>Closing balance as at 31 December 2017 - after restated</b>	<u>1,369,413,525</u>	<u>69,174,340</u>	<u>145,228,172</u>	<u>4,904,500,112</u>	<u>(7,560,360)</u>	<u>6,480,755,789</u>

The accompanying notes on pages 13 to 67 are an integral part of these consolidated and separate financial statements.

**Noble Development Public Company Limited**  
**Statements of Cash Flows**  
**For the year ended 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		(Restated)		(Restated)	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		1,234,577,821	2,755,408,278	1,049,304,758	2,678,131,924
Adjustments:					
Depreciation	18	77,757,271	93,759,596	60,055,877	68,824,745
Amortisation	19	2,050,028	1,669,823	2,002,295	1,608,111
Allowance for doubtful accounts:					
- short-term loans to and interest receivable from other company	11, 31	431,641	269,871	431,641	269,871
- short-term loans to and interest receivable from subsidiaries	12 c), 31	-	-	733,278	769,704
Employee benefit obligations	25	2,805,751	2,946,526	2,763,467	2,909,668
Reversal of unpaid employee benefit	25	(4,713,639)	-	(4,713,639)	-
Cost of obtaining contracts to be recognised as expenses	30	39,523,680	-	39,523,680	-
(Gain) loss from fair value adjustments on investment property	33	(354,575,851)	(54,382,215)	(89,057,617)	(1,607,708)
Loss from written-off plant and equipment	33	16,117,997	-	10,944,205	-
Net (gain) loss from disposals property, plant and equipment	33	(144,940)	21,313,896	(144,940)	(61,192)
Income from contracts cancellation	32	(45,807,769)	(10,450,528)	(33,930,200)	(2,770,580)
Interest income	32	(12,700,015)	(22,137,982)	(11,143,185)	(7,464,841)
Finance costs	34				
- interest expense		211,072,626	226,596,731	275,966,452	337,841,159
- amortisation of prepaid underwriting fee for debentures		9,877,855	5,761,119	9,877,855	5,761,119
- amortisation of deferred front-end fee		224,727	150,272	224,727	150,272
		1,176,497,183	3,020,905,387	1,312,838,654	3,084,362,252
Changes in working capital					
- trade and other accounts receivable		(145,798,348)	(110,751,349)	(6,534,090)	85,569,741
- inventories		658,129,296	40,855,323	655,414,949	41,208,128
- assets recognised from cost of obtaining contracts		(298,227,865)	(117,299,706)	(98,920,573)	(41,005,296)
- real estate development cost		(1,205,112,988)	1,361,677,872	(132,588,666)	1,845,108,682
- other current assets		(401,883,291)	(322,297,087)	(400,007,158)	(322,297,087)
- other non-current assets		3,694,887	1,473,120	4,739,235	782,066
- trade and other accounts payable		366,183,577	134,268,216	63,056,070	69,676,533
- rental guarantee received from customer		(4,689,058)	347,559	(150,000)	466,811
- deposits and advances received from customers		1,056,386,464	(1,413,207,067)	(18,040,062)	(2,034,663,315)
- other current liabilities		(743,631)	(6,471,111)	(2,282,990)	(6,698,780)
- employee benefit paid		(3,799,790)	-	(3,799,790)	-
Cash generated from operations		1,200,636,436	2,589,501,157	1,373,725,579	2,722,509,735
Interest received		12,268,374	22,060,440	9,978,266	6,425,266
Finance costs paid		(607,902,109)	(617,897,605)	(560,593,097)	(506,661,574)
Income tax - proceeds		3,805,170	1,468,582	3,805,170	-
- payment		(238,377,657)	(356,865,531)	(225,589,148)	(343,990,782)
Net cash generated from operating activities		370,430,214	1,638,267,043	601,326,770	1,878,282,645

The accompanying notes on pages 13 to 67 are an integral part of these consolidated and separate financial statements.

**Noble Development Public Company Limited**  
**Statements of Cash Flows (Cont'd)**  
**For the year ended 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		(Restated)		(Restated)	
		2018	2017	2018	2017
Notes		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
(Increase) decrease in temporary investments at financial institutions		(116,504,468)	2,609,715	(116,504,468)	2,609,715
Purchases of - investment properties		(1,440,150)	(1,694,360)	(1,440,150)	(1,694,360)
- property, plant and equipment		(78,288,479)	(62,860,661)	(65,755,315)	(38,583,440)
- intangible assets		(361,540)	(1,919,909)	(361,540)	(1,912,119)
Proceeds from disposals of property, plant and equipment		154,203	205,608	154,203	93,458
Cash paid for investments in subsidiaries and other company	16	(17,413,825)	-	(58)	-
Net cash used in investing activities		(213,854,259)	(63,659,607)	(183,907,328)	(39,486,746)
<b>Cash flows from financing activities</b>					
Short-term borrowings from subsidiary					
- proceeds	12 d)	-	-	503,000,000	1,030,000,000
- repayments	12 d)	-	-	(854,700,000)	(459,200,000)
Bill of exchange					
- proceeds	22.1	453,383,693	1,167,188,957	453,383,693	1,167,188,957
- repayments	22.1	(1,053,000,000)	(1,720,013,313)	(1,053,000,000)	(1,720,013,313)
Short-term borrowings from financial institutions					
- proceeds	22.2	500,000,000	-	500,000,000	-
Long-term borrowings from financial institutions					
- proceeds	22.3	962,000,000	2,888,600,000	892,000,000	2,797,500,000
- repayments	22.3	(1,209,500,000)	(4,715,135,000)	(1,209,500,000)	(4,715,135,000)
Cash paid for front-end fee from borrowings	22.2, 22.3	(3,423,750)	(9,178,900)	(3,423,750)	(5,916,400)
Long-term borrowings from issue of debenture					
- proceeds	22.4	3,500,000,000	2,221,500,000	3,500,000,000	2,221,500,000
- repayments	22.4	(2,571,500,000)	(1,500,000,000)	(2,571,500,000)	(1,500,000,000)
Payment for prepaid underwriting fee for debentures	22.4	(16,152,983)	(6,231,738)	(16,152,983)	(6,231,738)
Cash paid for dividend payment	27	(77,599,930)	-	(77,599,930)	-
Net cash receipts from (used in) financing activities		484,207,030	(1,673,269,994)	62,507,030	(1,190,307,494)
<b>Net increase (decrease) in cash and cash equivalents</b>		640,782,985	(98,662,558)	479,926,472	648,488,405
Cash and cash equivalents - beginning balance		923,071,812	1,021,734,370	842,609,850	194,121,445
Cash and cash equivalents - ending balance		1,563,854,797	923,071,812	1,322,536,322	842,609,850
<b>Non-cash transactions</b>					
Transfer real estate development cost to inventories		683,140,599	4,070,505,171	683,140,599	4,070,505,171
Transfer investment properties to property, plant and equipment	17	-	5,317,675	-	-
Transfer property, plant and equipment to real estate development cost	18	125,584	-	125,584	-
Amortisation change of deferred front-end fee which was capitalised into real estate development costs		4,623,993	2,617,128	2,357,369	680,034
Purchases of plant and equipment during the year which have not been paid		21,381,697	175,472	21,298,169	131,602
Transfer deposit for land to real estate development costs		300,000,000	500,000,000	300,000,000	500,000,000
Transfer other deposit to other receivable - related companies		-	-	23,982,659	-
Transfer other deposit to real estate development cost		23,982,659	-	-	-
Short-term loan to and interest receivable from other company written off		8,648,278	-	8,648,278	-

The accompanying notes on pages 13 to 67 are an integral part of these consolidated and separate financial statements.

## **1 General information**

Noble Development Public Company Limited ("the Company") is a public limited company incorporated and resident in Thailand. The address of its registered office is 1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to hereafter as "the Group".

The principal business operations of the Company and its subsidiaries ("the Group") are development of real estate for sale, providing construction, rental and service, and construction consulting services in Thailand.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2019.

## **2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

### **2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Comparative figures have been adjusted to conform with changes in presentation in the current year (note 6).

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

2.2.1 Revised accounting standard and financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

## **2 Accounting policies (Cont'd)**

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

- 2.2.1 Revised accounting standard and financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. (Cont'd)

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

- 2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

- 2.2.2.1 TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

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

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

## **2 Accounting policies (Cont'd)**

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

#### **2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)**

##### **2.2.2.1 TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has early adopted this standard. (Cont'd)**

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas that will be affected in Note 2.19 and Note 6.

##### **2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.**

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.



## **2 Accounting policies (Cont'd)**

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

#### **2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)**

2.2.2.3 The group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

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

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.

**2 Accounting policies (Cont'd)**

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)**

**2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)**

**2.2.2.3 The group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)**

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

## **2 Accounting policies (Cont'd)**

### **2.3 Group accounting - investments in subsidiaries and associates (Cont'd)**

#### **(1) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **(2) Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### **(3) Disposal of subsidiaries**

When the Group ceases to have control it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

## **2 Accounting policies (Cont'd)**

### **2.3 Group accounting - investments in subsidiaries and associates (Cont'd)**

#### **(4) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in profit or loss.

#### **(5) Separate financial statement**

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

### **2.4 Foreign currency translation**

#### **2.4.1 Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Thai Baht which is the Company's functional and the Group's presentation currency.

#### **2.4.2 Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the profit and loss, any exchange component of that gain or loss is recognised in profit or loss.

**2 Accounting policies (Cont'd)**

**2.5 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**2.6 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the profit or loss within administrative expense.

**2.7 Inventories**

The Group's inventories comprise condominium units, land and single detached houses for sale, food and beverage and interior equipment for sale. Inventories are stated at the lower of cost or net realisable value. Costs of inventories are determined on the following basis:

- Costs of condominium units, land and single detached houses for sale are determined by the specific method.
- Cost of food and beverage and supplies are determined by weighted average cost method.
- Costs of interior equipment for sale are determined by the specific method.

The cost of inventory comprises purchase and construction costs and other direct costs. Net realisable value is the estimate of the selling price in the ordinary course of business less costs of completions and applicable variable selling expenses. Allowance is made, where necessary, for impaired and obsolete inventories.

**2.8 Real estate development cost**

Real estate development cost is stated at cost less allowance for loss on projects. Costs include cost of land, cost of land development, costs of constructions of real estate projects and infrastructure and related borrowing costs.

The Group recognises cost of sales from real estate development cost upon the transfer of title to the buyer.

**2.9 Investments**

Investments in non-marketable equity securities are classified as general investments. General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposals of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

**2.10 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Building for lease held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs, which are incurred for the purpose of acquiring, constructing or producing a qualifying investment property, are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

## **2 Accounting policies (Cont'd)**

### **2.10 Investment property (Cont'd)**

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Changes in fair values are recognised in profit or loss. Investment property are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

### **2.11 Property, plant and equipment**

Property, plant and equipment comprise land of clubhouses, clubhouses, building and its improvements (Hotel business), office building, sale office building and its improvements, furnitures and fixtures, office equipment and vehicles. Clubhouses comprise clubhouse buildings, swimming pools and sports clubs. Land of clubhouses is stated at cost less an allowance for impairment. Clubhouses, building and its improvements (Hotel business), office building, sale office building and its improvements and equipment are initially recorded at cost less accumulated depreciation and an allowance for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, except furniture and fixtures, and equipment purchase from 1 January 2010 onwards using double declining method, to write off the cost of each assets to its residual value over the estimate useful lives as follows:

Clubhouses	5 - 20 years
Building	20 years
Building improvement	3 - 10 years
Office building and sales office building	20 years
Office building and sale office building improvements	3 - 5 years
Furniture and fixtures, and office equipment	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (see in Note 2.13).

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within other income or other expenses the profit or loss.

## 2 Accounting policies (Cont'd)

### 2.12 Intangible assets

#### Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product;
- there is an ability to use the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 3 years.

### 2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax asset against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **2 Accounting policies (Cont'd)**

### **2.15 Leases - where the Group is the lessee**

#### Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Leases - where the Group is the lessor**

#### Operating leases

Assets leased out under operating leases are included in investment property in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar investment property owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **2.16 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **2.17 Employee benefits**

The Group operate various retirement benefit schemes. The Group has both defined contribution plans and defined benefit plans.

A defined contribution plan is a retirement plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company pays contributions to provident fund which is managed by external fund manager in accordance with the Provident Fund Act B.E. 2530. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.



## **2 Accounting policies (Cont'd)**

### **2.17 Employee benefits (Cont'd)**

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by the independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurement gains and losses arising from experience adjustments and changed in actuarial assumptions are charged or credited to the equity through other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately to profit or loss.

### **2.18 Provisions - general**

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.19 Revenue recognition**

#### Real estate development business

Revenues from sales of land, land and single detached house and condominium units are recognised when control of a good transfers to a customer. The Group has determined that the transfer of risks and reward is the strongest indicator of the point in time that control has transferred to the customer.

Installment under the contract is shown as "Deposits and advances received from customers".

The Group recognise as an asset the incremental costs of obtaining a contract if it expects to recover those costs. The incremental costs of obtaining a contract are those costs that the entity would have incurred if the contract had not been obtained. An asset from cost of obtaining contracts recognised as an expense when transfer of goods. However, a practical expedient is available allowing such costs to be expensed when incurred if the recognised period would be one year or less.

#### Other revenues

Other revenues comprise the fair value for the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of output tax, returns, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from services is recognised as revenue in the year in which the service is rendered.

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Income from contracts cancellation is recognised when contracts are cancelled by customers.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

## **2 Accounting policies (Cont'd)**

### **2.20 Dividends distribution**

Dividends and interim dividends distribution to the Group's shareholders is recorded in the consolidated and separate financial statements in the period in which the dividends are approved by the shareholders and board of directors, respectively.

### **2.21 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

## **3 Financial risk management**

### **3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment excess liquidity.

#### **3.1.1 Foreign exchange risk**

The Group has no significant exposure to foreign exchange risk due to there are no significant financial assets and liabilities denominated in foreign currency. As a result, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk since management believes that future movements in market foreign exchange will not materially affect the Group's operating results.

#### **3.1.2 Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Authorised Officer in Financial department before execution. The Group has no significant interest-bearing assets. However, the Group has entered into long-term borrowing agreements with financial institutions bearing floating interest rates. The Group has not entered into interest rate swap contract covering the interest rate risk because the management believe that effect of interest rate fluctuation will not materially affect the Group.

#### **3.1.3 Credit risk**

The Group has no significant concentrations of credit risk. Cash is placed with reputable financial institutions. Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group's large number of customers in a variety of businesses. Due to these factors, management believes that no additional credit risk beyond the recorded allowance for doubtful accounts for uncollectible debts.

#### **3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

### **3 Financial risk management (Cont'd)**

#### **3.2 Fair value estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as market prices) or indirectly (that is, derived from market prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of investment properties and long-term borrowings are presented in Note 17 and 22.4 respectively.

### **4 Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **4.1 Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### **(a) Deferred tax**

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

##### **(b) Employee benefit obligations**

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefits include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 25.

##### **(c) Investment property**

The fair value of the investment property is valued by an independent qualified appraiser. It was primary measured by using the market approach under the condition of using the present market value. The approach correspond with the present market condition as there are adequate information from the trading market to be used in the analysis.

**5 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**6 Adoption of new financial reporting standard, change in accounting policy and reclassification**

**Adoption of new financial reporting standard**

During the year, the Group has early adopted the new financial reporting standard, TFRS 15 Revenue from contracts with customers which will become effective for annual periods beginning on or after 1 January 2019 by using the retrospectively method. The effect of the new standard is presented in the next section.

**Change in accounting policy**

During the year, the Group changed the accounting policy regarding the measurement of investment properties from cost method to fair value method. The change in this accounting policy has been applied retrospectively and the effect of the change is presented in the next section.

**Reclassification**

During the year, the Group has reclassified inventories (net), deferred tax assets (net), other non-current assets (net), and deferred tax liabilities (net). As a result, comparative figures have been reclassified to conform with the current year presentation. The effect to the change is presented in the next section.

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**6 Adoption of new financial reporting standard, change in accounting policy and reclassification (Cont'd)**

The effect of the adoption of new financial reporting standard, change in accounting policy and reclassification to the statements of financial position as of 1 January 2017 and 31 December 2017, consolidated and separate retained earnings as of 1 January 2017 and 31 December 2017 and the statement of comprehensive income and the statement of cash flow for the year ended 31 December 2017 are summarised below.

	Consolidated financial statements				
	Previously reported Baht	Effect from			After restated Baht
		Adoption of new financial reporting standard Baht	Change in accounting policy Baht	Reclassification Baht	
<b>Statements of financial positions as at 1 January 2017</b>					
Assets recognised from costs of obtaining contracts	-	16,881,996	-	-	16,881,996
Investment properties	441,141,058	-	483,594,100	-	924,735,158
Deferred tax assets (net)	150,006,778	(3,376,399)	(96,718,820)	161,117	50,072,676
Deferred tax liabilities (net)	-	-	-	161,117	161,117
Non-controlling interests	545,402	1,351	14,316	-	561,069
<b>Retained earnings - Unappropriated as at 1 January 2017</b>	<b>2,856,152,382</b>	<b>13,504,246</b>	<b>386,860,964</b>	<b>-</b>	<b>3,256,517,592</b>
<b>Statements of financial positions as at 31 December 2017</b>					
Inventories (net)	5,126,577,503	-	-	8,720,000	5,135,297,503
Assets recognised from costs of obtaining contracts	-	134,181,702	-	-	134,181,702
Investment properties	405,064,325	-	568,809,155	-	973,873,480
Deferred tax assets (net)	140,230,672	(26,836,340)	(113,761,831)	7,222,761	6,855,262
Other non-current assets (net)	16,015,469	-	-	(8,720,000)	7,295,469
Deferred tax liabilities (net)	-	-	-	7,222,761	7,222,761
Non-controlling interests	547,707	7,454	20,060	-	575,221
<b>Retained earnings - Unappropriated as at 31 December 2017</b>	<b>4,899,824,740</b>	<b>107,337,908</b>	<b>455,027,264</b>	<b>-</b>	<b>5,462,189,912</b>
<b>Statements of comprehensive income for the year ended 31 December 2017</b>					
Cost of goods sold, rental and services	(92,623,304)	-	30,832,840	-	(61,790,464)
Selling and servicing expenses	(772,447,951)	117,299,706	-	-	(655,148,245)
Other gain (loss)	(21,313,896)	-	54,382,215	-	33,068,319
Income tax expense	(509,218,854)	(23,459,941)	(17,043,011)	-	(549,721,806)
Profit for the year	2,043,674,663	93,839,765	68,172,044	-	2,205,686,472
Owners of the parent	2,043,672,358	93,833,662	68,166,300	-	2,205,672,320
Non-controlling interests	2,305	6,103	5,744	-	14,152
Basic earnings per share (Baht)	4.48	0.20	0.15	-	4.83

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**6 Adoption of new financial reporting standard, change in accounting policy and reclassification (Cont'd)**

The effect of the adoption of new financial reporting standard, change in accounting policy and reclassification to the statements of financial position as of 1 January 2017 and 31 December 2017, consolidated and separate retained earnings as of 1 January 2017 and 31 December 2017 and the statement of comprehensive income and the statement of cash flow for the year ended 31 December 2017 are summarised below. (Cont'd)

	Separate financial statements				
		Effect from			
	Previously reported Baht	Adoption of new financial reporting standard Baht	Change in accounting policy Baht	Reclassification Baht	After restated Baht
<b>Statements of financial positions as at 1 January 2017</b>					
Assets recognised from costs of obtaining contracts	-	-	-	-	-
Investment properties	239,687,546	-	303,659,878	-	543,347,424
Deferred tax assets (net)	81,189,433	-	(60,731,976)	-	20,457,457
<b>Retained earnings - Unappropriated as at 1 January 2017</b>	2,517,207,854	-	242,927,902	-	2,760,135,756
<b>Statements of financial positions as at 31 December 2017</b>					
Inventories (net)	5,120,308,261	-	-	8,720,000	5,129,028,261
Assets recognised from costs of obtaining contracts	-	41,005,296	-	-	41,005,296
Investment properties	226,698,462	-	318,330,452	-	545,028,914
Deferred tax assets (net)	47,160,992	(8,201,060)	(63,666,090)	24,706,158	-
Other non-current assets (net)	15,477,704	-	-	(8,720,000)	6,757,704
Deferred tax liabilities (net)	-	-	-	24,706,158	24,706,158
<b>Retain earnings - Unappropriated as at 31 December 2017</b>	4,617,031,514	32,804,236	254,664,362	-	4,904,500,112
<b>Statements of comprehensive income for the year ended 31 December 2017</b>					
Cost of goods sold, rental and services	(68,200,081)	-	13,062,866	-	(55,137,215)
Selling and servicing expenses	(612,658,642)	41,005,296	-	-	(571,653,346)
Other gain (loss)	61,192	-	1,607,708	-	1,668,900
Income tax expense	(522,632,394)	(8,201,060)	(2,934,114)	-	(533,767,568)
Profit for the year	2,099,823,660	32,804,236	11,736,460	-	2,144,364,356
Basic earnings per share (Baht)	4.60	0.07	0.03	-	4.70

## 7 Segment information

As at 31 December 2018 and 2017 performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial information. Revenue and costs are eliminated from transaction within the Group. Income tax are not allocated to each reporting segment.

Financial information by business segment

	As at 31 December								Consolidated	
	Condominium		House and land		Rental and service business		Others		financial statements	
	2018 Baht'000	(Restated) 2017 Baht'000	2018 Baht'000	(Restated) 2017 Baht'000	2018 Baht'000	(Restated) 2017 Baht'000	2018 Baht'000	(Restated) 2017 Baht'000	2018 Baht'000	(Restated) 2017 Baht'000
Segment assets	19,526,456	17,515,988	3,198,844	3,216,364	1,183,532	975,078	199	307	23,909,031	21,707,737
Unallocated assets									2,043,669	1,362,877
Consolidated total assets									25,952,700	23,070,614
Segment liabilities	9,986,906	8,597,286	645,021	53,592	11,976	17,132	185	176	10,644,088	8,668,186
Unallocated liabilities									7,360,159	7,363,407
Consolidated total liabilities									18,004,247	16,031,593

7 Segment information (Cont'd)

Financial information by business segment (Cont'd)

	For the years ended 31 December									
	Condominium		House and land		Rental and service business		Others		Consolidated financial statements	
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000	2018 Baht'000	2017 Baht'000
Revenues	4,773,249	9,480,341	200,925	72,677	104,287	124,428	-	-	5,078,461	9,677,446
Segment results	2,119,321	3,970,522	39,045	24,646	60,894	62,637	-	-	2,219,260	4,057,805
Other income - allocated	56,833	24,210	604	14,091	4,833	4,520	-	1	62,270	42,822
- unallocated	-	-	-	-	-	-	-	-	12,197	11,043
Selling and servicing expenses - allocated	(452,421)	(596,875)	(55,665)	(16,082)	(276)	(435)	-	-	(508,362)	(613,392)
- unallocated	-	-	-	-	-	-	-	-	(30,353)	(41,755)
Administrative expenses - allocated	(161,456)	(169,742)	(22,824)	(22,869)	(130,081)	(28,344)	(109)	(109)	(314,470)	(221,064)
- unallocated	-	-	-	-	-	-	-	-	(323,392)	(280,611)
Other gain (loss) (Note 33) - allocated	(16,115)	(21,314)	6,482	-	375,236	54,382	-	-	365,603	(33,068)
- unallocated	-	-	-	-	-	-	-	-	(27,000)	-
Finance costs (Note 34) - allocated	(60,182)	(129,889)	(38,836)	(47,245)	(12,597)	(14,244)	-	-	(111,615)	(191,378)
- unallocated	-	-	-	-	-	-	-	-	(109,560)	(41,130)
Operating profit (loss)	1,485,980	3,076,912	(71,194)	(47,459)	298,009	78,516	(109)	(108)	1,234,578	2,755,408
Income tax expense (Note 35)									(247,571)	(549,722)
Net profit for the year									987,007	2,205,686
Other comprehensive income for the year, net off tax									25	-
Total comprehensive income attributable to non-controlling interests									(28)	(14)
Total comprehensive income attribute to owners of the parent									987,004	2,205,672



## **8 Cash and cash equivalents (net)**

Cash and cash equivalents (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Cash on hand	218,088	190,514	158,901	164,423
Cheque on hand	28,386,690	-	28,386,690	-
Deposits held at call, fixed deposits accounts, bills of exchange and at-call deposit receipts with maturity of 3 months or less (net)	1,535,250,019	922,881,298	1,293,990,731	842,445,427
<b>Total cash and cash equivalents (net)</b>	<b>1,563,854,797</b>	<b>923,071,812</b>	<b>1,322,536,322</b>	<b>842,609,850</b>

As at 31 December 2018, deposits held at call, fixed deposits accounts, bills of exchange and at-call deposit receipts with maturity of 3 months or less (net) at local financial institutions in consolidated financial statements carry interest at the rates of 0.10% - 1.30% per annum (2017 : 0.10% - 1.30% per annum) and in separate financial statements carry interest at the rates of 0.10% - 1.30% per annum (2017 : 0.10% - 1.30% per annum).

## **9 Temporary investments at financial institutions (net)**

Temporary investments at financial institutions (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Saving account	120,390,000	-	120,390,000	-
Fixed deposits accounts	36,754,244	40,639,776	36,562,244	40,447,776
<b>Total temporary investments at financial institutions (net)</b>	<b>157,144,244</b>	<b>40,639,776</b>	<b>156,952,244</b>	<b>40,447,776</b>

As at 31 December 2018 and 2017, temporary investments at financial institutions (net) in consolidated and separate financial information represent fixed deposits accounts at local financial institutions bearing interest at the rates as following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 % per annum</b>	<b>2017 % per annum</b>	<b>2018 % per annum</b>	<b>2017 % per annum</b>
Saving account	0.37	-	0.37	-
Fixed deposits accounts	0.80 - 1.30	0.80 - 1.30	0.80 - 1.30	0.80 - 1.30

As at 31 December 2018, saving account in the consolidated and separate financial statements of Baht 120.39 million is deposited for reserve at the bank and fixed deposits accounts in the consolidated and separate financial statements of Baht 36.75 million and Baht 36.56 million (2017 : Baht 40.64 million and Baht 40.45 million), respectively, are pledged with banks for letters of guarantee issued by the banks to guarantee the electricity usage and guarantee the public utilities maintenance (Note 38).

**10 Trade and other accounts receivable (net)**

Trade and other accounts receivable (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Short-term trade accounts receivable				
- rental and services business	2,722,519	2,637,008	2,383,048	2,157,984
Advances to contractor	458,194,127	341,208,345	31,912,438	74,879,219
Accrued management fee income				
- related company (Note 12 b))	-	-	2,274,114	2,274,114
- other company	446,693	446,693	446,693	446,693
Accrued rental and service income				
- other companies	2,411,989	2,989,528	331,236	129,128
Interest receivable				
- other company	19,726,806	19,726,806	19,726,806	19,726,806
Advances to juristic person	10,681	17,614,853	10,681	17,614,853
Prepaid expense	54,664,875	4,834,077	54,557,773	4,716,750
Other receivable				
- related companies (Note 12 b))	-	-	43,758,276	9,048
- other companies	3,378,273	6,300,305	3,358,313	6,288,034
<b>Total</b>	<b>541,555,963</b>	<b>395,757,615</b>	<b>158,759,378</b>	<b>128,242,629</b>
<b>Less</b> Allowance for doubtful accounts				
from accrued management fee income				
- related company (Note 12 b))	-	-	(2,274,114)	(2,274,114)
- other company	(446,693)	(446,693)	(446,693)	(446,693)
Allowance for doubtful accounts from interest receivable				
- other company	(19,726,806)	(19,726,806)	(19,726,806)	(19,726,806)
Allowance for doubtful accounts from other receivables	(1,640,656)	(1,640,656)	(1,640,656)	(1,640,656)
<b>Total trade and other accounts receivable (net)</b>	<b>519,741,808</b>	<b>373,943,460</b>	<b>134,671,109</b>	<b>104,154,360</b>

## 11 Short-term loans to and interest receivable from other company (net)

Short-term loans to and interest receivable from other company (net) as at 31 December 2018 and 2017 comprise the following:

Consolidated and Separate financial statements					
2018 (Baht)					
Short-term loans to and interest receivable from other company (net)	Interest rate % per annum	Short-term loans	Interest receivable	Less allowance for doubtful account	Total (net)
Research & Consultant Company Limited	-	-	-	-	-
Consolidated and Separate financial statements					
2017 (Baht)					
Short-term loans to and interest receivable from other company (net)	Interest rate % per annum	Short-term loans	Interest receivable	Less allowance for doubtful account	Total (net)
Research & Consultant Company Limited	7.25	3,722,360	4,494,277	(8,216,637)	-

The movements of the short-term loans to and interest receivable from other company (net) for the years ended 31 December 2018 and 2017 comprises the following:

Consolidated and Separate financial statements		
	2018 Baht	2017 Baht
Opening net book value	-	-
Increase in interest receivable	431,641	269,871
Increase in allowance for doubtful accounts (Note 31)	(431,641)	(269,871)
Write-off - short-term loans	(3,722,360)	-
- interest receivable	(4,925,918)	-
Reversal of allowance for doubtful account	8,648,278	-
Ending net book value	-	-

During the year, the Company wrote off short-term loans to and interest receivable from Research & Consultant Company Limited amount Baht 8,648,278.

## 12 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and follow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationships between the Company and related companies are as follows:

Related company name	Relationship with the Company
Ban Suk Sabai Company Limited	a subsidiary company
Continental City Company Limited	a subsidiary company
S&P Property Management Company Limited	a subsidiary company
Noble SG Pte. Ltd	a subsidiary company
Noble Singapore Hold Pte. Ltd.	a subsidiary company
Noble Furano Godo Kaisha (GK)	a subsidiary company of Noble Singapore Hold Pte. Ltd.
Noble Development International Limited	a related company

The majority of the Company's shares are widely held by public through the Stock Exchange of Thailand.

**12 Related party transactions (Cont'd)**

- a) The following significant transactions incurred during the years ended 31 December 2018 and 2017 carried out with related parties are as follows:

		<b>Separate financial statements</b>	
		<b>2018 Baht</b>	<b>2017 Baht</b>
	<b>Individual/Subsidiaries</b>		
Sales of condominium	Ban Suk Sabai Company Limited	-	4,360,000
	Continental City Company Limited	1,718,000	3,625,000
		<u>1,718,000</u>	<u>7,985,000</u>
Sales of land	Former related person	<u>25,936,380</u>	<u>-</u>
Purchase of land	Continental City Company Limited	<u>-</u>	<u>6,561,000</u>
Interest income (Note 12 c))	S&P Property Management Company Limited	<u>733,278</u>	<u>769,704</u>
Interest expense (Note 12 d))	Continental City Company Limited	68,438,916	77,548,693
	Ban Suk Sabai Company Limited	54,522,904	41,701,233
		<u>122,961,820</u>	<u>119,249,926</u>
		<b>Consolidated and Separate financial statements</b>	
		<b>2018 Baht</b>	<b>2017 Baht</b>
	<b>Individual/Subsidiaries</b>		
Brokerage fee	Noble Development International Limited	<u>2,288,653</u>	<u>-</u>
		<b>Consolidated and Separate financial statements</b>	
		<b>2018 Baht</b>	<b>2017 Baht</b>
Management benefit expenses			
- short-term employee benefits		46,969,670	57,121,840
- post employment benefits		1,563,340	1,715,654
		<u>48,533,010</u>	<u>58,837,494</u>
Directors' remuneration			
- short-term employee benefits		<u>3,145,000</u>	<u>3,145,000</u>

Sale of condominium and purchase of land are transacted under price and term as agreed between parties.

Interest income was charged to subsidiaries at the rate of 5.46% per annum (2017 : 5.46% per annum and 6.06% per annum).

Interest expense was paid to subsidiary at the rate of 3.00% - 5.46% per annum (2017 : 3.00% - 6.06% per annum).

Management benefit expenses represent benefits which management has received from the Company. The definition of "management" is in accordance with the laws on securities and stock exchange.

Management's post employment benefits represent retirement benefits which is calculated by independent actuary.

Directors' remuneration is approved at the Annual General Meeting of the Company's shareholders.

**12 Related party transactions (Cont'd)**

- b) Outstanding balances as at 31 December 2018 and 2017 arising from services provided and other expenses comprise the following:

		<b>Separate financial statements</b>	
		<b>2018 Baht</b>	<b>2017 Baht</b>
	<b>Individual/Subsidiaries</b>		
Accrued management fee income (Note 10)	S&P Property Management Company Limited	2,274,114	2,274,114
<u>Less</u> Allowance for doubtful account (Note 10)		<u>(2,274,114)</u>	<u>(2,274,114)</u>
Total accrued management fee income (net)		<u>-</u>	<u>-</u>
Other accounts receivable (Note 10)	Continental City Company Limited	127,022	9,048
	Noble SG Pte. Ltd.	481,962	-
	Noble Singapore Hold Pte. Ltd.	<u>43,149,292</u>	<u>-</u>
		<u>43,758,276</u>	<u>9,048</u>
		<b>Consolidated financial statements</b>	
		<b>2018 Baht</b>	<b>2017 Baht</b>
Other accounts payable (Note 23)	Related person	<u>29,717</u>	<u>-</u>
		<b>Separate financial statements</b>	
		<b>2018 Baht</b>	<b>2017 Baht</b>
Accrued expenses (Note 23)	Continental City Company Limited	<u>-</u>	<u>8,820</u>
		<b>Consolidated and Separate financial statements</b>	
		<b>2018 Baht</b>	<b>2017 Baht</b>
Accrued expenses (Note 23)	Noble Development International Limited	<u>7,736,894</u>	<u>-</u>
Accrued director's remunerations (Note 23)		<u>3,145,000</u>	<u>3,145,000</u>
Deposits and advances received from customers	Executive Vice President	<u>100,000</u>	<u>-</u>

**12 Related party transactions (Cont'd)**

c) Short-term loans to and interest receivable from subsidiary (net)

Short-term loans to and interest receivable from subsidiary (net) as at 31 December 2018 and 2017 comprise the following:

<b>Separate financial statement</b>					
<b>2018 (Baht)</b>					
<b>Short-term loans to and interest receivable from subsidiary (net)</b>	<b>Interest rate % per annum</b>	<b>Short-term loans</b>	<b>Interest receivable</b>	<b>Less allowance for doubtful account</b>	<b>Total (net)</b>
S&P Property Company Limited	5.46	13,430,000	8,162,723	(21,592,723)	-
<b>Separate financial statement</b>					
<b>2017 (Baht)</b>					
<b>Short-term loans to and interest receivable from subsidiary (net)</b>	<b>Interest rate % per annum</b>	<b>Short-term loans</b>	<b>Interest receivable</b>	<b>Less allowance for doubtful account</b>	<b>Total (net)</b>
S&P Property Company Limited	5.46	13,430,000	7,429,445	(20,859,445)	-

As at 31 December 2018 and 2017, short-term loans to subsidiary are unsecured loans denominated in Thai Baht and called on demand.

The movement of short-term loans to and interest receivable from subsidiary (net) for the years ended 31 December 2018 and 2017 comprise the following:

<b>Separate financial statements</b>		<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book value		-	-
Increase in interest receivable (Note 12 a))		733,278	769,704
Increase in allowance for doubtful accounts (Note 31)		(733,278)	(769,704)
Ending net book value		-	-

**12 Related party transactions (Cont'd)**

d) Short-term loans from and accrued interest expenses to subsidiaries

Short-term loans from and accrued interest expenses to subsidiaries as at 31 December 2018 and 2017 comprise the following:

Short-term loans from and accrued interest expenses to subsidiaries	Interest rate % per annum	Separate financial statements		
		2018 (Baht)		
		Short-term loan	Accrued interest expense	Total
Ban Suk Sabai Company Limited	3.00	1,814,000,000	110,029,397	1,924,029,397
Continental City Company Limited	5.46	1,076,000,000	62,043,860	1,138,043,860
		<u>2,890,000,000</u>	<u>172,073,257</u>	<u>3,062,073,257</u>
Short-term loans from and accrued interest expenses to subsidiaries	Interest rate % per annum	Separate financial statements		
		2017 (Baht)		
		Short-term loan	Accrued interest expense	Total
Ban Suk Sabai Company Limited	3.00	1,825,000,000	56,574,657	1,881,574,657
Continental City Company Limited	5.46	1,416,700,000	103,159,749	1,519,859,749
		<u>3,241,700,000</u>	<u>159,734,406</u>	<u>3,401,434,406</u>

As at 31 December 2018 and 2017, short-term loans from subsidiaries are unsecured loans denominated in Thai Baht and called on demand.

The movements of short-term loans from and accrued interest expenses to subsidiaries for the years ended 31 December 2018 and 2017 comprise the following:

	Separate financial statements	
	2018 Baht	2017 Baht
Opening net book value	3,401,434,406	2,752,832,685
Increase in - short-term loans	503,000,000	1,030,000,000
- accrued interest expense (Note 12 a))	122,961,820	119,249,926
Repayment in - short-term loans	(854,700,000)	(459,200,000)
- accrued interest expense	(110,622,969)	(41,448,205)
Ending net book value	<u>3,062,073,257</u>	<u>3,401,434,406</u>

### 13 Inventories (net)

Inventories (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Land for sale	234,510,315	253,544,135	234,510,315	253,544,135
Houses for sale	610,593,385	719,744,949	603,768,546	722,753,922
Condominium units for sale	4,357,535,524	4,192,330,434	4,351,805,468	4,183,052,219
Food and beverage	1,119,850	1,319,022	1,119,850	1,319,022
Interior equipment for sale	5,178,633	7,987,864	5,178,633	7,987,864
	5,199,937,707	5,174,926,404	5,196,382,812	5,168,657,162
<u>Less</u> Allowance for impairment condominium units for sale	(39,628,901)	(39,628,901)	(39,628,901)	(39,628,901)
Total inventories (net)	5,160,308,806	5,135,297,503	5,156,753,911	5,129,028,261

The cost of inventories recognised as expense and included in cost of sales from real estate development business in consolidated and separate financial statements is Baht 866,679,339 and Baht 867,786,138 (2017 : Baht 51,661,121 and Baht 51,934,109), respectively.

The cost of food and beverage and interior equipment for sale recognised as expense and included in cost of goods sold, rental and services in consolidated and separate financial statements is Baht 11,613,122 and Baht 11,613,122 (2017 : Baht 26,518,108 and Baht 26,518,108), respectively.

As at 31 December 2018, the Company deposit its title deeds of 211 condominium units at bank to guarantee the borrowing facilities amount Baht 3,000 million (Note 22.3).

As at 31 December 2017, in consolidated and separate financial statements, the title deeds of 45 condominium units for sales in value not under Baht 400 million were deposited at Bank (Note 22.3).

### 14 Real estate development cost

Real estate development cost as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Land development	12,221,544,809	11,058,533,652	7,743,862,518	6,604,687,122
Construction in progress and other related costs	2,103,845,180	2,125,681,773	313,997,290	1,388,407,009
Capitalised interest	1,257,469,717	1,146,197,296	694,123,937	705,220,319
Total real estate development cost	15,582,859,706	14,330,412,721	8,751,983,745	8,698,314,450
Capitalised interest during the year	401,742,360	402,333,097	301,738,275	257,199,908
Total value of contracts signed	16,284,549,260	26,521,243,217	2,041,100,362	18,658,804,124

During 2018, the cost of real estate development costs recognised as expense and included in cost of sale from real estate development business in consolidated and separate financial statements is Baht 1,955,305,736 and Baht 1,969,653,039 respectively (2017 : Baht 5,506,189,732 and Baht 5,531,678,901 respectively).

As at 31 December 2018, real estate development costs in the consolidated and separate financial statements of Baht 9,716 million and Baht 6,305 million (2017 : Baht 9,825 million and Baht 4,436 million), respectively, were being used as collaterals against the borrowings of the Company from local banks amounting to Baht 6,169 million and Baht 2,999 million (2017 : Baht 5,616 million and Baht 2,517 million), respectively (Note 22.2 and 22.3).



**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**15 Other current assets**

Other current assets as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Land and building deposits	400,000,000	300,000,000	400,000,000	300,000,000
Other deposits	-	23,982,659	-	23,982,659
Prepaid income tax	5,019,228	6,758,256	-	3,805,170
Value added tax refundable	1,995,238	111,947	7,158	-
Total other current assets	407,014,466	330,852,862	400,007,158	327,787,829

**16 Investments in subsidiaries, associate and others (net)**

Investments in subsidiaries, associate and others (net) as at 31 December 2018 and 31 December 2017 comprise the following:

		Separate financial statements			
		Paid-up share capital		Percentage of holding	
		2018 Million Baht	2017 Million Baht	2018 %	2017 %
<b>Investments in subsidiaries</b>	<b>Principal activities</b>				
Ban Suk Sabai Company Limited	Real estate	1,700.0	1,700.0	99.9	99.9
Continental City Company Limited	Real estate	3,000.0	3,000.0	99.9	99.9
S&P Property Management Company Limited	Management service	2.0	2.0	100.0	100.0
Noble SG Pte. Ltd.	Holding Company	-	-	-	-
Noble Singapore Hold Pte. Ltd.	Holding Company	-	-	-	-
Noble Furano Godo Kaisha (GK)	Real estate	-	-	-	-
		Separate financial statements			
		Paid-up share capital		Percentage of holding	
		2018 Million Baht	2017 Million Baht	2018 %	2017 %
<b>Investment in associate</b>	<b>Principal activities</b>				
N.K. Energy Conservation Company Limited	Light weight wall panel	6.5	6.5	49.9	49.9
<b>Other investments</b>	<b>Principal activities</b>				
Khonkaenland Development Group Company Limited	Real estate	265.0	265.0	1.9	1.9
		Consolidated financial statements			
		Paid-up share capital		Percentage of holding	
		2018 Million Baht	2017 Million Baht	2018 %	2017 %
<b>Investment in associate</b>	<b>Principal activities</b>				
N.K. Energy Conservation Company Limited	Light weight wall panel	6.5	6.5	49.9	49.9
<b>Other investments</b>	<b>Principal activities</b>				
Khonkaenland Development Group Company Limited	Real estate	265.0	265.0	1.9	1.9
FEEDER ESTATES LLP	Real estate	GBP 12.22 million equivalent to Baht 540.6 million	-	3.2	-

At the Board of Director's Meeting of the Company held on 15 January 2018, it was unanimously resolved to approve the Company incorporated two subsidiaries in Singapore which are Noble SG Pte. Ltd. and Noble Singapore Hold Pte. Ltd. with registered share capital amounting to Japanese Yens 100 each company (1 ordinary share at a par value of 100 Japanese Yens), and held 100% each of shareholding interest. On 12 February 2018, it was unanimously resolved to approve the subsidiary, Noble Singapore Hold Pte. Ltd., to invest in Noble Furano Godo Kaisha (GK) at 100% of total shareholding.

**16 Investments in subsidiaries, associate and others (net) (Cont'd)**

Investments in subsidiaries, associate and others (net) as at 31 December 2018 and 2017 comprise the following: (Cont'd)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Equity method</b>		<b>Cost method</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Investments in subsidiaries</b>				
Ban Suk Sabai Company Limited	-	-	1,698,850,600	1,698,850,600
Continental City Company Limited	-	-	3,002,779,906	3,002,779,906
S&P Property Management Company Limited	-	-	5,000	5,000
Noble SG Pte. Ltd.	-	-	29	-
Noble Singapore Hold Pte Ltd.	-	-	29	-
Noble Furano Godo Kaisha (GK)	-	-	-	-
<u>Less</u> Allowance for impairment of investments in subsidiaries	-	-	4,701,635,564 (5,000)	4,701,635,506 (5,000)
Total investments in subsidiaries (net)	-	-	4,701,630,564	4,701,630,506
<b>Investment in associate*</b>				
N.K. Energy Conservation Company Limited				
<u>Less</u> Allowance for impairment of investment in associate	3,247,400 (3,247,400)	3,247,000 (3,247,000)	3,247,400 (3,247,400)	3,247,400 (3,247,400)
Investment in associate (net)	-	-	-	-
<b>Other company**</b>				
FEEDER ESTATES LLP (GBP 393,500)	17,413,825	-	-	-
Khonkaenland Development Group Company Limited	5,000,000	5,000,000	5,000,000	5,000,000
<u>Less</u> Allowance for impairment of other investment	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Other investment (net)	17,413,825	-	-	-
Total investments in subsidiaries, associate and other company (net)	17,413,825	-	4,701,630,564	4,701,630,506

\* According to Group's policy, investment in associate is presented in consolidated financial information by using equity method. However, the operation of this associate does not form significant part to the Group. In addition, the Group has already provided full allowance for impairment for this investment. Therefore, the Group has presented investment in associate in consolidated financial information by using cost method.

\*\* Other company is presented at cost in consolidated financial information.

Noble Singapore Hold Pte Ltd. invests in FEEDER ESTATES LLP, incorporated in United Kingdom. Its share capital is GBP 15.51 million (Note 38).

## 17 Investment properties

The Group's investment properties are measured at fair value.

	Consolidated financial statements			Separate financial statements		
	Land Baht	Building and Building improvement Baht	Total Baht	Total Baht	Building and Building Total Baht	Total Baht
Fair value hierarchy	2	2		2	2	
Fair value at 1 January 2017 - After restated	166,833,300	757,901,858	924,735,158	153,047,800	390,299,624	543,347,424
Additions	-	73,782	73,782	-	73,782	73,782
Transfer to property, plant and equipment (Note 18)	(5,317,675)	-	(5,317,675)	-	-	-
Gain (loss) from fair value adjustments on investment property (Note 33)	(2,193,325)	56,575,540	54,382,215	-	1,607,708	1,607,708
Fair value at 31 December 2017 - After restated	159,322,300	814,551,180	973,873,480	153,047,800	391,981,114	545,028,914
Additions	-	1,440,150	1,440,150	-	1,440,150	1,440,150
Gain (loss) from fair value adjustments on investment property (Note 33)	(26,623,500)	381,199,351	354,575,851	(34,777,800)	123,835,417	89,057,617
Fair value at 31 December 2018	132,698,800	1,197,190,681	1,329,889,481	118,270,000	517,256,681	635,526,681

**17 Investment properties (Cont'd)**

Valuation processes

The Group's investment properties were valued at 2018 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Group's finance department includes a team that review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC, the valuation team and the independent valuers at least once every quarter, in line with the Group's quarterly reporting dates. At each financial year end the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuation movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

Changes in level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO, AC and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

There were no changes to the valuation techniques during the year.

The Group's managements have estimated fair value of investment properties as at 31 December 2018 and 2017 by using the methods as follows:

As at 31 December 2018

- Land blank • Appraisal value by external independent valuers (Level 2).
- Building for lease • Appraisal value by external independent valuers (Level 2).

As at 31 December 2017

- Land blank • Appraisal value by external independent valuers and appraisal value of Land Department (Level 2).
- Building for lease • Discount cash flow projections based on reliable estimate of future cash flows, supported by the terms of existing lease and other assumptions and discounted by the Company's weighted average cost of capital (Level 3).

Amounts recognised in profit or loss that are related to investment properties as at 31 December 2018 and 2017 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Rental income	40,884,126	43,425,008	14,109,614	16,509,634
Direct operating expense arise from investment property that generated rental income for the year	451,556	2,108,122	52,238	65,134
Direct operating expense arise from investment property that did not generate rental income for the year	5,119,127	1,927,812	1,547,645	-

As at 31 December 2018, Building for lease in the consolidated and separate financial statements with net book value approximately Baht 237 million and Baht 189 million (2017 : Baht 360 million and Baht 236 million), respectively are under a 3-year operating lease agreement with a non-related company. The non-related company has an option to renew this operating lease agreement for another 3-year period.

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**18 Property, plant and equipment (net)**

The movements of property, plant and equipment (net) for the years ended 31 December 2018 and 2017 comprise the following:

Consolidated financial statements (Baht)									
	Land	Office building, sale office and improvements	Furniture and fixtures, office equipment and vehicles	Clubhouses	Hotel business			Construction in progress and advance payment	Total
					Building	Building improvement	Equipment	Furniture and fixtures	
<b>As at 1 January 2017</b>									
Cost	328,677,016	479,849,877	54,497,590	31,614,443	171,491,143	64,749,036	10,587,392	76,200,984	1,225,312,577
<u>Less</u> Accumulated depreciation	-	(66,292,143)	(37,024,655)	(16,031,887)	(72,829,513)	(55,038,511)	(9,126,251)	(75,745,213)	(332,088,173)
Allowance for impairment	(13,740,000)	-	-	(12,466,894)	-	-	-	-	(26,206,894)
Net book value	314,937,016	413,557,734	17,472,935	3,115,662	98,661,630	9,710,525	1,461,141	455,771	867,017,510
<b>For the year ended 31 December 2017</b>									
Opening net book value	314,937,016	413,557,734	17,472,935	3,115,662	98,661,630	9,710,525	1,461,141	455,771	867,017,510
Additions	130,060	45,748,215	8,245,220	29,591	-	-	231,190	208,306	54,875,085
Transfer in (out)	-	3,529,613	34,586	-	-	-	-	-	-
Transfer from investment properties (Note 17)	5,317,675	-	-	-	-	-	-	-	5,317,675
Disposals - cost	-	(60,532,999)	(296,107)	-	-	-	-	-	(60,829,106)
- accumulated depreciation	-	39,013,515	296,087	-	-	-	-	-	39,309,602
Depreciation charge (Note 31)	-	(67,646,564)	(10,228,189)	(56,149)	(8,570,585)	(6,474,904)	(571,976)	(211,229)	(93,759,596)
Closing net book value	320,384,751	373,669,514	15,524,532	3,089,104	90,091,045	3,235,621	1,120,355	452,848	811,931,170
<b>As at 31 December 2017</b>									
Cost	334,124,751	468,594,706	62,481,289	31,644,034	171,491,143	64,749,036	10,818,582	76,409,290	1,224,676,231
<u>Less</u> Accumulated depreciation	-	(94,925,192)	(46,956,757)	(16,088,036)	(81,400,098)	(61,513,415)	(9,698,227)	(75,956,442)	(386,538,167)
Allowance for impairment	(13,740,000)	-	-	(12,466,894)	-	-	-	-	(26,206,894)
Net book value	320,384,751	373,669,514	15,524,532	3,089,104	90,091,045	3,235,621	1,120,355	452,848	811,931,170

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**18 Property, plant and equipment (net)** (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

	Consolidated financial statements (Baht)									
	Land	Office building, sale office and improvements	Furniture and fixtures, office equipment and vehicles	Clubhouses	Hotel business				Construction in progress and advance payment	Total
					Building	Building improvement	Equipment	Furniture and fixtures		
<b>For the year ended 31 December 2018</b>										
Opening net book value	320,384,751	373,669,514	15,524,532	3,089,104	90,091,045	3,235,621	1,120,355	452,848	4,363,400	811,931,170
Additions	-	87,646,037	8,368,648	4,800	1,757,528	-	178,145	191,539	1,348,007	99,494,704
Transfer in (out)	-	231,000	406,389	-	-	-	-	-	(637,389)	-
Transfer to real estate development										
- cost	-	-	(385,200)	-	-	-	-	-	-	(385,200)
- accumulated depreciation	-	-	259,616	-	-	-	-	-	-	259,616
Disposals - cost	-	-	(1,314,387)	-	-	-	-	-	-	(1,314,387)
- accumulated depreciation	-	-	1,305,124	-	-	-	-	-	-	1,305,124
Write-off - cost	-	(36,915,345)	(1,088,350)	(17,655)	-	-	-	-	-	(38,021,350)
- accumulated depreciation	-	20,806,889	1,078,810	17,654	-	-	-	-	-	21,903,353
Depreciation charge (Note 31)	-	(54,463,709)	(10,662,931)	(22,134)	(8,598,800)	(3,232,379)	(544,226)	(233,092)	-	(77,757,271)
Closing net book value	<u>320,384,751</u>	<u>390,974,386</u>	<u>13,492,251</u>	<u>3,071,769</u>	<u>83,249,773</u>	<u>3,242</u>	<u>754,274</u>	<u>411,295</u>	<u>5,074,018</u>	<u>817,415,759</u>
<b>As at 31 December 2018</b>										
Cost	334,124,751	519,556,398	68,468,389	31,631,179	173,248,671	64,749,036	10,996,727	76,600,829	5,074,018	1,284,449,998
<u>Less</u> Accumulated depreciation	-	(128,582,012)	(54,976,138)	(16,092,516)	(89,998,898)	(64,745,794)	(10,242,453)	(76,189,534)	-	(440,827,345)
Allowance for impairment	(13,740,000)	-	-	(12,466,894)	-	-	-	-	-	(26,206,894)
Net book value	<u>320,384,751</u>	<u>390,974,386</u>	<u>13,492,251</u>	<u>3,071,769</u>	<u>83,249,773</u>	<u>3,242</u>	<u>754,274</u>	<u>411,295</u>	<u>5,074,018</u>	<u>817,415,759</u>

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**18 Property, plant and equipment (net)** (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

Separate financial statements (Baht)										
					Hotel business					
	Land	Office building, sale office and improvements	Furniture and fixtures, office equipment and vehicles	Clubhouses	Building	Building improvement	Equipment	Furniture and fixtures	Construction in progress	Total
<b>As at 1 January 2017</b>										
Cost	327,113,554	402,799,053	49,307,271	31,614,443	171,491,143	64,749,036	10,587,392	76,200,984	4,420,021	1,138,282,897
<u>Less</u> Accumulated depreciation	-	(32,744,762)	(33,826,060)	(16,031,887)	(72,829,513)	(55,038,511)	(9,126,251)	(75,745,213)	-	(295,342,197)
Allowance for impairment	(13,740,000)	-	-	(12,466,894)	-	-	-	-	-	(26,206,894)
Net book value	313,373,554	370,054,291	15,481,211	3,115,662	98,661,630	9,710,525	1,461,141	455,771	4,420,021	816,733,806
<b>For the year ended 31 December 2017</b>										
Opening net book value	313,373,554	370,054,291	15,481,211	3,115,662	98,661,630	9,710,525	1,461,141	455,771	4,420,021	816,733,806
Additions	6,691,060	16,449,383	6,779,168	29,591	-	-	231,190	208,306	282,503	30,671,201
Transfer in (out)	-	304,538	34,586	-	-	-	-	-	(339,124)	-
Disposals - cost	-	(16,031,602)	(296,107)	-	-	-	-	-	-	(16,327,709)
- accumulated depreciation	-	15,999,356	296,087	-	-	-	-	-	-	16,295,443
Depreciation charge (Note 31)	-	(44,170,327)	(8,769,575)	(56,149)	(8,570,585)	(6,474,904)	(571,976)	(211,229)	-	(68,824,745)
Closing net book value	320,064,614	342,605,639	13,525,370	3,089,104	90,091,045	3,235,621	1,120,355	452,848	4,363,400	778,547,996
<b>As at 31 December 2017</b>										
Cost	333,804,614	403,521,372	55,824,918	31,644,034	171,491,143	64,749,036	10,818,582	76,409,290	4,363,400	1,152,626,389
<u>Less</u> Accumulated depreciation	-	(60,915,733)	(42,299,548)	(16,088,036)	(81,400,098)	(61,513,415)	(9,698,227)	(75,956,442)	-	(347,871,499)
Allowance for impairment	(13,740,000)	-	-	(12,466,894)	-	-	-	-	-	(26,206,894)
Net book value	320,064,614	342,605,639	13,525,370	3,089,104	90,091,045	3,235,621	1,120,355	452,848	4,363,400	778,547,996

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**18 Property, plant and equipment (net)** (Cont'd)

The movements of property, plant and equipment (net) for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

	Separate financial statements (Baht)									
			Furniture and fixtures, office equipment and vehicles		Hotel business					
	Land	Office building, sale office and improvements	Clubhouses		Building	Building improvement	Equipment	Furniture and fixtures	Construction in progress	Total
<b>For the year ended 31 December 2018</b>										
Opening net book value	320,064,614	342,605,639	13,525,370	3,089,104	90,091,045	3,235,621	1,120,355	452,848	4,363,400	778,547,996
Additions	-	76,212,038	7,229,825	4,800	1,757,528	-	178,145	191,539	1,348,007	86,921,882
Transfer in (out)	-	231,000	406,389	-	-	-	-	-	(637,389)	-
Transfer to real estate development										
- cost	-	-	(385,200)	-	-	-	-	-	-	(385,200)
- accumulated depreciation	-	-	259,616	-	-	-	-	-	-	259,616
Disposals - cost	-	-	(1,314,387)	-	-	-	-	-	-	(1,314,387)
- accumulated depreciation	-	-	1,305,124	-	-	-	-	-	-	1,305,124
Write-off - cost	-	(23,269,182)	(900,672)	(17,655)	-	-	-	-	-	(24,187,509)
- accumulated depreciation	-	12,330,616	895,034	17,654	-	-	-	-	-	13,243,304
Depreciation charge (Note 31)	-	(37,970,405)	(9,454,841)	(22,134)	(8,598,800)	(3,232,379)	(544,226)	(233,092)	-	(60,055,877)
Closing net book value	320,064,614	370,139,706	11,566,258	3,071,769	83,249,773	3,242	754,274	411,295	5,074,018	794,334,949
<b>As at 31 December 2018</b>										
Cost	333,804,614	456,695,228	60,860,873	31,631,179	173,248,671	64,749,036	10,996,727	76,600,829	5,074,018	1,213,661,175
<u>Less</u> Accumulated depreciation	-	(86,555,522)	(49,294,615)	(16,092,516)	(89,998,898)	(64,745,794)	(10,242,453)	(76,189,534)	-	(393,119,332)
Allowance for impairment	(13,740,000)	-	-	(12,466,894)	-	-	-	-	-	(26,206,894)
Net book value	320,064,614	370,139,706	11,566,258	3,071,769	83,249,773	3,242	754,274	411,295	5,074,018	794,334,949

Depreciation charge in the consolidated and separate financial statements are Baht 77,757,271 and Baht 60,055,877 (2017 : Baht 93,759,596 and Baht 68,824,745) will be recorded in cost of rental and services amounting to Baht 12,608,497 and Baht 12,068,497 (2017 : Baht 15,828,694 and Baht 15,828,694) and selling and administrative expenses amounting to Baht 65,148,774 and Baht 47,447,380 (2017 : Baht 77,930,902 and Baht 52,996,051), respectively.

As at 31 December 2018, the gross carrying amounts before a deduction of accumulated depreciation of fully depreciated plant and equipment that still in use in the consolidated and separate financial statements are Baht 128 million and Baht 125 million (2017 : Baht 114 million and Baht 112 million), respectively.

As at 31 December 2017, office building in consolidated and separate financial statements with book value of Baht 254 million and Baht 254 million respectively are under pledged as collateral for borrowings from financial institutions (Note 22.3).



**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**19 Intangible assets (net)**

The movements of intangible assets (net) for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
	Computer software	Advance payment	Total	Computer software	Advance payment	Total
<b>As at 1 January 2017</b>						
Cost	15,055,659	910,384	15,966,043	14,642,106	910,384	15,552,490
<u>Less</u> Accumulated amortisation	(13,957,164)	-	(13,957,164)	(13,648,089)	-	(13,648,089)
Net book value	<u>1,098,495</u>	<u>910,384</u>	<u>2,008,879</u>	<u>994,017</u>	<u>910,384</u>	<u>1,904,401</u>
<b>For the year ended 31 December 2017</b>						
Opening net book value	1,098,495	910,384	2,008,879	994,017	910,384	1,904,401
Additions	1,919,909	-	1,919,909	1,912,119	-	1,912,119
Transfer in (out)	910,384	(910,384)	-	910,384	(910,384)	-
Amortisation charge (Note 31)	(1,669,823)	-	(1,669,823)	(1,608,111)	-	(1,608,111)
Closing net book value	<u>2,258,965</u>	<u>-</u>	<u>2,258,965</u>	<u>2,208,409</u>	<u>-</u>	<u>2,208,409</u>
<b>As at 31 December 2017</b>						
Cost	17,885,952	-	17,885,952	17,464,609	-	17,464,609
<u>Less</u> Accumulated amortisation	(15,626,987)	-	(15,626,987)	(15,256,200)	-	(15,256,200)
Net book value	<u>2,258,965</u>	<u>-</u>	<u>2,258,965</u>	<u>2,208,409</u>	<u>-</u>	<u>2,208,409</u>
<b>For the year ended 31 December 2018</b>						
Opening net book value	2,258,965	-	2,258,965	2,208,409	-	2,208,409
Additions	361,540	-	361,540	361,540	-	361,540
Amortisation charge (Note 31)	(2,050,028)	-	(2,050,028)	(2,002,295)	-	(2,002,295)
Closing net book value	<u>570,477</u>	<u>-</u>	<u>570,477</u>	<u>567,654</u>	<u>-</u>	<u>567,654</u>
<b>As at 31 December 2018</b>						
Cost	18,247,492	-	18,247,492	17,826,149	-	17,826,149
<u>Less</u> Accumulated amortisation	(17,677,015)	-	(17,677,015)	(17,258,495)	-	(17,258,495)
Net book value	<u>570,477</u>	<u>-</u>	<u>570,477</u>	<u>567,654</u>	<u>-</u>	<u>567,654</u>

Amortisation charge in the consolidated and separate financial statements are Baht 2,050,028 and Baht 2,002,295 (2017 : Baht 1,669,823 and Baht 1,608,111), respectively is recorded in administrative expenses.

As at 31 December 2018, the gross carrying amount before a deduction of accumulated amortisation of fully amortised intangible assets that still in use in the consolidated and separate financial statements are Baht 17 million and Baht 17 million (2017 : Baht 14 million and Baht 14 million), respectively.

**20 Deferred taxes (net)**

Deferred taxes (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered				
- within 12 months	40,749,287	5,802,563	20,401,820	5,802,563
- after more than 12 months	200,608,685	144,486,284	36,261,573	29,984,255
Total deferred tax assets	241,357,972	150,288,847	56,663,393	35,786,818
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled				
- within 12 months	(377,985)	(8,214,658)	(302,779)	(7,930,562)
- after more than 12 months	(278,471,221)	(142,441,688)	(92,323,623)	(52,562,414)
Total deferred tax liabilities	(278,849,206)	(150,656,346)	(92,626,402)	(60,492,976)
<b>Total deferred taxes (net)</b>	<b>(37,491,234)</b>	<b>(367,499)</b>	<b>(35,963,009)</b>	<b>(24,706,158)</b>

The movement of deferred taxes (net) for the years ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>
As at 1 January	(367,499)	49,911,559	(24,706,158)	20,457,457
(Increase) / decrease in income tax				
In statement of comprehensive income				
(Note 35)	(37,117,365)	(50,279,058)	(11,256,851)	(45,163,615)
Credit to other comprehensive income	(6,370)	-	-	-
As at 31 December	<b>(37,491,234)</b>	<b>(367,499)</b>	<b>(35,963,009)</b>	<b>(24,706,158)</b>

Deferred tax assets and deferred tax liabilities presented by considering net position of each taxable unit as at 31 December 2018 and 2017 comprises the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>
Deferred tax assets (net)	-	6,855,262	-	-
Deferred tax liabilities (net)	(37,491,234)	(7,222,761)	(35,963,009)	(24,706,158)
	<b>(37,491,234)</b>	<b>(367,499)</b>	<b>(35,963,009)</b>	<b>(24,706,158)</b>

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred taxes (net) (Cont'd)**

The movement of deferred taxes (net) for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

	Consolidated financial statements			
		(Debit)/credit to		
	(Restated) 1 January 2018 Baht	Profit or loss Baht	Other comprehensive income Baht	31 December 2018 Baht
<b>Deferred tax assets:</b>				
Allowance for doubtful account of short-term loans to and interest receivable from other company	1,643,327	(1,643,327)	-	-
Allowance for obsolete in inventories	7,925,780	-	-	7,925,780
Deposits and advances received from customers	2,780,548	(2,780,548)	-	-
Payable for litigation claim	-	19,325,328	-	19,325,328
Employee benefits obligations	7,039,721	(1,141,535)	(6,370)	5,891,816
Difference in useful life of building and equipment	2,089,902	(157,355)	-	1,932,547
Borrowing costs of real estate development cost	38,081,178	15,807,854	-	53,889,032
Taxable losses carried forward	86,523,919	61,240,628	-	147,764,547
Others	4,204,472	424,450	-	4,628,922
	150,288,847	91,075,495	(6,370)	241,357,972
<b>Deferred tax liabilities:</b>				
Investment properties	(102,361,831)	(76,680,283)	-	(179,042,114)
Assets recognised from cost to obtain contracts	(26,836,340)	(51,740,837)	-	(78,577,177)
Borrowing costs of real estate development cost	(21,148,253)	-	-	(21,148,253)
Accrued rental and service income	(309,922)	228,260	-	(81,662)
	(150,656,346)	(128,192,860)	-	(278,849,206)
Deferred taxes (net)	(367,499)	(37,117,365)	(6,370)	(37,491,234)

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred taxes (net) (Cont'd)**

The movement of deferred taxes (net) for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

	Consolidated financial statements			(Restated) 31 December 2017 Baht
	(Restated) 1 January 2017 Baht	(Debit)/credit to Profit or loss Baht	Other comprehensive income Baht	
<b>Deferred tax assets:</b>				
Allowance for doubtful account of short-term loans to and interest receivable from other company	1,589,353	53,974	-	1,643,327
Allowance for impairment in inventories	7,925,780	-	-	7,925,780
Deposits and advances received from customers	37,753,165	(34,972,617)	-	2,780,548
Employee benefits obligations	6,450,416	589,305	-	7,039,721
Difference in useful life of building and equipment	5,330,797	(3,240,895)	-	2,089,902
Borrowing costs of real estate development cost	32,203,062	5,878,116	-	38,081,178
Taxable losses carried forward	58,924,265	27,599,654	-	86,523,919
Others	4,356,758	(152,286)	-	4,204,472
	<u>154,533,596</u>	<u>(4,244,749)</u>	<u>-</u>	<u>150,288,847</u>
<b>Deferred tax liabilities:</b>				
Investment properties	(85,318,820)	(17,043,011)	-	(102,361,831)
Assets recognised from cost to obtain contracts	(3,376,399)	(23,459,941)	-	(26,836,340)
Borrowing costs of real estate development cost	(15,167,416)	(5,980,837)	-	(21,148,253)
Accrued rental and service income	(759,402)	449,480	-	(309,922)
	<u>(104,622,037)</u>	<u>(46,034,309)</u>	<u>-</u>	<u>(150,656,346)</u>
Deferred taxes (net)	<u>49,911,559</u>	<u>(50,279,058)</u>	<u>-</u>	<u>(367,499)</u>

**20 Deferred taxes (net) (Cont'd)**

The movement of deferred taxes (net) for the years ended 31 December 2018 and 2017 comprise the following:  
(Cont'd)

	(Restated) 1 January 2018 Baht	Separate financial statements (Debit)/credit to		31 December 2018 Baht
		Profit or loss Baht	Other comprehensive income Baht	
<b>Deferred tax assets:</b>				
Allowance for doubtful account of short-term loans to and interest receivable from other company	1,643,327	(1,643,327)	-	-
Allowance for impairment in inventories	7,925,780	-	-	7,925,780
Deposits and advances received from customers	2,780,548	(2,780,548)	-	-
Payable for litigation claim	-	19,325,328	-	19,325,328
Employee benefits obligations	7,021,377	(1,149,993)	-	5,871,384
Difference in useful life of building and equipment	46,847	(27,295)	-	19,552
Borrowing costs of real estate development cost	12,164,467	6,727,960	-	18,892,427
Taxable losses carried forward	-	-	-	-
Others	4,204,472	424,450	-	4,628,922
	<u>35,786,818</u>	<u>20,876,575</u>	<u>-</u>	<u>56,663,393</u>
<b>Deferred tax liability:</b>				
Investment properties	(52,266,091)	(20,273,417)	-	(72,539,508)
Assets recognised from cost to obtain contracts	(8,201,059)	(11,879,379)	-	(20,080,438)
Accrued rental and service income	(25,826)	19,370	-	(6,456)
	<u>(60,492,976)</u>	<u>(32,133,426)</u>	<u>-</u>	<u>(92,626,402)</u>
Deferred taxes (net)	<u>(24,706,158)</u>	<u>(11,256,851)</u>	<u>-</u>	<u>(35,963,009)</u>

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**20 Deferred taxes (net) (Cont'd)**

The movement of deferred taxes (net) for the years ended 31 December 2018 and 2017 comprise the following:  
(Cont'd)

	Separate financial statements			
	(Debit)/credit to			
(Restated) 1 January 2017 Baht	Profit or loss Baht	Other comprehensive income Baht	(Restated) 31 December 2017 Baht	
<b>Deferred tax assets:</b>				
Allowance for doubtful account of short-term loans to and interest receivable from other company	1,589,353	53,974	-	1,643,327
Allowance for impairment in inventories	7,925,780	-	-	7,925,780
Deposits and advances received from customers	37,753,165	(34,972,617)	-	2,780,548
Employee benefits obligations	6,439,444	581,933	-	7,021,377
Difference in useful life of building and equipment	1,729,703	(1,682,856)	-	46,847
Borrowing costs of real estate development cost	10,091,977	2,072,490	-	12,164,467
Taxable losses carried forward	-	-	-	-
Others	4,356,758	(152,286)	-	4,204,472
	69,886,180	(34,099,362)	-	35,786,818
<b>Deferred tax liability:</b>				
Investment properties	(49,331,976)	(2,934,115)	-	(52,266,091)
Assets recognised from cost to obtain contracts	-	(8,201,059)	-	(8,201,059)
Accrued rental and service income	(96,747)	70,921	-	(25,826)
	(49,428,723)	(11,064,253)	-	(60,492,976)
Deferred taxes (net)	20,457,457	(45,163,615)	-	(24,706,158)

**21 Other non-current assets (net)**

Other non-current assets (net) as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
General deposits	3,620,582	7,315,469	2,038,469	6,777,704
Deposits for investment	4,000,000	4,000,000	4,000,000	4,000,000
	7,620,582	11,315,469	6,038,469	10,777,704
<u>Less</u> Allowance for doubtful accounts				
- general deposits	(20,000)	(20,000)	(20,000)	(20,000)
- deposits for investment	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Total other non-current assets (net)	3,600,582	7,295,469	2,018,469	6,757,704

As at 31 December 2018 and 2017, deposits for investment of Baht 4 million is a deposit in a fund to jointly bid in loan portfolios from the Financial Restructuring Authority Sector. The Company has a right to invest at 10% of the bid price or the minimum amount of Baht 37.5 million. At present, the restructuring process has not yet been completed. However, as at 31 December 2018 and 2017, the Company has set up an allowance for unrecoverable for deposits for investment in full.

**22 Borrowings from financial institutions and other investors (net)**

Borrowings from financial institutions and other investors (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<u>Current</u>				
Bill of exchange	570,704,043	1,170,320,350	570,704,043	1,170,320,350
Short-term borrowing from financial institution (net)	499,020,719	-	499,020,719	-
	<u>1,069,724,762</u>	<u>1,170,320,350</u>	<u>1,069,724,762</u>	<u>1,170,320,350</u>
Current portion of long-term borrowing from financial institution	625,600,000	299,775,273	-	299,775,273
Current portion of debentures (net)	<u>2,447,086,565</u>	<u>2,569,481,198</u>	<u>2,447,086,565</u>	<u>2,569,481,198</u>
	<u>3,072,686,565</u>	<u>2,869,256,471</u>	<u>2,447,086,565</u>	<u>2,869,256,471</u>
<u>Non-current</u>				
Long-term borrowings from financial institutions (net)	5,032,465,798	5,603,386,274	2,493,295,237	2,510,882,337
Debentures (net)	<u>4,038,315,532</u>	<u>2,993,696,027</u>	<u>4,038,315,532</u>	<u>2,993,696,027</u>
	<u>9,070,781,330</u>	<u>8,597,082,301</u>	<u>6,531,610,769</u>	<u>5,504,578,364</u>
Total borrowings (net)	<u>13,213,192,657</u>	<u>12,636,659,122</u>	<u>10,048,422,096</u>	<u>9,544,155,185</u>

22.1 The movements of bills of exchange for the years ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance	1,170,320,350	1,723,144,706	1,170,320,350	1,723,144,706
Additional borrowings	453,383,693	1,167,188,957	453,383,693	1,167,188,957
Repayments of borrowings	<u>(1,053,000,000)</u>	<u>(1,720,013,313)</u>	<u>(1,053,000,000)</u>	<u>(1,720,013,313)</u>
Ending balance	<u>570,704,043</u>	<u>1,170,320,350</u>	<u>570,704,043</u>	<u>1,170,320,350</u>

As at 31 December 2018, bills of exchange due within 1 year issued to local financial institutions with interest at the rates of 3.80% - 4.75% per annum (2017 : 3.80% - 4.75% per annum).

**22 Borrowings from financial institutions and other investors (net) (Cont'd)**

22.2 The movements of the short-term borrowing from financial institution (net) for the year ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<u>Short-term borrowing from financial institution (net)</u>				
Opening balance	-	-	-	-
Increase in - borrowing	500,000,000	-	500,000,000	-
- deferred front-end fee	(1,662,500)	-	(1,662,500)	-
Amortisation of deferred front-end fee	683,219	-	683,219	-
Ending net book value	499,020,719	-	499,020,719	-

The short-term borrowing from financial institution (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Short-term borrowing	500,000,000	-	500,000,000	-
<u>Less</u> Deferred front-end fee	(979,281)	-	(979,281)	-
Short-term borrowing (net)	499,020,719	-	499,020,719	-

As at 31 December 2018, short-term borrowing represented short-term loan from a domestic commercial bank with interest at the rate of MLR - 1.60% per annum and interest is payable on a monthly basis. This borrowing is due for repayment in August 2019. The Company pledged its land and property of related projects (Note 14).

22.3 The movements of the long-term borrowings from financial institution (net) for the years ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<u>Long-term borrowings (Net)</u>				
Opening balance	5,903,161,547	7,736,108,047	2,810,657,610	4,733,378,704
Increase in				
- borrowings	962,000,000	2,888,600,000	892,000,000	2,797,500,000
- deferred front-end fee	(1,761,250)	(9,178,900)	(1,761,250)	(5,916,400)
Repayment of borrowings	(1,209,500,000)	(4,715,135,000)	(1,209,500,000)	(4,715,135,000)
Amortisation of deferred front-end fee	4,165,501	2,767,400	1,898,877	830,306
Endings net book value	5,658,065,798	5,903,161,547	2,493,295,237	2,810,657,610
<u>Less</u> Current portions of long-term borrowings (Net)	(625,600,000)	(299,775,273)	-	(299,775,273)
	5,032,465,798	5,603,386,274	2,493,295,237	2,510,882,337



**22 Borrowings from financial institutions and other investors (net) (Cont'd)**

22.3 The movements of the long-term borrowings from financial institution (net) for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

The long-term borrowings from financial institutions (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial information</b>		<b>Separate financial information</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Long-term borrowings	5,668,600,000	5,916,100,000	2,499,000,000	2,816,500,000
<u>Less</u> Deferred front-end fee	<u>(10,534,202)</u>	<u>(12,938,453)</u>	<u>(5,704,763)</u>	<u>(5,842,390)</u>
Long-term borrowings (net)	5,658,065,798	5,903,161,547	2,493,295,237	2,810,657,610
<u>Less</u> Current portion of long-term borrowing from financial institution (net)	<u>(625,600,000)</u>	<u>(299,775,273)</u>	<u>-</u>	<u>(299,775,273)</u>
	<u>5,032,465,798</u>	<u>5,603,386,274</u>	<u>2,493,295,237</u>	<u>2,510,882,337</u>

Type of loan	Maturity date	Interest rate (% per annum)		Interest payment	Collateral		Extent due date
		2018	2017		2018	2017	
<u>Company</u>							
Long-term loan	6 February 2018***	-	-	Monthly basis	-	A	Yes
Long-term loan	25 November 2018****	-	MLR - 1.50	Monthly basis	-	B	No
Long-term loan	27 June 2019****	-	MLR - 1.50	Monthly basis	-	A	No
Long-term loan	25 September 2020*	MLR - 1.85	MLR - 1.85	Monthly basis	A	A	No
Long-term loan	23 August 2022*	MLR - 1.50	-	Monthly basis	A	-	No
Long-term loan	30 January 2023*	MLR - 1.50	MLR - 1.50	Monthly basis	A	A	No
<u>Subsidiary</u>							
Long-term loan	26 December 2019*	MLR - 1.50	MLR - 1.50	Monthly basis	A, C	A, C	No
Long-term loan	30 December 2022*	MLR - 1.50	MLR - 1.50	Monthly basis	A, C	A, C	Yes
Long-term loan	2 February 2020*	MLR - 1.50	MLR - 1.50	Monthly basis	A, C	A, C	No
Long-term loan	25 August 2020**	MLR - 1.50	MLR - 1.50	Monthly basis	A	A	No
Long-term loan	25 February 2022**	MLR - 1.50	MLR - 1.50	Monthly basis	A	A	No

**Remarks**

- A : Pledged its lands of related projects, including real estate development cost (Note 14).  
B : Pledged its lands, including property and plant (Note 18) and deposited the title deeds of 45 condominium units for sales in value not under Baht 400 million at bank (Note 13).  
C : Credit facilities of a subsidiary is guaranteed by the Company.  
\* : The Company will maintain the net debt to equity ratio as details specified in each borrowing agreement.  
\*\* : The Company will maintain the net debt to equity ratio as details specified in each borrowing agreement since first quarter of 2017.  
\*\*\* : The Company fully settled the outstanding loans in 2017.  
\*\*\*\* : The Company fully settled the outstanding loans in 2018.

As at 31 December 2018, the Company has borrowing facilities amount Baht 2,880 million which can be drawn on 1 March 2019 onward. The interest rate is MLR - 1.25% per annum. The Company pledged its saving account, land, including property and plant and the title deeds of condominium units for value according to appraisal report not under Baht 4,400 million.

**22 Borrowings from financial institutions and other investors (net) (Cont'd)**

22.4 Debentures (net) as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated and Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Debentures - par value	6,500,000,000	5,571,500,000
<u>Less</u> Prepaid underwriting fee for debentures	<u>(14,597,903)</u>	<u>(8,322,775)</u>
Debentures (net)	6,485,402,097	5,563,177,225
<u>Less</u> Current portion of debentures (net)	<u>(2,447,086,565)</u>	<u>(2,569,481,198)</u>
	<u>4,038,315,532</u>	<u>2,993,696,027</u>

The movements of debentures (net) for the years ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated and Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book value	5,563,177,225	4,842,147,844
Increase in - debentures	3,500,000,000	2,221,500,000
- prepaid underwriting fee	(16,152,983)	(6,231,738)
Repayment of debentures	(2,571,500,000)	(1,500,000,000)
Amortisation of prepaid underwriting fee (Note 34)	9,877,855	5,761,119
Ending net book value	<u>6,485,402,097</u>	<u>5,563,177,225</u>

At the Extraordinary shareholders' meeting held on 8 March 2005 and at the Annual General Meeting of the Company's Shareholders held on 27 April 2012 it was unanimously resolved to approve the issuance and offering of debentures not over than Baht 1,500 million and Baht 5,000 million, respectively.

Afterwards, Board of Directors' meeting held on 10 April 2015, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have no bond holders' representative for 3 years bond amount not over than Baht 200 million under private placement not exceeding 10 investors. On 29 April 2015, the Company offered the debenture at 200,000 units in par value of Baht 1,000 per unit aggregating to Baht 200 million. Interest was carried at the rate of 4.15% per annum throughout the contractual period. Moreover, interest expense is repaid every 3 months. Debenture holds a lifespan of 3 years and maturity on 29 April 2018.

Afterwards, Board of Directors' meeting held on 14 May 2015, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have bond holder's representative for 3 years bond amount not over than Baht 1,500 million to public and/or institution investors. On 24, 27 and 28 July 2015, the Company offered the debenture 1,500,000 units in per value of Baht 1,000 per unit aggregating to Baht 1,500 million. Interest was carried at the rate of 4.60% per annum throughout the contractual period. Moreover, interest expense is repaid every 3 months. Debenture holds a lifespan of 3 years and maturity on 29 July 2018.

Afterwards, Board of Directors' meeting held on 14 September 2015, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have no bond holders' representative for 3 years bond amount not over than Baht 150 million under private placement not exceeding 10 investors. On 24 September 2015, the Company offered the debenture at 150,000 units in par value of Baht 1,000 per unit aggregating to Baht 150 million. Interest was carried at the rate of 4.50% per annum throughout the contractual period. Moreover, interest expense is repaid every 3 months. Debenture holds a lifespan of 3 years and maturity on 24 September 2018.

**22 Borrowings from financial institutions and other investors (net) (Cont'd)**

**22.4 Debentures (net) as at 31 December 2018 and 2017 comprise the following: (Cont'd)**

Afterwards, Board of Directors' meeting held on 11 May 2016, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have bond holders' representative for 3 years bond amount not over than Baht 1,500 million to public and/or institution investors. During 27 - 29 June 2016, the Company offered the debenture at 1,500,000 units in per value of Baht 1,000 per unit aggregating to Baht 1,500 million. Interest was carried at the rate of 4.20% per annum throughout the contractual period. Moreover, interest expense is repaid every 3 months. Debenture holds a lifespan of 3 years and maturity on 30 June 2019.

Afterwards, Board of Directors' meeting held on 20 March 2017, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have bond holders' representative for 3 years bond amount not over than Baht 1,500 million to public and/or institution investors. During 28 April 2017 and 2 - 3 May 2017, the Company offered the debenture at 1,500,000 units in par value of Baht 1,000 per unit aggregating to Baht 1,500 million. Interest was carried at the rate of 4.35% per annum throughout the contractual period. Moreover, interest expense is repaid every 3 months. Debenture holds a lifespan of 3 years and maturity on 4 May 2020.

At the Board of Directors' Meeting of the Company held on 12 September 2017, it was unanimously resolved to approve the issuance and offering of unsubordinated and unsecured short-term debenture with name registered and have bond holders' representative for no longer than 270 days bond amount not over than Baht 1,000 million to institution investors and/or major investors. The offering period is from 29 September 2017 to 28 September 2018. On 2-3 October 2017, the Company offered the debenture at 721,500 units in par value of Baht 1,000 per unit aggregating to Baht 721.50 million. Interest was carried at the rate of 3.75% per annum throughout the contractual period. Moreover, interest expense is repaid at the redemption date. Debenture holds a lifespan of 268 days and maturity on 29 June 2018. On 18-23 July 2018, the Company offered the debenture at 950,000 units in par value of Baht 1,000 per unit aggregating to Baht 950 million. Interest was carried at the rate of 4.00% per annum throughout the contractual period. Moreover, interest expense is repaid at the redemption date. Debenture holds a lifespan of 270 days and maturity on 20 April 2019.

At the Extraordinary shareholders' meeting held on 12 October 2017 it was unanimously resolved to approve the issuance and offering of debentures not over than Baht 3,000 million.

At the Board of Directors' meeting of the Company held on 8 January 2018, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have bond holders' representative for 3 years bond amount not over than Baht 1,500 million to public and/or institution investors. During 19 - 21 February 2018, the Company offered the debenture at 1,500,000 units in par value of Baht 1,000 per unit aggregating to Baht 1,500 million. Interest are carried at the rate of 4.30% per annum throughout the contractual period. Moreover, interest is repaid every 3 months. Debenture holds a lifespan of 3 years and maturity on 22 February 2021.

At the Board of Directors' meeting of the Company held on 2 November 2018, it was unanimously resolved to approve the issuance and offering of unsubordinated, unsecured debenture with name registered and have bond holders' representative for 2 years bond amount not over than Baht 1,100 million to public and/or institution investors. During 27 - 29 November 2018, the Company offered the debenture at 1,100,000 units in par value of Baht 1,000 per unit aggregating to Baht 1,100 million. Interest are carried at the rate of 4.25% per annum throughout the contractual period. Moreover, interest is repaid every 3 months. Debenture holds a lifespan of 2 years and maturity on 30 November 2020. However, the Company received Baht 1,050 million from issue the debenture at 1,050,000 units in par value of Baht 1,000 per unit on 30 November 2018.

However, the Company must comply with terms and conditions governing the rights and obligations of the Issuer and the Debenture holders as stipulated in the Prospectus of the Debentures.

## 22 Borrowings from financial institutions and other investors (net) (Cont'd)

22.5 As at 31 December 2018 and 2017, fair value of certain long-term borrowings are as follows:

	Fair value			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term borrowings from financial institutions (net)	5,668,600,000	5,916,100,000	2,499,000,000	2,816,500,000
Debentures (net)	6,498,439,813	5,579,701,021	6,498,439,813	5,579,701,021
Total fair value of long-term borrowings	12,167,039,813	11,495,801,021	8,997,439,813	8,396,201,021

As at 31 December 2018 and 2017, the fair value of long-term borrowings from financial institutions are based on discounted cash flows using a discount rate based on the marketable borrowing rate (Level 2 in fair value hierarchy). There was no change in valuation technique during the period. However, the fair value of long-term borrowings from financial institutions equal their carrying amount as the borrowing rate close to market rate.

As at 31 December 2018 and 2017, the fair value of debentures refer from market prices at the date of statement of financial position (Level 1 in fair value hierarchy).

22.6 As at 31 December 2018 and 2017, the undrawn borrowings facilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
<b>Unused credit lines</b>				
<u>Floating interest rate</u>				
Short-term borrowings	830	-	830	-
Long-term borrowings				
- Expiring within 1 year	309	-	-	-
- Expiring beyond 1 year	7,283	7,288	3,466	3,092
Total unused credit lines	8,422	7,288	4,296	3,092

## 23 Trade and other accounts payable

Trade and other accounts payable as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable				
- construction	486,036,535	347,767,642	172,899,107	286,483,356
- others	22,787,360	15,307,871	15,025,451	2,051,106
Retention payable	230,498,294	185,150,893	167,105,496	156,784,223
Other accounts payable				
- related person (Note 12b))	29,717	-	-	-
- other companies	89,177,168	22,354,768	81,652,745	14,941,021
Payable for litigation claim (Note 39)	96,626,641	-	96,626,641	-
Accrued expenses				
- related company (Note 12 b))	7,736,894	-	7,736,894	8,820
- other companies	147,673,316	121,368,877	117,957,000	113,286,099
Accrued interest expense				
- financial institutions and other investors	41,261,074	36,348,197	39,836,537	35,063,758
Accrued director's remunerations (Note 12 b))	3,145,000	3,145,000	3,145,000	3,145,000
Others	32,752	-	32,752	-
Total trade and other accounts payable	1,125,004,751	731,443,248	702,017,623	611,763,383

**24 Other current liabilities**

Other current liabilities as at 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Withholding tax payable	7,638,131	7,483,646	4,712,214	6,252,859
Value added tax payable	-	898,116	-	742,345
Total other current liabilities	7,638,131	8,381,762	4,712,214	6,995,204

**25 Employee benefit obligations**

The movement of employee benefit obligations for the years ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balances as at 1 January	35,198,605	32,252,079	35,106,885	32,197,217
Increase during the year (Note 31)				
- current service cost	1,927,827	2,007,293	1,888,848	1,972,408
- interest cost	877,924	939,233	874,619	937,260
- remeasurements of employment benefit obligations	(31,850)	-	-	-
Payment during the year	(3,799,790)	-	(3,799,790)	-
Reversal of unpaid employee benefit	(4,713,639)	-	(4,713,639)	-
Closing balances as at 31 December	29,459,077	35,198,605	29,356,923	35,106,885

The principal actuarial assumptions used were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 % per annum</b>	<b>2017 % per annum</b>	<b>2018 % per annum</b>	<b>2017 % per annum</b>
Discount rate	3.1 - 3.3	3.1 - 3.6	3.1	3.1
Future salary increases	5.0 - 8.0	5.0 - 8.0	5.0 - 8.0	5.0 - 8.0

Sensitivity analysis for each significant assumption are as follows:

		<b>Impact on employee benefit obligations</b>			
		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Change in assumption</b>		<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Discount rate	Increase by 1%	(2,105,632)	(2,249,872)	(2,084,437)	(2,230,239)
Discount rate	Decrease by 1%	2,394,714	2,558,386	2,367,155	2,532,732
Salary growth rate	Increase by 1%	2,323,684	2,482,431	2,296,992	2,457,661
Salary growth rate	Decrease by 1%	(2,087,723)	(2,230,716)	(2,066,696)	(2,211,257)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions use the projected unit credit method.

As at 31 December 2018, the weighted average duration of the employee benefit obligations for the consolidated and separate financial statements is 26 years and 10 years, respectively (2017 : 27 years and 11 years).

## 25 Employee benefit obligations (Cont'd)

Expected maturity analysis of undiscounted employee is as follows:

<b>Maturity within</b>	<b>Consolidated and Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
1 year	5,382,460	6,893,434
1 - 4 years	8,117,451	10,406,267
Over 4 years	6,278,882	6,278,882
	<b>19,778,793</b>	<b>23,578,583</b>

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group will have additional liabilities for long-term employee benefits amounting approximately Baht 8 - 9 million.

## 26 Share capital and share premium

	<b>Consolidated and Separate financial statements</b>			
	<b>Number of shares Shares</b>	<b>Ordinary shares Baht</b>	<b>Share premium Baht</b>	<b>Total Baht</b>
<b>Registered share capital</b>				
As at 1 January 2017	456,471,175	1,369,413,525	-	1,369,413,525
Increase in registered share capital	-	-	-	-
As at 31 December 2017	456,471,175	1,369,413,525	-	1,369,413,525
Increase in registered share capital	-	-	-	-
As at 31 December 2018	<b>456,471,175</b>	<b>1,369,413,525</b>	<b>-</b>	<b>1,369,413,525</b>
<b>Issued and fully paid-up share capital</b>				
As at 1 January 2017	456,471,175	1,369,413,525	69,174,340	1,438,587,865
Issue of shares during the year	-	-	-	-
As at 31 December 2017	456,471,175	1,369,413,525	69,174,340	1,438,587,865
Issue of shares during the year	-	-	-	-
As at 31 December 2018	<b>456,471,175</b>	<b>1,369,413,525</b>	<b>69,174,340</b>	<b>1,438,587,865</b>

As at 31 December 2018 and 2017, the total authorised number of ordinary shares is 456,471,175 shares with a par value of Baht 3 per share. The ordinary shares are issued and fully paid for 456,471,175 shares.

## 27 Dividend payment

At the Annual General Meeting of shareholders of 2018 of the Company held on 27 April 2018, the Shareholders approve to pay dividend from the operation results for the year 2017 at the rate 0.17 per share totalling Baht 77.6 million. Dividend is paid to shareholders on 21 May 2018.

## **28 Legal reserve**

The movement of legal reserve for the years ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated and Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance	145,228,172	145,228,172
Appropriation during the year	-	-
Ending balance	145,228,172	145,228,172

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

## **29 Non-controlling interest**

The movement of non-controlling interest for the years ended 31 December 2018 and 2017 comprise the following:

	<b>Consolidated financial statements</b>	
	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>
Opening balance	575,221	561,169
Share of net profit of subsidiaries	28,185	14,052
Ending balance	603,406	575,221

## **30 Revenue from contracts with customers**

The Group has early adopted TFRS 15 "Revenue from contracts with customers".

Previously, it was required to recognise revenue when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods that upon the transfer of title to buyer. TFRS 15 "Revenue from contracts with customers" is based on the principle that revenue is recognised when control of a good transfers to a customer replaces the transfers of risks and rewards. The group has identified that the control is also transferred upon the transfer of the title to buyer. Therefore, the Group has always recognised revenue at the time of transfer title, and consequently, the timing of revenue recognition has not been changed upon the application of TFRS 15.

Cost of obtaining a contract is direct cost that the Group would not have incurred if the contract had not been obtained and it expects to recover those costs.

The movements of assets recognised from costs of obtaining a contract for the year ended 31 December 2018 and 2017 comprise of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>	<b>2018 Baht</b>	<b>(Restated) 2017 Baht</b>
Book value as at 1 January	134,181,702	16,881,996	41,005,296	-
Additions	298,227,865	117,299,706	98,920,573	41,005,296
Recognised as expenses during the year	(39,523,680)	-	(39,523,680)	-
Book value as at 31 December	392,885,887	134,181,702	100,402,189	41,005,296

### 31 Expenses by nature

The following significant expenditure items, classified by nature for the years ended 31 December 2018 and 2017 have been charged in the profit before finance costs and income tax:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of real estate development sold during the year	2,815,808,538	5,557,850,853	2,831,262,640	5,583,613,010
Employee costs	311,273,321	299,389,018	287,588,756	280,886,306
Contribution to provident fund	10,405,267	10,217,167	10,180,265	10,123,719
Employee benefit obligations (Note 25)	2,805,751	2,946,526	2,763,467	2,909,668
Sales promotion expenses	245,802,563	179,263,181	165,752,977	122,501,528
Construction management fee	58,785,165	52,127,182	19,623,672	23,609,422
Specific business tax	164,763,473	316,368,429	164,763,473	316,368,429
Allowance for doubtful accounts:				
- short-term loans to and interest receivable from other company (Note 11)	431,641	269,871	431,641	269,871
- short-term loans to and interest receivable from subsidiaries (Note 12 c))	-	-	733,278	769,704
Depreciation charge (Note 18)	77,757,271	93,759,596	60,055,877	68,824,745
Amortisation charge (Note 19)	2,050,028	1,669,823	2,002,295	1,608,111

### 32 Other income

Other income for the years ended 31 December 2018 and 2017 comprise the following:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest income	12,700,015	22,137,982	11,143,185	7,464,841
Income from contracts cancellation	45,807,769	10,450,528	33,930,200	2,770,580
Penalty charge from subcontractors	-	12,216,450	-	161,200
Others	15,959,063	9,060,516	12,107,923	4,926,597
Total other income	74,466,847	53,865,476	57,181,308	15,323,218



### 33 Other gain (loss)

Other gain (loss) for the years ended 31 December 2018 and 2017 comprise the following:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	(Restated) 2017 Baht	2018 Baht	(Restated) 2017 Baht
Gain (loss) from fair value adjustments on investment property (Note 17)	354,575,851	54,382,215	89,057,617	1,607,708
Gain (loss) on disposals of property, plant and equipment	144,940	(21,313,896)	144,940	61,192
Loss from write-off of plant and equipment	(16,117,997)	-	(10,944,205)	-
Total other gain (loss)	338,602,794	33,068,319	78,258,352	1,668,900

### 34 Finance costs

Finance costs for the years ended 31 December 2018 and 2017 comprise the following:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest expense	211,072,626	226,596,731	275,966,452	337,841,159
Amortisation of prepaid underwriting fee for debentures (Note 22.4)	9,877,855	5,761,119	9,877,855	5,761,119
Amortisation of deferred front-end fee	224,727	150,272	224,727	150,272
Total finance costs	221,175,208	232,508,122	286,069,034	343,752,550

### 35 Income tax

Reconciliation of income tax expenses for the years ended 31 December 2018 and 2017 is as follows:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	(Restated) 2017 Baht	2018 Baht	(Restated) 2017 Baht
<b>Current income tax:</b>				
Current income tax on taxable profit for the year	(211,329,667)	(494,776,756)	(200,458,982)	(483,937,489)
Over (under) recorded prior year income tax (net)	875,689	(4,665,992)	875,187	(4,666,464)
Total current income tax	(210,453,978)	(499,442,748)	(199,583,795)	(488,603,953)
<b>Deferred tax:</b>				
Origination and reversal of temporary differences (Note 20)	(37,117,365)	(50,279,058)	(11,256,851)	(45,163,615)
Total income tax	(247,571,343)	(549,721,806)	(210,840,646)	(533,767,568)

**35 Income tax (Cont'd)**

Reconciliation of income tax expenses for the years ended 31 December 2018 and 2017 is as follows: (Cont'd)

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	(Restated) 2017 Baht	2018 Baht	(Restated) 2017 Baht
Profit before tax accounting base	1,234,577,821	2,755,408,278	1,049,304,758	2,678,131,924
Tax calculated at the rate of 20%	(246,915,564)	(551,081,655)	(209,860,952)	(535,626,385)
Tax effect of:				
Non deductible expenses	(57,583)	(44,010)	(44,907)	(35,362)
Additionally deductible expense	4,159,273	10,042,829	3,302,130	9,452,103
Temporary difference for which no deferred income tax assets was recognised	(5,633,159)	(3,797,788)	(5,112,104)	(2,891,460)
Tax losses for which no deferred income tax asset was recognised	-	(175,190)	-	-
Adjustment in respect of over recorded prior year income tax (net)	875,690	(4,665,992)	875,187	(4,666,464)
Income tax	<u>(247,571,343)</u>	<u>(549,721,806)</u>	<u>(210,840,646)</u>	<u>(533,767,568)</u>

**36 Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018	(Restated) 2017	2018	(Restated) 2017
Net profit for the year attributable to shareholders of the parent (Baht)	986,978,293	2,205,672,320	838,464,112	2,144,364,356
Weighted average number of paid-up ordinary shares in issue (Shares)	456,471,175	456,471,175	456,471,175	456,471,175
Basic earnings per share (Baht per share)	2.16	4.83	1.84	4.70

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2018 and 2017.

**Noble Development Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2018**

**37 Financial instruments**

Outstanding balance of significant financial assets and financial liabilities and their interest rates as at 31 December 2018 and 2017 are summarised as follows:

Consolidated financial statements							
As at 31 December 2018							
Baht'000							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Floating rate	Fixed rate
		Less than 1 year	1-5 years				
<b>Financial assets</b>							
Cash and cash equivalents	1,518,010	45,627	-	218	1,563,855	0.10 - 1.10	0.80 - 1.30
Temporary investments at financial institutions	-	157,144	-	-	157,144	-	0.80 - 1.30
Trade and other receivables (net)	-	-	-	519,742	519,742	-	-
<b>Total financial assets</b>	<b>1,518,010</b>	<b>202,771</b>	<b>-</b>	<b>519,960</b>	<b>2,240,741</b>		
<b>Financial liabilities</b>							
Short-term borrowings							
- bills of exchanges	-	570,704	-	-	570,704	-	4.00
Short-term borrowing from financial institution (net)	-	499,021	-	-	499,021	MLR - 1.60	-
Trade and other payables	-	-	-	1,137,278	1,137,278	-	-
Current portion of long-term borrowings (net)	3,072,687	-	-	-	3,072,687	4.65 - 5.15	4.00 - 4.20
Deposits and advance received from customers	-	-	-	3,433,194	3,433,194	4.75 - 5.15	4.25 - 4.35
Long-term borrowings (net)	4,217,999	-	4,852,782	-	9,070,781	-	-
<b>Total financial liabilities</b>	<b>7,290,686</b>	<b>1,069,725</b>	<b>4,852,782</b>	<b>4,570,472</b>	<b>17,783,665</b>		

Consolidated financial statements							
As at 31 December 2017							
Baht'000							
	Floating interest rate	Fixed interest rate		Without interest	Total	Interest rate (% per annum)	
		Remaining period before maturity date or repricing date				Floating rate	Fixed rate
		Less than 1 year	1-5 years				
<b>Financial assets</b>							
Cash and cash equivalents	914,402	8,480	-	190	923,072	0.10 - 1.10	0.80 - 1.30
Temporary investments at financial institutions	-	40,640	-	-	40,640	-	0.80 - 1.30
Trade and other receivables (net)	-	-	-	373,943	373,943	-	-
<b>Total financial assets</b>	<b>914,402</b>	<b>49,120</b>	<b>-</b>	<b>374,133</b>	<b>1,337,655</b>		
<b>Financial liabilities</b>							
Short-term borrowings							
- bills of exchanges	-	1,170,320	-	-	1,170,320	-	3.80 - 4.75
Trade and other payables	-	-	-	744,976	744,976	-	-
Current portion of long-term borrowings (net)	299,775	2,569,481	-	-	2,869,256	4.75	3.75 - 4.60
Deposits and advance received from customers	-	-	-	2,422,615	2,422,615	-	-
Long-term borrowings (net)	3,742,856	-	4,854,226	-	8,597,082	4.75 - 5.15	4.20 - 4.35
<b>Total financial liabilities</b>	<b>4,042,631</b>	<b>3,739,801</b>	<b>4,854,226</b>	<b>3,167,591</b>	<b>15,804,249</b>		

### **38 Commitments and contingent liabilities**

As at 31 December 2018 and 2017, the Group and the Company have commitments and contingent liabilities as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>	<b>2018 Million Baht</b>	<b>2017 Million Baht</b>
<b>Capital commitments</b>				
- under purchase of land agreement	434	699	434	699
- under contracts to invest in development projects until completion	2,998	2,823	288	406
- purchase of property, plant and equipment	-	2	-	-
Total capital commitments	<u>3,432</u>	<u>3,524</u>	<u>722</u>	<u>1,105</u>
<b>Service contract commitments</b>				
- under service contracts	31	30	29	27
- construction management fee	87	22	-	9
Total service contract commitments	<u>118</u>	<u>52</u>	<u>29</u>	<u>36</u>
<b>Contingent liabilities in respect of bank guarantees (Note 9)</b>	<u>38</u>	<u>42</u>	<u>38</u>	<u>42</u>
Investment in other company (GBP 106,500) (Note 16)	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>

### **39 Subsequent events**

#### **39.1 Dividend payment**

At the Board of Director's Meeting of the Company held on 22 February 2019 approved the interim dividend payment to the shareholders of Baht 6.90 per share which will be paid to shareholder on 22 March 2019.

#### **39.2 Litigation claim**

According to the litigation case of Noble Development Public Company Limited, the Company paid the litigation claim amount Baht 96.62 million in February 2019.

**Noble Development Public Co., Ltd.**

NOBLE Building, 1035 Ploenchit Rd., Lumpini, Pathumwan, Bangkok 10330, Thailand.

Tel. (66 2) 251-9955 Fax. (66 2) 251-9977