



## Vision

“To be a leading real estate developer with products and services of international standards by way of modern technology and management to expand the business both domestically and internationally ”

## Mission

- To develop a strong and encompassing investment and business expansion strategy
- To continually develop quality products and services
- Maximize customer satisfaction and maximize stakeholders' benefit
- Continually develop staff capability and team work
- Emphasize good corporate governance
- Strengthen network and business relationships

## Company's Value

- Diligence, Dedication
- Honesty, Intent
- Self-development
- Team working





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General Information

# YOUR HOME

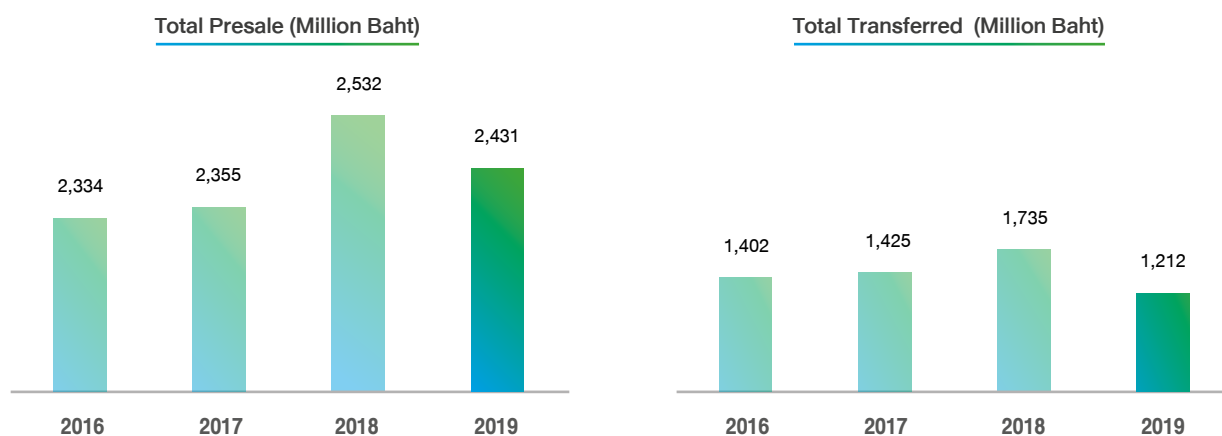




## FINANCIAL HIGHLIGHTS

Consolidated Financial Statements	2019	2018	2017
<b>Financial Performance (THB Million)</b>			
Revenue from sales and services	1,212	1,758	1,446
Total Revenues	1,253	1,782	1,457
Cost of sales and services	820	1,195	963
Total Expenses	1,225	1,668	1,436
Gross profit	392	574	483
Net Profit (loss)	19	96	24
<b>Financial Status (THB Million)</b>			
Assets	4,103	4,250	4,765
Liabilities	1,531	1,664	2,276
Shareholders' equity	2,572	2,586	2,489
Paid-up share capital	1,245	1,245	1,245
<b>Per Share (THB)</b>			
Earnings (THB)	0.017	0.077	0.015
Book value (THB)	2.07	2.01	2
Dividend	- *	0.03	-
<b>Financial Ratio</b>			
Gross Profit margin (%)	32.36	31.13	33.43
Net profit margin (%)	1.54	5.55	1.66
Return on equities (%)	0.73	3.72	0.96
Return on assets (%)	0.46	2.27	0.50
Liquidity ratio (Times)	3.58	2.83	3.64
Debt to equity ratio (Times)	0.60	0.64	0.91

\* Remark: In 2019, the company abstaining dividend payment.





**Associate Professor  
Trairat Jarutas**

Chairman of the Board of Directors



## MESSAGE FROM THE CHAIRMAN

In 2019, there have been changes in several aspects starting with the general election in March, and the House of Representatives together with the Senate passed its resolution to elect General Prayut Chan-o-cha the Prime Minister in June. Therefore, several parties expected that the new government would have its roles of national administration and leading Thailand to the growth and prosperity. However, there was an external factor affecting the Thai economy, i.e., the trade war. As a result, the Office of the National Economic and Social Development Board (NESDB) cut down the projection of Thailand's GDP growth to 2.6%, the lowest in 5-year period, and the Bank of Thailand (BOT) reduced the policy interest to 1.25%, the lowest in 10-year period and the lowest in the Region. Moreover, the Bank of Thailand also issued its measure to supervise residential loans or called "LTV Measure" on 1st April 2019, with its intention to supervise people who wanted to buy their residences to be able to buy houses at proper prices and to upgrade the standard of residential loan release of financial institutions. Such measure considerably affected the business of real property development.

According to such events, the Company had to adapt itself in several aspects starting with the change of new Board of Directors and the opening of new projects in the western areas of the city, i.e., Baan Fah Greenery Tiwa House Pinklao-Sai 5, including the opening of Healthcare & Wellness Projects, including Siri Arun Wellness Co., Ltd. At the same time, the Company has also developed projects in the existing areas continuously such as Baan Fah Piyarom Nordern Project and NC on Green Palm Park Project.

The Company's Management attempted to adjust its working style to keep up with such change, and more importantly, the Company's employees cooperated and worked at their full capacities as well. According to the year-end result of 2019, though the Company's operating result was lower than those in 2018, all of us still believed that in 2020, NCH would certainly devote themselves physically and mentally to their works in order to achieve the goals in 2020.





OUR HEART



## Management's Information



**Mr. Trirat Jarutach, Asst. Prof. \*\***

Chairman

**Age (s)** 58

**% of Shareholding \*** -

**Relations** -

### Education / Training Background

- Bachelor of Architecture, Faculty of Architecture, Chulalongkorn University
- Master of Housing and Real Estate Development, Faculty of Architecture, Chulalongkorn University

### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Accreditation Program (DAP 157/2019)
- Director Certification Program (DCP 272/2019)

### Experience for the past 5 years

Period	Position	Company	Business
April 2019 - Present	Chairman	N.C. Housing Plc.	Property Development
2019 - Present	Head of Excellent Center in Universal Design	Chulalongkorn University	Educational Institution
2014 - Present	Director	Universal Design Center (Thailand) Co., Ltd	Design of residential building construction.
2005 - 2019	Head of Environment Research Unit that is suitable for the elderly and the disabled	Chulalongkorn University	Educational Institution
1998 - Present	Lecturer, Department of Housing Faculty of Architecture	Chulalongkorn University	Educational Institution
2012 - 2016	Assistant to the President	Chulalongkorn University	Educational Institution



**Mr. Piboon Limpraphat, Ph.D.**

Director,  
Independent Director,  
Chairman of the Audit Committee,  
Chairman of the Nomination and Remuneration and  
CG Committee

**Age (s)** 80

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Ph.D. University of Illinois
- M.A. (ECON), University of Philippines
- Bachelor of Economics, Thammasat University

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Audit Committee Program (ACP 1/2004)
- Board & CEO Assessment No. 2/2003
- Director Certification Program (DCP 19/2002)
- The Role of the Chairman Program (RCP 3/2001)

**Experience for the past 5 years**

Period	Position	Company	Business
2018 - Present	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration and CG Committee	N.C. Housing Plc.	Property Development
2007 - 2017	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee	N.C. Housing Plc.	Property Development
2007 - Present	Chairman	Chu kai Plc.	Sell, repair service for cranes and provide rental service
2004 - Present	Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee and Chairman of the Nomination Committee	Ladprao General Hospital Plc.	Medical



**Mr. Vichan Amornrojanavong \*\***

Director,

Independent Director and Member of the Audit Committee,  
Member of the Nomination and Remuneration and  
Corporate Governance Committee**Age (s)** 69**% of Shareholding \*** -**Relations** -**Education / Training Background**

- Master Degree of Business Administration, Thammasat University
- Bachelor of Laws Program, Thammasat University
- Bachelor of Accounting, Chulalongkorn University

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP) 17/2002

**Experience for the past 5 years**

Period	Position	Company	Business
April 2019 - Present	Director, Independent Director and Member of the Audit Committee , Member of the Nomination and Remuneration and Corporate Governance Committee	N.C. Housing Plc.	Property Development
Aug.2558 - Present	Member of the Executive Committee	Bangkok Commercial Asset Management Public Company Limited.	Financial institution
Jan.2014 - Present	Advisor	KCG Corporation Co., Ltd.	Import and food products



**Age (s)** 63

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Master Degree of Business Administration, Major : Finance, University of Scranton, Pennsylvania, U.S.A.
- Bachelor Degree of Business Administration, Major : Finance Assumption Business Administration College, Bangkok, Thailand

**Experience for the past 5 years**

Period	Position	Company	Business
April 2019 - Present	Director, Independent Director and Member of the Audit Committee, Member of the Nomination and Remuneration and Corporate Governance Committee	N.C. Housing Plc.	Property Development
Sep. 2014 - Aug. 2015	Senior Executive Vice President	Preecha Group Public Company Limited.	Property Development



**Mr. Somchao Tanthathoedtham**

Director,  
Member of the Nomination and Remuneration and  
CG Committee Chairman of Executive Committee and  
Chief Executive Officer (Authorized Director)

**Age (s)** 66

**% of Shareholding \*** 1.88

**Relations** The brother of Mr. Somnuek Tanthathoedtham

**Education / Training Background**

- Graduate Diploma in Management of Public Economy for Executive Course (No.7), King Prajadhipok's Institute
- Graduate Diploma in Public Law and Management (No.6), King Prajadhipok's Institute
- Master of Business Administration, (Business Law), Ramkhamhaeng University
- Master of Business Administration, Thammasart University
- Bachelor of Medicine, Chulalongkorn University
- Diploma, National Defense College, No. 399

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 128/2010)
- Director Accreditation Program (DAP 8/2004)
- CEO Performance Evaluation, 2004

**Experience for the past 5 years**

Period	Position	Company	Business
2018 - Present	Director, Member of the Nomination and Remuneration and CG Committee, Chairman of Executive Committee and Chief Executive Officer	N.C. Housing Plc.	Property Development
2019 - Present	Director	Siri Arun Wellness Co., Ltd.	Intermediate care and wellness
2007 - 2017	Director, Member of the Remuneration Committee, Chairman of Executive Committee and Managing Director	N.C. Housing Plc.	Property Development
2007 - Present	Director	Ladprao General Hospital Plc.	medical
2016 - Present	Director	Thailand Real Estate Association	Association
1998 - Present	Director	N.C. Property Management Co., Ltd.	Project Management
1998 - Present	Director	Quality Living Management Co., Ltd.	Community Management to housing residential and Condominium



**Mr. Somnuek Tanthathoedtham**

Director

Executive Director and Managing Director

(Authorized Director)

**Age (s)** 51

**% of Shareholding \*** 2.38

**Relations** The brother of Mr. Somchao Tanthathoedtham

**Education / Training Background**

- Master of Management (SASIN), Chulalongkorn University, 2005
- Bachelor of Engineering (Systems), University of Pennsylvania, Philadelphia, 1992
- Bachelor of Science (Wharton School), Finance and Management, University of Pennsylvania, Philadelphia, 1992
- Real Estate Management, Chulalongkorn University, 1993
- Regional Planning for Executive (1/2008)
- Professional Development Program for Corporate Manager : Condominium / Project Village (1/2010)
- Thailand and ASEAN Economics Community (AEC) Class 4 of King Prajadhipok's Institute 2014
- Thammasat Leadership Program (TLP) Class 5 of Thammasat University 2014
- RE-CU Hotel Investment and Marketing Class 5 of Chulalongkorn University 2014
- RE-CU CEO Premium in Modern Real-Estate Business Class 2 of Chulalongkorn University 2016
- Executive Integrated Medical Management Program Chulabhorn International College of Medicine, Thammasat University, Class no. 1/2018
- Advanced Security Management Program (ASMP #10) Security Management Foundation, National Defence College of Thailand 2019.

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 90/2007)
- Director Accreditation Program (DAP 8/2004)

**Experience for the past 5 years**

Period	Position	Company	Business
April 2018 - Present	Director Executive Director and Managing Director	N.C. Housing Plc.	Property Development
2019 - Present	Director	Siri Arun Wellness Co., Ltd.	Intermediate care and wellness
2017 - 2018	Director, Member of the Nomination Committee, Executive Director and Senior Executive Vice President	N.C. Housing Plc.	Property Development
2011 - 2017	Director, Member of the Nomination Committee, Executive Director and Senior Executive Vice President (Operation 2)	N.C. Housing Plc.	Property Development
1998 - Present	Director	N.C. Property Management Co., Ltd.	Property Management





**Mr. Wichian Silapacharanan**

Director,  
Executive Director and Executive Vice President  
(Authorized Director and CFO)

**Age (s)** 59

**% of Shareholding \*** 0.04

**Relations** -

**Education / Training Background**

- Master of Business Administration (Finance), Chulalongkorn University
- Bachelor of Science (Statistics), Chulalongkorn University
- Real Estate Management, Chulalongkorn University
- Organization Risk Management No. 4/2005, Listed Companies Association
- Graduate Diploma in Management of Public Economy for Executive Course, Advanced Certificate Course, King Prajadhipok's Institute (No.11/2012-2013)

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 81/2006)
- Director Accreditation Program (DAP 8/2004)
- Board Performance Evaluation 2004

**Experience for the past 5 years**

Period	Position	Company	Business
2017 - Present	Director, Executive Director and Executive Vice President	N.C. Housing Plc.	Property Development
2019 - Present	Director	Siri Arun Wellness Co., Ltd.	Intermediate care and wellness
2011 - 2017	Director, Executive Director and Executive Vice President (Administration)	N.C. Housing Plc.	Property Development



**Mr. Sudham Chatwalwong\*\***

Chairman,  
Independent Director

**Age (s)** 75

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Master of Engineering (Hydraulic Engineering), Asian Institute of Technology (AIT)
- Bachelor of Engineering (Hydraulic Engineering) Chulalongkorn University
- Diploma, National Defense College, No. 399

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 53/2005)

**Experience for the past 5 years**

Period	Position	Company	Business
2007 - April 2019	Chairman and Independent Director	N.C. Housing Plc.	Property Development
2003 - 2007	Director, Independent Director, and Member of the Audit Committee	N.C. Housing Plc.	Property Development
2002 - 2004	Governor	Metropolitan Waterworks Authority	State Enterprise



**Mr. Kobsak Pongponrat\*\***

Director,  
Independent Director,  
Member of the Audit Committee and Member of  
the Nomination and Remuneration Committee

**Age (s)** 71

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Master of Public Administration, Roosevelt University, Chicago, ILL, USA
- Barrister at Law, Thai-Bar Association of Thailand
- L.L.B. Thammasat University
- Diploma, National Defense College, 1996
- Financial Institute for Executive Senior Thai Band Association, No. 4/1993

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 53/2005)
- Director Accreditation Program (DAP 7/2004)

**Experience for the past 5 years**

Period	Position	Company	Business
2018 - April 2019	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee	N.C. Housing Plc.	Property Development
2007 - 2017	Director, Independent Director, Member of the Audit Committee and Member of the Nomination Committee	N.C. Housing Plc.	Property Development
2003 - 2008	Senior Executive Vice President	Small and Medium Enterprise Development Bank of Thailand	Banking
2003 - 2007	Director, Independent Director and Member of the Audit Committee	N.C. Housing Plc.	Property Development



**Mr. Vichit Vichaisarn, Asst. Prof.\*\***

Director

Independent Director

Member of the Audit Committee

**Age (s)** 74

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- The Executive Master of Business Administration (EMBA), Asian Institute of Technology (AIT)
- Master of Arts (Government), Chulalongkorn University
- Bachelor of Arts (Political Science), Chulalongkorn University
- The Senior Executive Development Program, Australia
- Diploma, National Defense College, No. 42
- Colombo Plan Scholarship, Urban Planning and Management Program

**Attendance of Thai Institute of Directors Association (IOD) Seminar**

- Director Certification Program (DCP 96/2007)
- Finance for Non-finance Director (FND 38/2007)
- Understanding the Financial Statement (UFS 12/2007)
- Audit Committee Program (ACP 20/2007)
- Monitoring the Quality of Financial Reporting (MRF 2/2008)
- IT Governance : A Strategic Part Forward
- Ethics Leader / Management Sciences

**Experience for the past 5 years**

Period	Position	Company	Business
2018 - April 2019	Director, Independent Director, Member of the Audit Committee	N.C. Housing Plc.	Property Development
2007 - 2017	Director, Independent Director, Member of the Audit Committee and Member of the Remuneration Committee	N.C. Housing Plc.	Property Development
2016 - Present	Dean of the Faculty of Management	Eastern Asia University	Educational Institution
2011 - 2016	Dean of the Faculty Public Administration	Eastern Asia University	Educational Institution
2006 - 2008	Director	Metropolitan Electricity Authority	State Enterprise
2004 - 2006	Governor of Suratthani Province	Office of the Permanent Secretary for Interior	Government Service
2003 - 2004	Governor of Pathumthani Province	Office of the Permanent Secretary for Interior	Government Service
2001 - 2003	Governor of Satun Province	Office of the Permanent Secretary for Interior	Government Service

## Management's Information

### Mr. Rungsarn Nuntakawong

Executive Director  
and Executive Vice President

Age (s) 59

% of Shareholding \* -

Relations -

#### Education / Training Background

- Master of Regional Planning, Chulalongkorn University
- Bachelor of Arts (Political Science), Public Administration, Ramkhamhaeng University

#### Attendance of Thai Institute of Directors Association (IOD) Seminar

- Director Certification Program (DCP 116/2009)
- Raising the Awareness of Corporate Fraud in Thailand, 2005
- Director Accreditation Program (DAP 8/2004)

#### Experience for the past 5 years

Period	Position	Company	Business
2018 - Present	Executive Director, and Executive Vice President	N.C. Housing Plc.	Property Development
2017 - 2018	Director, Executive Director, and Executive Vice President	N.C. Housing Plc.	Property Development
2003 - 2017	Director, Executive Director, and Executive Vice President (Operation 1)	N.C. Housing Plc.	Property Development
1998 - Present	Director	N.C. Property Management Co., Ltd.	Project Management
1998 - Present	Director and Managing Director	Quality Living Management Co., Ltd.	Community Management to housing residential and condominium



## Mr. Warapong Nilsiri

Executive Vice President

Age (s) 58

% of Shareholding \* -

Relations -

### Education / Training Background

- Master of Regional Planning, Chulalongkorn University
- B.S. (Geography), Chiangmai University
- Mini MBA, Business Administration, Kasetsart University
- Mini Master of Retail Management, National Institute of Development Administration

### Experience for the past 5 years

Period	Position	Company	Business
July 2019 - Present	Executive Vice President	N.C. Housing Plc.	Property Development
2017 - 2019	Assistant Managing Director	N.C. Housing Plc.	Property Development
2012 - 2017	Assistant Managing Director (Operation 3)	N.C. Housing Plc.	Property Development

## Mr. Boonchai Rojpanich

Vice President,  
Sales Management Department

Age (s) 51

% of Shareholding \* -

Relations -

### Education / Training Background

- Master of Business Administration, Marketing, Thammasart University
- Bachelor of Civil Engineering, Chulalongkorn University

### Experience for the past 5 years

Period	Position	Company	Business
July 2019 - Present	Vice President, Sales Management Department	N.C. Housing Plc.	Property Development
2011 - 2019	Vice President, Project Department	N.C. Housing Plc.	Property Development

**Mrs. Nampetch Tantawiriya**

Vice President,  
Human Resource Department

**Age (s)** 54

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Master of Public Administration, Chulalongkorn University
- Bachelor of Political Science, Chulalongkorn University
- KASET Mini MBA # 27, Kasetsart University
- Business model canvas by Alex Osterwalder's 2019
- Developing and Implementing an Outward Mindset, SEAC 2018
- Situation Leadership, The Center for Leadership Studies, Inc. 2014

**Experience for the past 5 years**

Period	Position	Company	Business
2011 - Present	Vice President, Human Resource Department	N.C. Housing Plc.	Property Development
2012 - 2015	Associate Judge	Juvenile and Family Court, Pathumthani Province	Court of justice
2013 - 2015	Company Secretary	N.C. Housing Plc.	Property Development

**Ms. Sumanee Boonsarana**

Vice President,  
Accounting Department

**Age (s)** 56

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Bachelor of Business Administration, Accounting, Valaya Alongkorn Rajabhat University
- Bachelor of Business Administration, Sukhothai Thammathirat

**Experience for the past 5 years**

Period	Position	Company	Business
2011 - Present	Vice President, Accounting Department	N.C. Housing Plc.	Property Development
2010 - 2011	Senior Manager, Accounting Department	N.C. Housing Plc.	Property Development

**Mrs. Ajchara Kingsai**

Vice President,  
Conveyancing Department

**Age (s)** 57

**% of Shareholding \*** 0.0002

**Relations** -

**Education / Training Background**

- Siam Commercial School, Marketing
- Professional Sale of Real Estate No.21

**Experience for the past 5 years**

Period	Position	Company	Business
July 2019 - Present	Vice President, Conveyancing Department	N.C. Housing Plc.	Property Development
2011 - 2019	Vice President, Sale Department	N.C. Housing Plc.	Property Development

**Mr. Sanit Leejunthuek**

Vice President,  
Construction Department

**Age (s)** 49

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Master of Business Administration (Management) , Ramkhamhaeng University
- Bachelor of Civil Engineering, Mahanakorn University of Technology

**Experience for the past 5 years**

Period	Position	Company	Business
2015 - Present	Vice President, Construction Department	N.C. Housing Plc.	Property Development
2010 - 2014	Manager, Construction Department	N.C. Housing Plc.	Property Development



**Mrs. Nonglak Tanthatherdtham**

Vice President,  
Office of The President Department

**Age (s)** 56

**% of Shareholding \*** 1.12

**Relations** The sister of Mr. Somnuek Tanthathoedtham and  
Mr. Somchao Tanthathoedtham

**Education / Training Background**

- Bachelor Degree of Economics, Kasetsart University

**Experience for the past 5 years**

Period	Position	Company	Business
2017 - Present	Vice President, Office of The President Department	N.C. Housing Plc.	Property Development
2019 - Present	Deputy General Administration	Siri Arun Wellness Co., Ltd.	Intermediate care and wellness
1994 - 2017	Purchasing Manager	N.C. Housing Plc.	Property Development

**Mr. Jessada Lukkipiniskul**

Vice President,  
Marketing Department

**Age (s)** 47

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Master of Business Administration, Mahanakorn University of Technology
- Bachelor of Communication Arts, Bangkok University

**Experience for the past 5 years**

Period	Position	Company	Business
July 2019 - Present	Vice President, Marketing	N.C. Housing Plc.	Property Development
2005 - 2019	Business Vice President	Pruksa Real Estate Plc.	Property Development

**Miss. Kamonwan Sawadchai**

Manager,  
Accounting Department,  
Secretary of Audit Committee

**Age (s)** 56

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Bachelor of Accounting, Valaya Alongkorn Rajabhat University
- Bachelor of Management, Sukhothai Thammathirat

**Experience for the past 5 years**

Period	Position	Company	Business
2010 - Present	Manager, Accounting Department	N.C. Housing Plc.	Property Development
2010 - Present	Secretary of The Audit Committee	N.C. Housing Plc.	Property Development

**Mr. Walatchanat Rujidasirisakul**

Manager,  
Finance Department

**Age (s)** 51

**% of Shareholding \*** 0.03

**Relations** -

**Education / Training Background**

- Bachelor of Arts, Economics Finance and Banking, The University of the Thai Chamber of Commerce
- Real Estate Development No.25, Chulalongkorn University

**Experience for the past 5 years**

Period	Position	Company	Business
2002 - Present	Manager, Finance Department	N.C. Housing Plc.	Property Development
1999 - 2002	Asset Management Officer	Bank of Ayudhya Plc.	Banking

**Ms. Sureeporn Sangthongpradit**

Manager,  
Accounting Department

**Age (s)** 46

**% of Shareholding \*** -

**Relations** -

**Education / Training Background**

- Bachelor of Managerial Accounting, Phranakhon Rajabhat University
- Bachelor of General Management, Phranakhon Rajabhat University

**Experience for the past 5 years**

Period	Position	Company	Business
2015 - Present	Manager, Accounting Department	N.C. Housing Plc.	Property Development
2006 - 2014	Assistant Manager, Accounting Department	N.C. Housing Plc.	Property Development

- Remark**
- \* Shareholding information at the latest book closing date on December 30, 2019
  - \*\* The 2019 Annual General Meeting of Shareholders, held on 28 April 2018, resolved to approve the appointment of 3 new directors as follows: 1. Mr. Trirat Jarutach, Associate Professor, 2. Mr. Vichan Amornrojanavong and 3. Mr. Vorakan Dhepchalerm replaces the 3 directors who are retired by rotation.
  - Directors and Executives of the company Never having a criminal record



## Management Positions Held within the N.C. Group

**As of December 31, 2019**

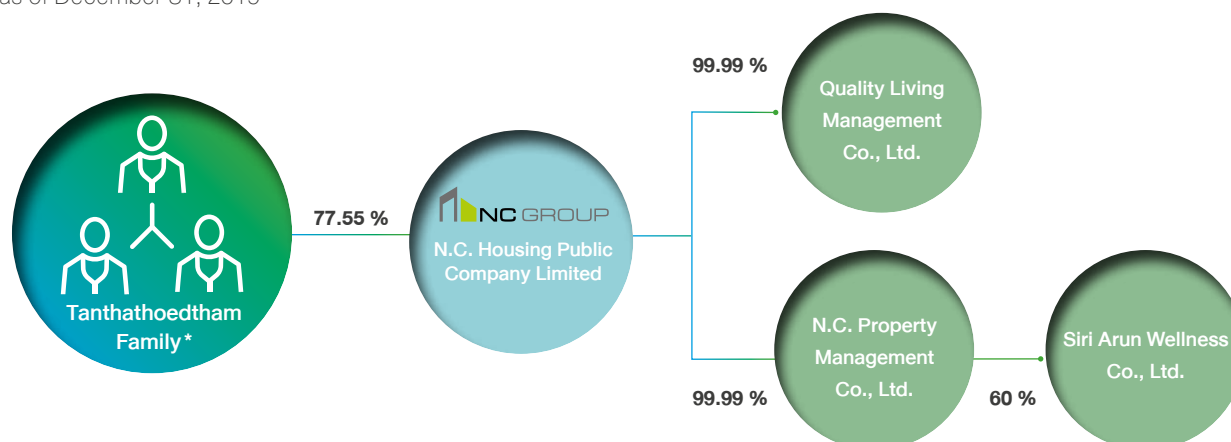
Directors	The Company	Subsidiaries				Related Companies								
	NCH	NCPM	QLM	SIRI ARUN	1	2	3	4	5	6	7	8	9	
1. Mr. Sudham Chatwalwong	X													
2. Mr. Somchao Tanthathoedtham	/, //	/	/	/	/	/	/	/	/	/	/	/	/	
3. Mr. Somnuek Tanthathoedtham	/, //	/		/	/	/		/	/	/	/		/	
4. Mr. Wichian Silapacharanan	/, //			/										
5. Mr. Piboon Limpraphat, Ph.D.	/													
6. Mr. Kobsak Pongponrat	/													
7. Mr. Vichit Vichaisarn, Asst. Prof.	/													
8. Mr. Trirat Jarutach, Asst. Prof.	X													
9. Mr. Vichan Amornrojanavong	/													
10. Mr. Vorakan Dhepchalerm	/													

- Notes :**
1. NCH = N.C. Housing Plc.  
NCPM = N.C. Property Management Co., Ltd.  
QLM = Quality Living Management Co., Ltd.  
SIRI ARUN = Siri Arun Wellness Co., Ltd.
  2. X = Chairman, / = Director, // = Executive Director
  3. Related Companies :
    - 1) S.C. Construction and Decoration Co., Ltd.
    - 2) Sathaporn Wattana Trading Co., Ltd.
    - 3) Sathaporn Wattana Transportation Limited Partnership
    - 4) Sap Namchai Pattana Co., Ltd.
    - 5) Namchai Property Development Co., Ltd.
    - 6) NCH 2555 Holding Co., Ltd.
    - 7) Namchai Golf Management Co., Ltd.
    - 8) Tanya Cart Management Co., Ltd.
    - 9) Sathaporn Homemart (1999) Co., Ltd.

## Company and Subsidiaries' Business Profile

### Shareholder Structure of N.C. Group

as of December 31, 2019



**Remark :** \* Tanthathoedtham family includes Tanthathoedtham shareholders and related parties

### Business Overview

N.C. Housing Public Company Limited operates the property development business. In the category of housing estates and land for sale under the name of the project “Baan Fah”, under emphasis on project design concepts in the specific style of each project. As well as managing the community after the sale to make a difference in the quality of life in the community of the residents when compared to other projects. The company prioritizes on the selection of good location, together with the utilities and having its potential for future growth.

At present, the Company has the project covering cities, 4 urban zones and large provinces such as Chonburi, Khonkaen and Chiang Mai. The projects were named according to their location and concept as follows:

**Northern Bangkok : in the area of Lumlookka**

Baan Pha Piyarom Tendro  
Baan Pha Piyarom Lake Grande  
Baan Pha Piyarom Niva  
NC on Green Charm

**Western Bangkok : in the area of Pinklao Ring Road and Budhamonthon**

NC Royal Pinklao-Sai 5  
Baan Pha Greenery Pinklao-Sai 5  
Baan Pha Townee Pinklao  
Baan Pha Greenery Pakkred-Ratchapruek

**Other areas : in the area of Chonburi province, North Pattaya, Chaiyapornvitee Road**

Natureza North Pattaya Condominium (Phase1-2)  
Baan Pha Greenery North Pattaya Chalyaponvitee (Closed)

**in the area of Muang District, Chiang mai province**

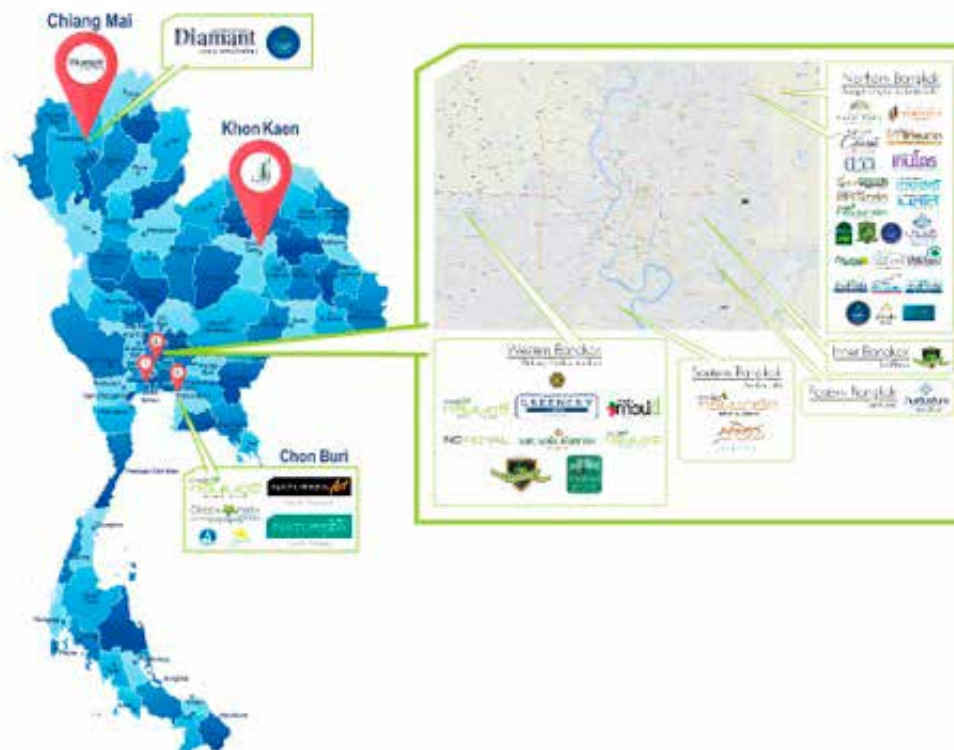
Diamant Condominium Chiang mai

### NC Brand and Location

As of December 2019



### Successfully Developed





All N.C. Housing projects are also distinguished from each other in architectural design and features depending on the individual project concept. There are three types of housing for which N.C. Housing customers can choose from. “Pre-built” units (construction has been completed and is ready for ownership right transfer), “Semi-pre-built” units (construction has been partially completed), and “Pre-Sales” units (construction starts upon customer order) depending on the site and its prospective customers.

### Sales Revenue Breakdown by Purchase Preference

Type	Down Payment Installment	% of Sales Revenue		
		2019	2018	2017
1. Pre-built units	(0-2 Payments)	<b>81.87</b>	99.09	95.31
2. Semi Pre-built units	(3-6 Payments)	<b>16.97</b>	0.91	1.93
3. By order units	(> 7 Payments)	<b>1.16</b>	0.00	2.76
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>

### Operating Policy of N.C. Housing Public Company Limited and its Subsidiaries

N.C. Group aims to develop all N.C. Housing’s projects under the name “Baan Pha” or under previous project’s names acquired as projects that are either Non Performing Loans (NPL) or Non Performing Assets (NPA).

Subsidiaries of N.C. Housing Public Company Limited are as follows:

- **N.C. Property Management Company Limited (NCPM)** renders a full scale property management service, including sales management, marketing, and construction through rehabilitation of the project and/or renegotiate with existing purchasers as well as creditors. Projects that NCPM renders services to include Baan Suan Lalana Pattaya, Jantima Park Budhamonton 5, Baan Suan Doi Saked Chiangmai, and Thanyathani Home on Green projects.
- **Quality Living Management Company Limited (QLM)** renders community management services such as security services, cleaning services, and utility services to housing projects and condominiums. In 2019, the Company managed a total of 11 communities.
- **Siri Arun Wellness Co., Ltd.(Siri Arun)** a subsidiary of N.C. Property Management Co., Ltd. (NCPM) has operated a business of intermediate care and wellness and other related businesses by taking care of the elderly and recuperating patients who received medical treatment at nearby hospitals; whereas, NCPM holds 60% of its total shares, and The Care and Health Group Limited Partnership holds 40% of its total shares. The Board of Directors consisted of 4 members including 3 directors from NCPM and 1 director from its joint stock company.

## Income Structure of N.C. Group

The majority of the Company's revenue is derived from property development business including:

1. Revenue from property development for sale includes revenue from sales and construction where sales revenue is derived from 4 product lines - single detached houses, duplexes, townhouses, condominium and other.
2. Revenue from project management services includes revenue from construction and revenue from project management services.
3. Revenue from management of residential community
4. Other revenue

Business Type/Revenue	Operated by	2019		2018		2017	
		THB mn.	%	THB mn.	%	THB mn.	%
<b>Property development for sale</b>	<b>NC</b>	<b>1,212</b>	<b>96.8</b>	<b>1,735</b>	<b>97.3</b>	<b>1,425</b>	<b>97.8</b>
- Revenue from sales							
- Single detached houses		472	37.7	735	41.2	817	56.1
- Duplexes		162	12.9	208	11.6	153	10.5
- Townhouses		317	25.3	246	13.8	216	14.8
- Commercial buildings		127	10.1	194	10.8	239	16.4
- Vacant land		133	10.6	352	19.7	-	-
<b>Project management services</b>	<b>NCPM*</b>						
- Construction revenue		-	-	-	-	-	-
<b>Community management service / Property investment</b>	<b>QLM*, NC</b>	<b>20</b>	<b>1.6</b>	<b>22</b>	<b>1.2</b>	<b>21</b>	<b>1.4</b>
- Rental income and service revenue		20	1.6	22	1.2	21	1.4
<b>Other revenue ***</b>	<b>NC, NCPM*, QLM*</b>	<b>21</b>	<b>1.7</b>	<b>25</b>	<b>1.4</b>	<b>11</b>	<b>0.8</b>
<b>Total Revenue</b>		<b>1,253</b>	<b>100.0</b>	<b>1,782</b>	<b>100.0</b>	<b>1,457</b>	<b>100.0</b>

<b>Remarks</b>	*	The Company holds a 99.99% stake in NCPM and QLM.
	**	Rental income and service revenue part comes from property investment in 2019.
	***	Rental fees, fees for altering contracts, interest receivables, gains from sales of Assets and other non-core business transaction form a large part of the Company's other revenue.
	NC	: N.C. Housing Plc.
	NCPM	: N.C. Property Management Co., Ltd.
	QLM	: Quality Living Management Co., Ltd.
	Siri Arun	: Siri Arun Wellness Co., Ltd.

## Currently Active Projects

As of December 31, 2019, the company and its subsidiaries launched a total of 17 property development projects with 76.08 % or 10,879.71 million baht backed by sales contracts. (The project is developing and projects to be developed in the future total 7 projects).

Project Name	Location	Project Area (Rai-Ngan-Sq.wah)	Project Type	# of Units	Project Value (THB mn)	Sales Progress (based on Sales Value as of Dec 31, 2019)
<b>Northern Bangkok</b>						
1. Thanyathani Home on Green 2	Ring Road Lumlookka Klong 5	123-0-34-2	SDH	236	1,639	97.00
2. Baan Pha Piyaom Lake Grande (P.13)	Ring Road Lumlookka Klong 6	40-3-37	SDH	144	778.78	100.00
3. Bann Pha Piyaom Niva (P.14)	Ring Road Lumlookka Klong 6	43-2-84	SDH, DH, TH	295	805.45	100.00
4. NC on Green Charm	Ring Road Lumlookka Klong 5	32-2-64.2	SDH	108	929.56	61.28
5. Baan Pha Piyaom Tendro (P.15)	Ring Road Lumlookka Klong 6	47-0-20	DH, TH	422	1,078.67	57.07
6. Baan Pha Piyaom Nordern (P.16)	Ring Road Lumlookka Klong 6	37-3-08	SDH	141	803.61	2.83
7. Palm Park @ NC on Green Charm	Ring Road Lumlookka Klong 5	14-3-68	DH, TH	108	325.75	2.37
<b>Western Bangkok</b>						
8. NC Royal Pinklao	Kanjanapisek Road, Bangkai	29-2-66	SDH	61	873.23	100.00
9. Baan Pha Greenery Pinklao-Sai 5	Borommaratchachonnani Road, Sam Phran, Nakorn Pathom	79-1-60	SDH, DH, TH	466	1,757.61	100.00
10. Baan Pha Greenery Pakkred-Ratchapruet	Pakkred, Nonthaburi	24-1-44	SDH	129	677.41	54.49
11. Baan Pha Townee Pinklao Don Wai	Phutthamonthon sai 5 Road, Nakorn Pathom	34-0-4.7	TH	328	899.21	45.47
12. Baan Pha Greenery Tiwa Pinklao-Sai 5	Phutthamonthon sai 5 Road, Nakorn Pathom	25-2-56	SDH, DH	129	656.50	20.15
<b>Southern Bangkok</b>						
13. Narisa Thonburirom	Pracha Uthit Road, Ratburana	51-2-69.6	SDH	60	403	98
14. Baan Pha Green Park Royal Thonburirom	Pracha Uthit Road, Thungkhru	65-1-54.1	SDH	258	1,214	98
<b>Others Areas</b>						
15. Natureza North Pattaya Condominium (P.1)	Banglamung, Chonburi	4-0-66	CD	407	622.68	96.94
16. Natureza North Pattaya Condominium (P.2)	Banglamung, Chonburi	4.2-0-68	CD	406	657.95	91.00
17. Diamant Condominium	Mueang Chiang Mai	4-0-28.4	CD	77	176.75	76.60

**Notes :** SDH = Single Detached House, DH = Duplex, TH = Townhouse, CD = Condominium

## Corporate Objectives



N.C. Group strives to expand and go and become a leading property developer with intent of bringing uniqueness to each of its projects. This includes project planning, architectural design, quality construction, as well as a quality living environment and community, comprehensive infrastructure, and quality after sales community management. All of above aims to further create community unity and happiness. Projects are confidence in the quality and performance of every project to the consumers in every zone with the policy to also offer a full scale project management service.



## Industrial Situations

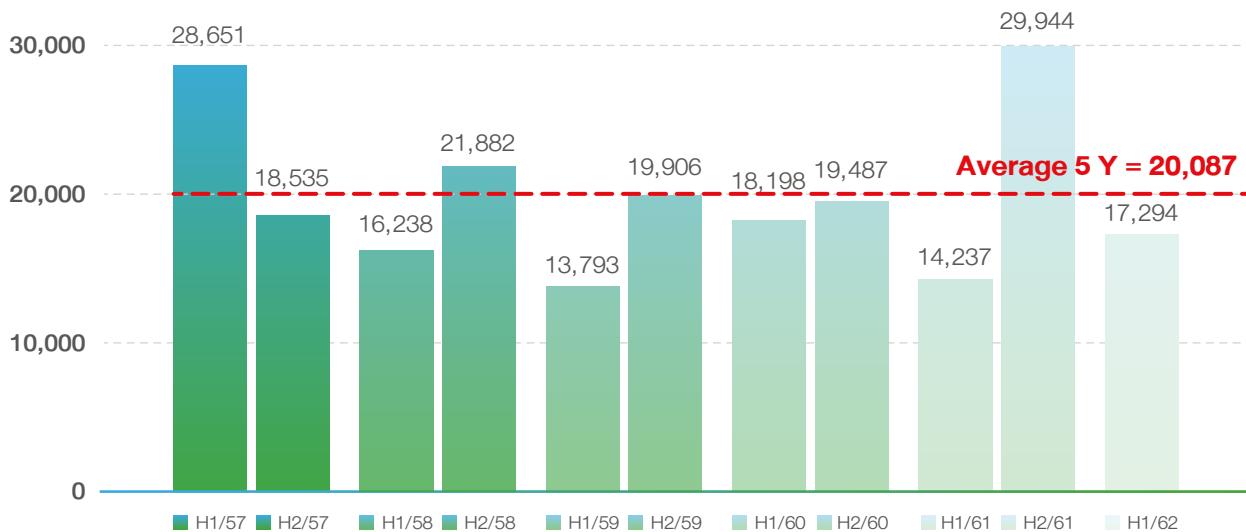


The overall picture of housing market situation in Bangkok and 5 adjacent provinces (Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhorn and Nakorn Pathom) at the end of 2018, there were at least 6 unsold units in each real estate project (taking into account only housing estates and condominiums). There were accumulated unsold inventory of 153,895 units worth 651,293 million baht, consisting of 87,263 units worth 393,996 million baht of housing units and 66,632 units worth 257,297 million baht of condominiums. The majority or 67.8% of unsold condominiums were in Bangkok, whereas the 5 adjacent provinces accounted for only 32.2% of the total unsold units.

In 2019, the developers began to launch new products. In the first half of 2019 (January - June), a total of 41,868 units worth 207,881 million baht of housing and condominium units were supplied into the market, an increase of 6.1% and 20.8% both in volume and value terms respectively compared to 2018, which were 39,447 units worth 172,029 million baht. 66.5% of the 41,868 new units were launched in Bangkok, while 33.5% were launched in the 5 adjacent provinces.

The unsold inventory from the previous year together with new supply this year were totaled to 17,377 housing units and 64,969 condominiums which would become unsold inventory at the end of 2019 and could possibly remain unsold until 2020. The number of unsold inventory would be similar to the level in 2018, assuming the stocks could not be sold. As a result, the developers would have to bear the carrying cost.

### New housing estate projects launched in Bangkok/perimeter during 2014 and H1 of 2019

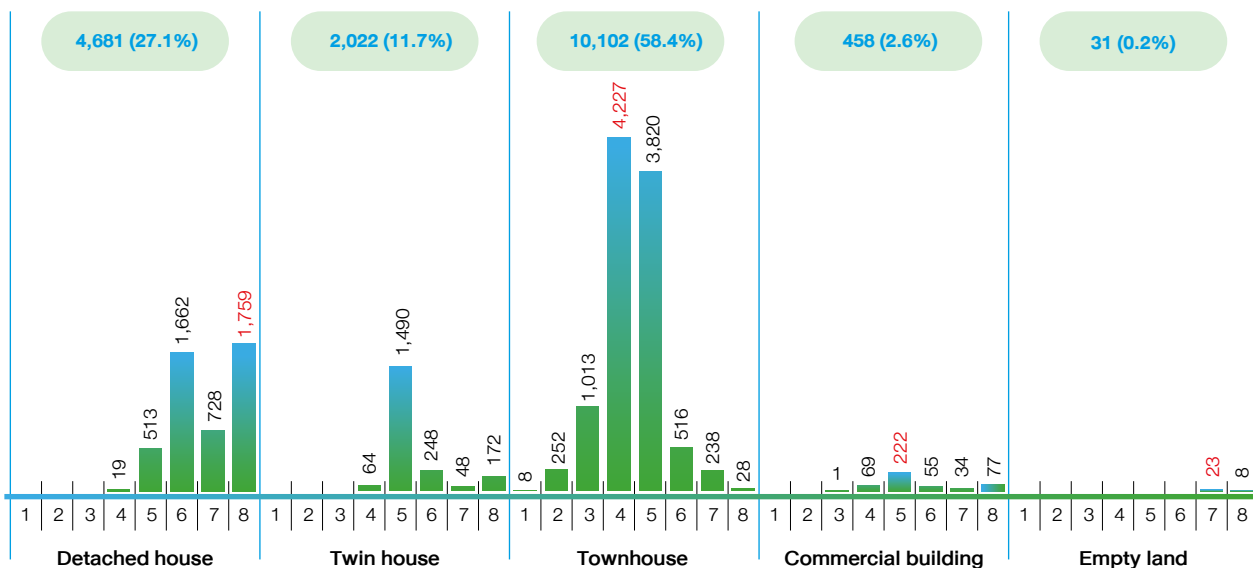


Source : Real Estate Information Center, Government Housing Bank

Comparing information over the past 5 years, it is found that the number of newly launched housing units in H1 of 2019 was 17,294 units worth 93,065 million baht, an increase of 21.5% and 24.3% both in volume and value terms respectively compared to H1 of 2015-2018. The figures were rather good. When considering in terms of province, Samut Prakan was the only province having newly launched units higher than the 5-year average. Meanwhile, other provinces had newly launched units lower than the 5-year average.

**Bangkok & perimeters: total 17,294 units worth 93,065 million baht**

1 = ≤ 1 mb  
2 = 1.01 - 1.50 mb  
3 = 1.51 - 2.00 mb  
4 = 2.01 - 3.00 mb  
5 = 3.01 - 5.00 mb  
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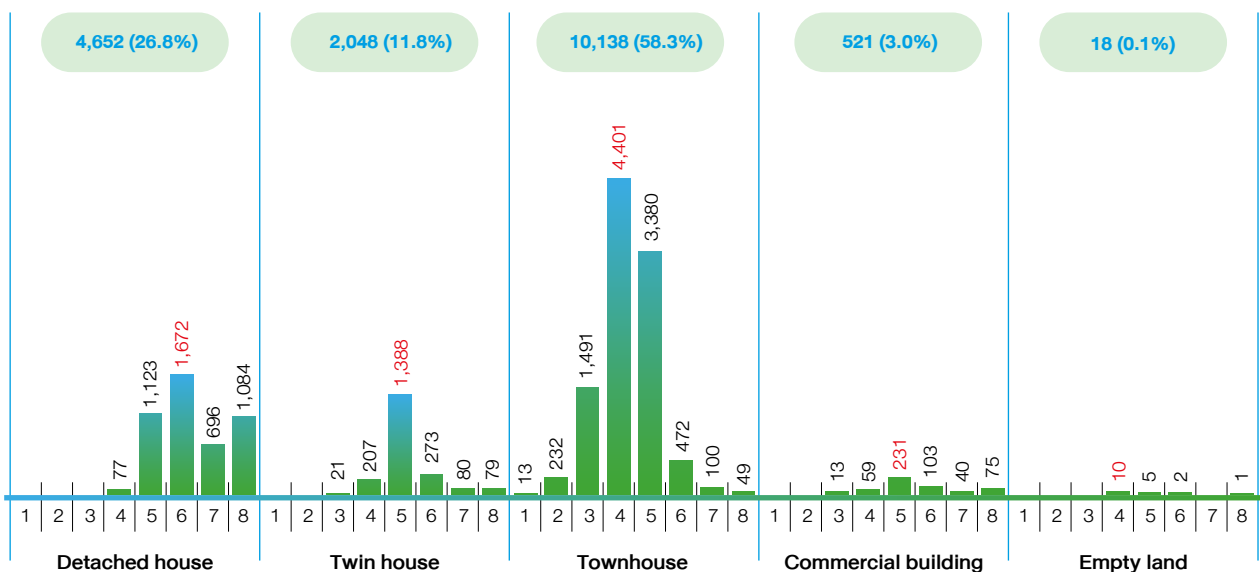
Source : Real Estate Information Center, Government Housing Bank

### Newly launched housing units in H1 of 2019 in Bangkok and perimeters classified by type and price range

Regarding the type and price of newly launched units in H1 of 2019, the majority or 58.4% of the units was townhouse with selling price ranges between 2.01-3.00 million baht, which was affordable by majority of consumers. Most developers would introduce brands in this price group for buyers to choose. Secondly, 27.1% of the units was detached house with selling price greater than 10 million baht. This reflected the outlook and market prediction of developers who focused on high-income buyer group. Most of newly launched twin house (11.7%) was having price range of between 3.01-5.00 million baht.

**Bangkok & perimeter: total 17,377 units  
worth 82,693 million baht**

1 = ≤ 1 mb      5 = 3.01 – 5.00 mb  
2 = 1.01 – 1.50 mb      6 = 5.01 – 7.50 mb  
3 = 1.51 – 2.00 mb      7 = 7.51 – 10.00 mb  
4 = 2.01 – 3.00 mb      8 = >10.00 mb



Source : Real Estate Information Center, Government Housing Bank

### New housing units sold in H1 of 2019 in Bangkok and perimeters classified by type and price range

Regarding decision making and buying preference of buyers, classified by type and price range of housing units sold during H1 of 2019, townhouse with selling price ranges between 2.01-3.00 million baht was the largest housing type, representing 58.3% of the total units. The second largest group was detached house with selling price ranges between 5.01-7.50 million baht, representing 26.8%. This was in contrast with the developers' outlook which focused on detached house with selling price ranges of higher than 10 million baht. Newly sold twin house with selling price ranges between 3.01-5.00 million baht comprised of 11.8%. This was in line with the developers' expectation although the sale volume was not as high as other housing units but there is always demand for the product.

### Top 5 locations of housing estate with the most sold units in H1 of 2019 in Bangkok & perimeters

Ranking	Location	Number of newly sold units	Value of sold units (MB)	Most popular price range	Most sold residential type
1	Bang Yai-Bang Bua Thong/ Bang Kruai-Bang Sai Noi	2,813	12,609	2.01-3.00	Townhouse
2	Bang Pli-Bang Bor-Bang Sao Tong	2,206	9,069	2.01-3.00	Townhouse
3	Samut Prakarn/ Pra Pradaeng-Pra Samutjedi	1,532	4,638	2.01-3.00	Townhouse
4	Klong Samwa-Minburi/ Nong Jok-Lard Krabang	1,371	6,598	2.01-3.00	Townhouse
5	Mueang Nonthaburi-Pak Kred	1,357	8,724	3.01-5.00	Townhouse

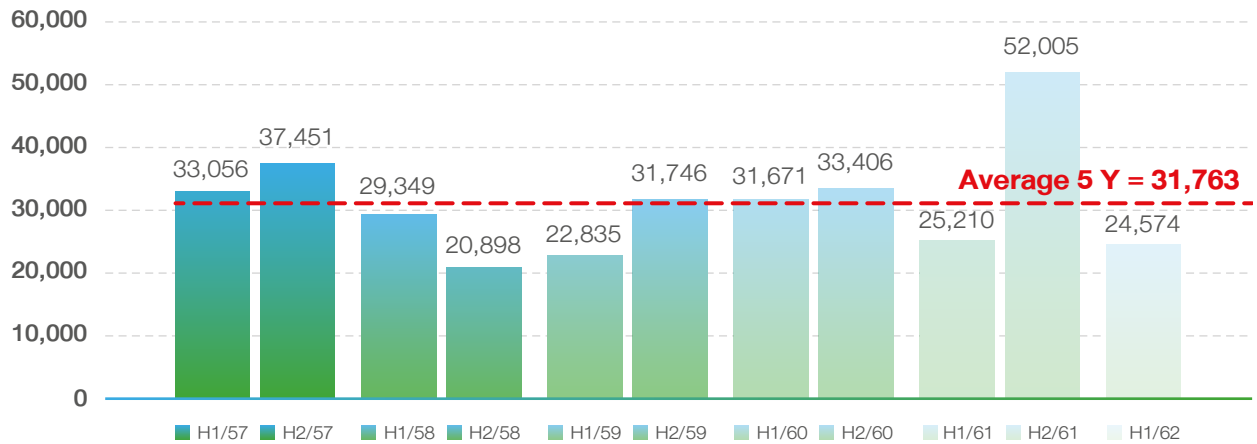
Source : Real Estate Information Center, Government Housing Bank

### Top 5 locations of housing estate with the most sold units in H1 of 2019 (January-June) were

- Bang Yai-Bang Bua Thong-Bang Kruai-Bang Sai Noi:** 2,813 units were sold in this zone which is accessible by MRT (Purple Line). New projects continued to be launched to meet the rising demand of residents in Nonthaburi province and nearby areas.
- Bang Pli-Bang Bor-Bang Sao Tong:** 2,206 units were sold. These areas were becoming popular with relatively affordable prices that attracted extended family consumer group and buyers who work in the areas.
- Samut Prakarn-Pra Pradaeng-PraSamutjedi:** 1,532 units were sold in this zone. The area continued to be ranked in the top locations from the previous year due to launching of MRT services (Green Line) which allow the area to be accessible more conveniently.
- Klong Samwa-Minburi/Nong Jok-Lard Krabang:** 1,371 units were sold in this zone. The area will be accessible by pink-line BTS (Khae Rai-Minburi) which is under construction. As a result, prices of newly launched housing units in this area would rise as well.
- Mueang Nonthaburi-Pak Kred:** 1,357 units were sold in this zone which will also be served by the pink-line BTS (Khae Rai-Minburi). In addition, Chaeng Watthana Road is the site of various government and major state agencies offices making the areas in high demand of mainly government/state employees.

Most of the housing type that could be sold in these 5 top locations abovementioned was townhouse with price ranges of between 2.01-3.00 million baht, with the exception of Mueang Nonthaburi-Pak Kred that sold in the price ranges of 3.01-5.00 million baht.

### Number of new condominium units launched in Bangkok/perimeters during 2014 and H1 of 2019

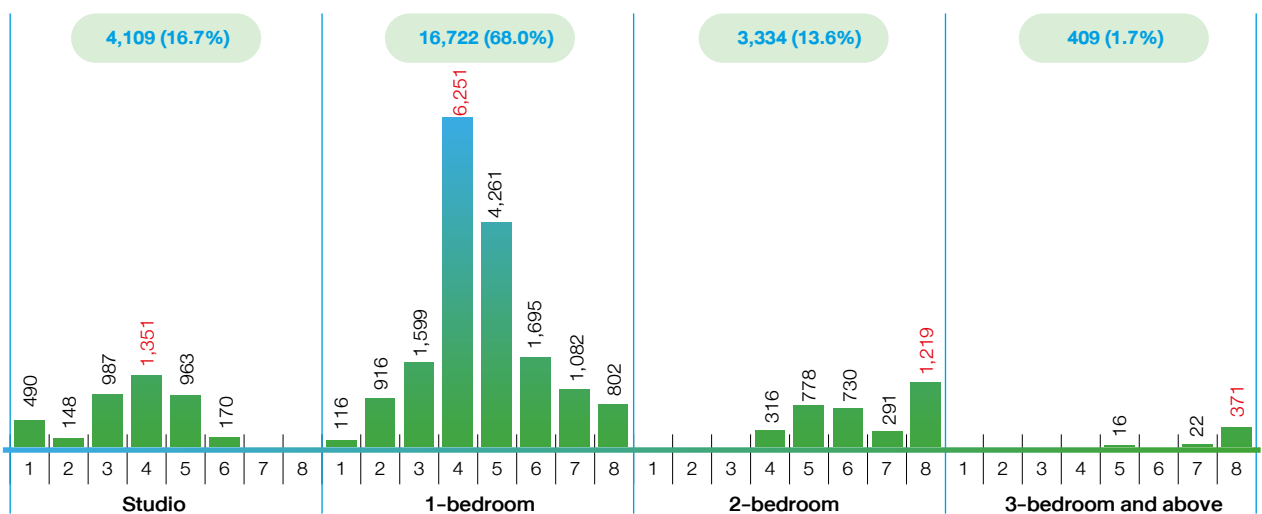


Source : Real Estate Information Center, Government Housing Bank

Number of new condominium units launched in H1 of 2019 was 24,574 units worth 114,816 million baht, lower than the 5-yr average, which recorded a decline of 2.5% in volume but an increase of 18.2% in value compared to H1 of 2018, which posted 25,210 units worth 97,140 million baht. When considering in terms of province, it can be seen that all 6 provinces had newly launched units lower than the 5-year average.

Bangkok & perimeters: total 24,574 units worth 114,816 million baht

1 = ≤ 1 mb  
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Source : Real Estate Information Center, Government Housing Bank

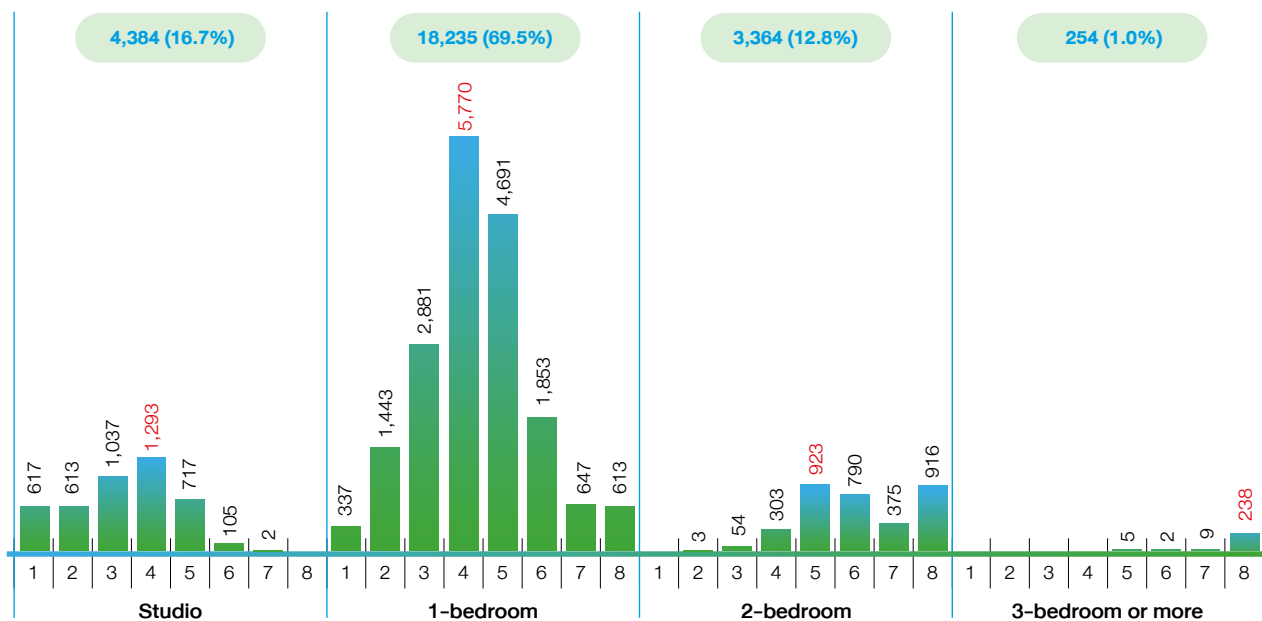


### Number of new condominium units launched in Bangkok/perimeter classified by type and price ranges

The majority or 68% of the newly launched condominium units during H1 of 2019 (January-June) was 1-bedroom type with selling price ranges between 2.01-3.00 million baht. As 1-bedroom type is usually the highest proportion in a condominium project, therefore, it constitutes the highest number of newly launched units. The second largest type was studio type with selling price range of between 2.01-3.00 million baht, which comprised of 16.7%. The 2-bedroom type with price range of between 3.01-5.00 million baht made up 13.6%. Meanwhile, 3-bedroom type with price range of more than 10 million baht made up 1.7%. The 3-bedroom type would only be available in high-end projects but its proportion is relatively small compared to the studio and 1-bedroom types.

**Bangkok & perimeters: total 26,327 units  
worth 106,812 million baht**

1 = ≤ 1 mb      5 = 3.01 - 5.00 mb  
2 = 1.01 - 1.50 mb      6 = 5.01 - 7.50 mb  
3 = 1.51 - 2.00 mb      7 = 7.51 - 10.00 mb  
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Source : Real Estate Information Center, Government Housing Bank

### New condominium units sold in H1 of 2019 in Bangkok and perimeters classified by type and price ranges

The 1-bedroom type with price range of between 2.01-3.00 million baht posted the highest sales volume at 69.5% of the total units sold During H1 of 2019 (January-June). The second type with highest volume was studio type with selling price range of between 2.01-3.00 million baht, which comprised of 16.7%. The 2-bedroom type with price range of between 3.01-5.00 million baht recorded at 12.8%. Meanwhile, 3-bedroom type with price range of more than 10 million baht constituted only 1%. Overall, it can be seen that the proportion of available units offered for sale by the developers match the proportion of actual units sold.

Top 5 locations of condominium projects with the most sold units in H1 of 2019 in Bangkok & perimeters					
Ranking	Location	Number of newly sold	Value of sold units (MB)	Most popular price range	Most sold residential type
1	Huai Khwang-Chatuchak-Din Daeng	4,179	17,990	3.01-5.00	1 bedroom
2	Thonburi-Klong San-Bang Plad/ Bangkok Noi-Bangkok Yai	2,635	9,618	3.01-5.00	1 bedroom
3	Phra Khanong-Bang Na/ Suan Luang-Prawes	2,149	7,192	2.01-3.00	1 bedroom
4	Sukhumvit	1,855	16,392	5.01-7.50	1 bedroom
5	Mueang Nonthaburi-Pak Kred	1,687	3,080	1.01-1.50	1 bedroom

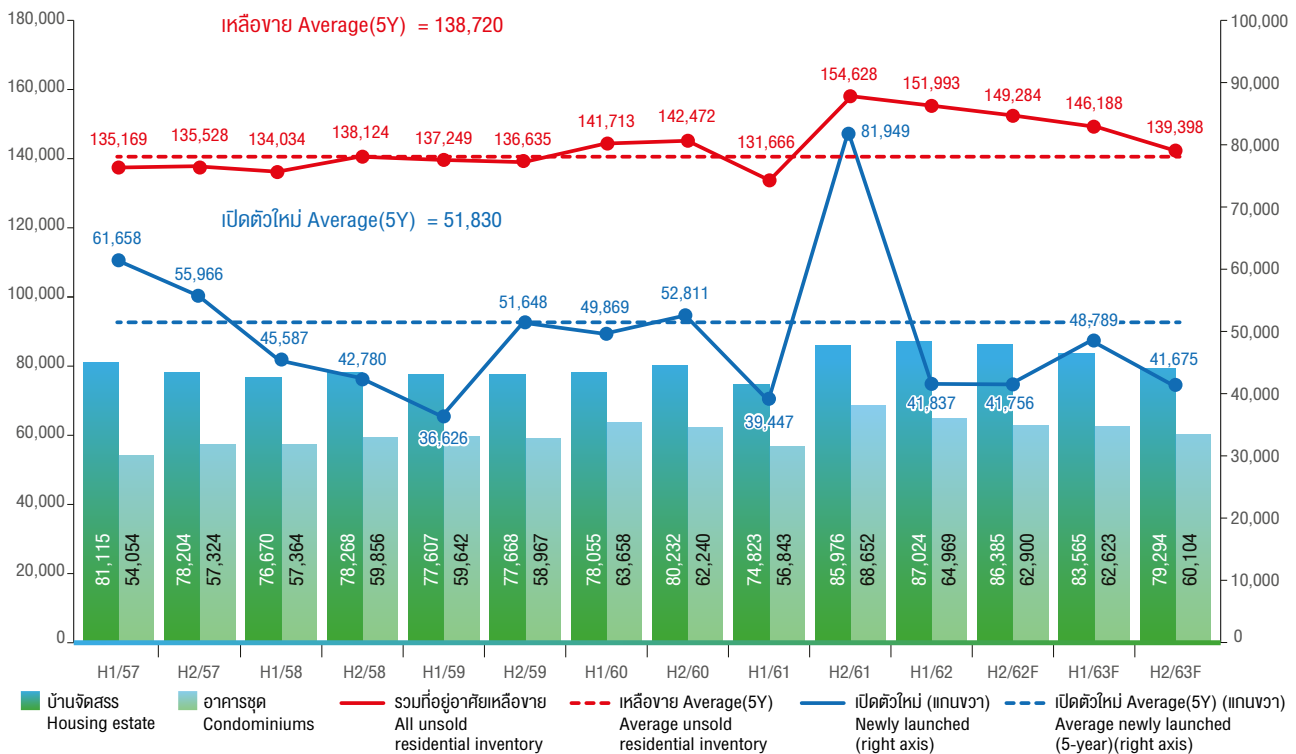
Source : Real Estate Information Center, Government Housing Bank

### Top 5 locations of condominium projects with the most sold units in H1 of 2019 (January-June) were

- Huai Khwang-Chatuchak-Din Daeng:** 4,179 units were sold in this zone. The zone has been a bustling area from the previous year. There were several new projects launched, which mostly sold in the price ranges of between 3.01-5.00 million baht.
- Thonburi-Klong San-Bangkok Noi-Bangkok Yai-Bang Plad:** 2,635 units were sold in this zone. Majority of the units sold was 1-bedroom type with selling price ranges of between 3.01-5.00 million baht. The prices increased from the previous price range of 2.01-3.00 million baht.
- Phra Khanon-Bang Na-Suan Luang-Prawes:** 2,149 units were sold in this zone. This zone is regarded as outskirts of Sukhumvit area and drew interest from potential buyers as the prices of condominium units in Sukhumvit area which is closer to city is climbing significantly. Therefore, buyers tend to purchase condominium units in a little further area but are still accessible by BTS and MRT. Majority of the units sold in this zone have price range of between 2.01-3.00 million baht.
- Sukhumvit:** 1,855 units were sold in this zone. Most of the units sold have price range of between 5.01-7.50 million baht. This inner-city zone witnessed continuing launches of new projects. Due to prime location, prices of 1-bedroom type of condominium projects in the area tended to be higher than the outer zone. Nevertheless, the zone remains popular among buyers.
- Mueang Nonthaburi-Pak Kred:** 1,687 units were sold in this zone. Most of the units sold have price range of 1.01-1.50 million baht. The area is accessible by pink-line BTS (Khae Rai-Minburi) which is under construction resulting in the rise in price but still remaining relatively affordable.

Most of the unit type that could be sold in these 5 top locations abovementioned was 1-bedroom type.

### Number of Unsold Units in Each Half-Year



Source : Real Estate Information Center, Government Housing Bank

### Estimates of unsold units at the end 2019 (Bangkok & perimeters)

The real estate information center forecasted the unsold units at the end of 2019 to be 149,000 units and 139,000 units at the end of 2020, decline by 6.7% attributable to the government's stimulus measures for real estate sector such as reduction of ownership transfer fees and mortgage fees to 0.01% from November 2019 until end of 2020 for residential units of less than 3 million baht. This stimulus measure was not applicable to second-hand properties. It is expected that the measure would expedite ownership transfer of residential transactions and reduce the supply of unsold inventory until the number of unsold units comes close to the average of the past 5 years i.e. 138,720 units.

The real estate information center, GHB, predicted that important variables that would affect the housing market trend in 2020 are the government's measures to provide more housing incentives for middle-income consumer group, such as reduction of ownership transfer fees and mortgage fees to 0.01% for residential units of less than 3 million baht which was in effect on 22 October 2019. **"Baan Dee Me Down"** project which provided subsidy for down payment of 50,000 baht to buyers. The stimulus measures are expected to reduce number of unsold units to 0.6% and lower value of ownership transfer fees by -2.2% in 2019 compared to 2018 or zero decline from the previous forecast of -7.7% and -2.7% respectively.

Another factor is the slow rise in land cost which enabling operators to develop housing estate at still affordable prices and match buyers' constrained purchasing power especially those costing less than 1 million baht/unit. This is reflected in the number of ownership transfer that rose from 3,000 units to 16,000 units. In addition, **"Baan Dee Me Down"** project also adds purchasing power to consumers with actual demand for a house. The measure that has proven really effective is the reduction of the ownership transfer fees and mortgage fees to 0.01% for residential units of less than 3 million baht million baht, which constituted about 50% of housing units in the market, until end of 2020. Nonetheless, if the government expanded the measure to cover price ranges to between 3-5 million baht, which comprise of the largest housing units, more people would benefit from the scheme.

In addition, the stimulus measures helped to effectively absorb excess supply. It is anticipated that about 71,000 units and 166,000 units of new residential units would be sold in the H2 of 2019 and 2020 respectively, an increase of about 20% for each half-year. This will result in the supply next year to decline by 10% in each half year compared to absence of such measures.

As for the market outlook in 2020, it is forecasted that the demand for housing units will expand continuously. **The main factors which would affect the market are declining interest rate and the government's stimulus measures** for real estate sector. Therefore, the market has been expanding continuously since the end of 2019. However, the growth is expected to be less than 5%. Meanwhile, new residential projects will be launched continuously from end of 2019 in respond to the government's stimulus measures. The number of new projects is expected to be the same as in 2019. Hence, the developers must pay attention to the management of construction in progress as well as the inventory of completed units so that there is no excess supply. On the other hand, they must be cautious when launching new projects so as not to over-supply the market as the demand is still not as strong as in the previous two years.

**The Loan-to-Value (LTV)** measure of the Bank of Thailand (BOT) has not achieved the intended objectives to encourage the developers to reduce unit prices. Nevertheless, some developers have initiated sales promotions and price discounts in order to provide those looking to buy with more options. For the overall picture, prices of newly launched units remained unchanged. Moreover, developers tended to shift their focus on lower segment markets. It is speculated that the BOT will continue to implement the LTV measure but with prescribed conditions or revoke the LTV measure in some areas.

In previous years, in addition to housing estates and condominium projects, many developers began to introduce "Mixed-use" real estate projects which started to have some impacts on the real estate segment. Constructions of the projects, which consist of office area, retail shops, residential units and hotel in the same complex, have already been completed and gradually opened for service. The objectives of such "mixed-use" projects are to efficiently utilize the land especially in the city area and deliver products which are more than conventional residences and attract interest of buyers who are looking for new and different alternatives.

**Source :** Real estate information center, Government Housing Bank.

**Analyzed by :** Chantawon U/<https://thinkofliving.com/>

## Risk Factors



In 2019, the Risk Management Working Group has determined the risk management plan and has continuously conducted the assessment of risks divided into 4 aspects in order to correct and prevent potential risks in a precise, clear and concrete manner. The work performances of the Risk Management Working Group have been followed up and reported to the Board of Directors on a quarterly basis, with the following details:

### 1. Strategic Risks

#### 1.1 Growth Strategies

The business of real property is a business of high competition between the existing and new entrepreneurs, including entrepreneurs with foreign joint venture partners. As a result, the competition became more intense. In case, the Company failed to seek new strategies or clear guidelines for improvement and development, the Company might not be able to compete in the markets. Therefore, the Management has clearly determined its roadmap in order to achieve the prescribed goals and has also provided the business management process which can measure the progress. Moreover, the Management has recruited expert personnel to assume their responsibilities in accordance with the Company's requirements, and has properly managed its portfolio to meet the market demands; whereas, the Company's goods shall be categorized into 4 groups, as follows: 1. Mass production goods; 2. Premium goods; 3. Condominiums and 4. Economy goods



## 1.2 New Patterns of Business Operation

At present, people's lifestyles have changed and more technologies have been used to meet demands of new generations of customers. Therefore, the Company has created new patterns of marketing for widespread brand recognition among its customers and has also created its website and online media and printed materials to access all groups of customers.

The Company has also analyzed its markets and expanded its projects to new locations and created models of goods to meet demands and lifestyles of new generations of customers.

The Company has also adjusted its strategies of sale and transfer of ownership to be in accordance with lifestyles of new generations of customers and for more accessibility to its sale.

## 2. Management Risks

### 2.1 Construction Management

According to the economic slowdown and the Government's measures and policies continuously issued, the Company needed to monitor the stock ratios and to have adequate goods to the rates of sale and transfer of ownership but at the same time it shall not cause excessive burdens on the Company's expenses.

### 2.2 Expense Management

During the economic slowdown, the expense control is necessary. Therefore, the Company has planned to cut down its unnecessary expenses by providing clear budget of each unit and reviewing expenses in every 6 months in order to prevent excessive spending of budgets and to appoint work groups to improve the criteria for payment of compensations such as sales commission, compensation for transfer of ownership to be in accordance with the current business operation of the Company.

### 2.3 Personnel Resources Management

To become a leader in real property trading, the Company needed to give its importance to the development of personnel's potentials as from processes of selection of quality personnel and continuous development of existing personnel with clear and fair performance appraisal in order to clearly identify potentials of existing personnel. Therefore, the Company conducted the performance appraisal by using KPI (Key Performance Indicator) and competency as tools of measuring as from the managerial to operational levels.

The Company has organized training to improve group and individual skills for employees, and has made the manpower plan and has adjusted new structure charts. Moreover, the Company also has its manpower succession and replacement plan for retiring personnel by means of internal and external recruitment.

### 2.4 Information and Technology System

At present, business competition in terms of innovation and technology is important and being regarded as an alternative of customers. Therefore, the Company has provided modern tools and innovative alliances to increase channels for business competition and has used the IT system to increase the rapidness of works and to be used as tools for development of work efficiency, and has also provided the data safety protection system as from the processing, storage, follow-up and reservation of data to prevent critical incidents and treats from external attacks such as computer viruses, hackers, etc., including preparation of software and licenses correctly and completely in accordance with the rules of business operation in a transparent and fair manner.

### 3. Financial Risks

#### 3.1 Financial Management

In the real property business management, high costs of investments are needed for implementation of new projects in the future. Moreover, unfavorable economic condition has prevented the Company from its regular income recognition. Therefore, the Company must be aware of its investment and management of liquidity by generating more incomes from new businesses and optimal management of existing property and supplying sources of reserved capital and financial alliances, and must also seek financial tools as secondary plan to prevent the potential lack of the Company's liquidity.

However, the Company has its good relationship and trusts from several financial institutions to give continuous support of loans, including direct loans to the Company and loans given to project customers of the Company.

### 4. Governance and Legal Risks

#### 4.1 Terms and conditions of laws governing business operation

As the real property business has improved and revised the rules and regulations regularly so that the Company would be able to take actions without restrictions on legal conditions. Therefore, the Company has assigned the related parties to follow up movement of organizations or units relating to the legal supervision of the real property business on a regular basis in order to receive information on the adjustment of rules which may have impacts on its business operation.

In addition, the Company shall audit the legal restrictions and regulations of related local agencies before constructing new agents at each time in order to prevent potential risks.

## Shareholder and Management Structure

### Capital Structure

#### Equity

As of December 30, 2019, the Company has registered capital of THB 1,245,284,305 divided into 1,245,284,305 common shares with a par value of THB 1 per share. The paid-up capital was THB 1,245,283,691 representing 1,245,283,691 common shares with a par value of THB 1 each

#### Major Shareholders as of December 30, 2019

No.	Shareholders' Name		Number of Shares	% to Paid up Share Capital
1	NCH 2555 Holding Co., Ltd.		635,094,995	51.00
2	Mrs.Sunee	Tanthathoedtham	44,024,190	3.54
3	Ms.Hataichanok	Jeadsadarangoon	41,318,675	3.32
4	Mr.Somnuek	Tanthathoedtham	29,610,000	2.38
5	Mr.Sujin	Tanthathoedtham	27,962,025	2.25
6	Mr.Prasit	Tanthathoedtham	27,378,035	2.20
7	Mr.Somchao	Tanthathoedtham	23,412,690	1.88
8	Ms.Rattana	Tanthathoedtham	17,130,960	1.38
9	Ms.Amporn	Tanthathoedtham	17,130,960	1.38
10	Mrs.Nongluck	Tanthathoedtham	13,981,590	1.12
11	Mrs.Somporn	Decharin	13,980,960	1.12
12	Mrs.Somsong	Lawanprasert	13,980,960	1.12
13	Mrs.Sataporn	Pitakteeratum	13,980,960	1.12
14	Mr.Nattawit	Tanthathoedtham	9,057,825	0.73
15	Mr.Nattawut	Tanthathoedtham	9,057,825	0.73
16	Mr.Pakaphol	Terakulvanich	3,538,290	0.28
17	Ms.Natchaya	Tanthathoedtham	2,708,490	0.22
18	Mr.Atip	Lawanprasert	1,963,290	0.16
19	Mr.Chawin	Pitakteeratum	1,963,290	0.16
20	Ms.Arisa	Tanthathoedtham	1,963,290	0.16
21	Ms.Napasorn	Tanthathoedtham	1,963,290	0.16
22	Mr.Alek	Lawanprasert	1,963,290	0.16

No.	Shareholders' Name	Number of Shares	% to Paid up Share Capital
23	Ms.Chanakarn Pitakteeratum	1,963,290	0.16
24	Ms.Nudchanard Tanthathoedtham	1,963,290	0.16
25	Ms.Suporn Decharin	1,438,290	0.12
26	Mr Aukrit Tanthathoedtham	1,438,290	0.12
27	Ms.Papit Decharin	1,438,290	0.12
28	Ms.Chutima Tanthathoedtham	1,438,290	0.12
29	Ms.Pattama Tanthathoedtham	1,438,290	0.12
30	Ms.Paporn Decharin	1,438,290	0.12
31	Mr.Suwan Decharin	6,732	0.00
32	Mr.Somchao, Mr.Sujin, Mr.Prasit and Mr.Somnuek Tanthathoedtham	864	0.00
33	Mr.Pasakorn Jeadsadarangool	150	0.00
34	Ms.Santhida Decharin	105	0.00
<b>Tanthathoedtham Family</b>		<b>965,730,051</b>	<b>77.55</b>
35	Sabina Public Company Limited	52,500,000	4.22
36	Thai NVDR Company Limited	43,642,385	3.50
37	Ms. Benjamas Nanthawirawat	16,257,170	1.31
38	Mr.Kampanart Preechatangkit	13,045,800	1.05
39	Ms. Atcharaphan TechaAramwong	7,147,800	0.57
40	Mr.Kittipon Tuontong	7,021,980	0.56
41	Mr.Pusit Jittilaorwong	4,323,000	0.35
42	Mrs.Ratree Kijathan	3,885,000	0.31
43	Mr.Amorn Sertson	3,150,000	0.25
44	Mr.Kuekul Siriavarana	3,102,000	0.25
45	Others	125,478,505	10.08
<b>Total</b>		<b>1,245,283,691</b>	<b>100.00</b>

**Source :** Thailand Securities Depository Company Limited

- Note :**
1. Shareholders ranked 1-34 are members of the Tanthathoedtham Family who hold a total of 965,730,051 shares accounting for 77.55% of the Company's paid up shares capital
  2. Mr. Viroj Thanalongkorn, majority shareholder of the Sabina Public Company Limited holding 45.81% of the Company's total paid - up shares as of August 27, 2019
  3. Investors are able to access to information on current shareholders via the Company's website [www.ncgroup.co.th](http://www.ncgroup.co.th)

### Directors and executives holding NCH shares

during 1 January 2019 – 31 December 2019 are as follows:

No.	Name	Position	No. of Shares As at 1 January 2019			Changes in No. of Shares Increased/Decreased during 2019			No. of Shares As at 31 December 2019			Shareholding (%) As at 31 December 2019	
			Direct	Indirect	Total	Month	Direct	Indirect	Direct	Indirect	Total	Direct	Indirect
1 *	Mr.Sudham Chatwalwong	Chairman and Independent Director	-	-	-	-	-	-	-	-	-	-	-
2	Mr. Pi boon Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration and CG Committee	-	-	-	-	-	-	-	-	-	-	-
3	Mr. Kobsak Pongponrat	Director, Independent Director, Audit Committee and Nomination and Remuneration and CG Committee	-	-	-	-	-	-	-	-	-	-	-
4	Mr. Vichit Vichaisan, Asst. Prof.	Director, Independent Director, Audit Committee	-	-	-	-	-	-	-	-	-	-	-
5*	Mr. Tirat Jarutach, Asst. Prof.	Chairman	-	-	-	-	-	-	-	-	-	-	-
6*	Mr. Vichan Amornrojanavong	Director, Independent Director, Audit Committee and Nomination and Remuneration and CG Committee	-	-	-	-	-	-	-	-	-	-	-
7*	Mr. Vorakan Dhepchaletm	Director, Independent Director, Audit Committee and Nomination and Remuneration and CG Committee	-	-	-	-	-	-	-	-	-	-	-
8	Mr. Somchao Tanthathoedtham	Director, Nomination and Remuneration and CG Committee, Chairman of Executive Committee and Chief Executive Officer	23,412,690	-	23,412,690	-	-	-	23,412,690	-	23,412,690	1.88	-
9	Mr. Somnuek Tanthathoedtham	Director, Executive Director and Managing Director	29,610,000	3,926,580	33,536,580	-	-	-	29,610,000	3,926,580	33,536,580	2.38	0.32



No.	Name	Position	No. of Shares As at 1 January 2019			Changes in No. of Shares Increased/Decreased during 2019			No. of Shares As at 31 December 2019			Shareholding (%) As at 31 December 2019	
			Direct	Indirect	Total	Month	Direct	Indirect	Direct	Indirect	Total	Direct	Indirect
10	Mr. Wichian Silapacharanan	Director, Executive Director and Executive Vice President	525,000	-	525,000	-	-	-	525,000	-	525,000	0.04	-
11	Mr. Rungsarn Nuntakawong	Executive Director and Executive Vice President	-	-	-	-	-	-	-	-	-	-	-
12	Mr. Warapong Nilsiri	Executive Vice President	-	-	-	-	-	-	-	-	-	-	-
13	Mr. Boonchai Rojpanich	Vice President, Sales Management Department	-	-	-	-	-	-	-	-	-	-	-
14	Mrs. Nampetch Tantawiriya	Vice President, Human Resource Department	-	-	-	-	-	-	-	-	-	-	-
15	Ms. Sumanee Boonsarana	Vice President, Accounting Department	-	-	-	-	-	-	-	-	-	-	-
16	Mrs. Ajchara Kingsai	Vice President, Property Ownership Transfer Department	2,677	-	2,677	-	-	-	2,677	-	2,677	0.0002	-
17	Mr. Sanit Leejunthuek	Vice President, Construction Department	-	-	-	-	-	-	-	-	-	-	-
18	Mrs. Nongluk Tanthathoedtham	Vice President, Office of The President	13,981,590	3,538,290	17,519,880	-	-	-	13,981,590	3,538,290	17,519,880	1.12	0.28
19	Mr. Jessada Lukkipiniskul	Vice President, Marketing Department	-	-	-	-	-	-	-	-	-	-	-
20	Ms. Kamonwan Sawadchai	Manager, Accounting Department	-	-	-	-	-	-	-	-	-	-	-
21	Mr. Walatchanat Rujidasiisakul	Manager, Finance Department	336,420	-	336,420	-	-	-	336,420	-	336,420	0.03	-
22	Ms. Sureeporn Sangthongpradit	Manager, Accounting Department	-	-	-	-	-	-	-	-	-	-	-

**Remarks:** 1. indirect securities held, its mean securities held by a spouse and / or children under the legal age of directors or executive officers.

2. \* The 2019 Annual General Meeting of Shareholders, held on 26 April, 2019, resolved to approve the appointment of 3 new directors as follows: 1. Mr. Tirat Jarutach, Asst. Prof.,

2. Mr. Vichan Amornrojanavong and 3. Mr. Vorakan Dhepchalerin in place of the 3 directors who retired by rotation

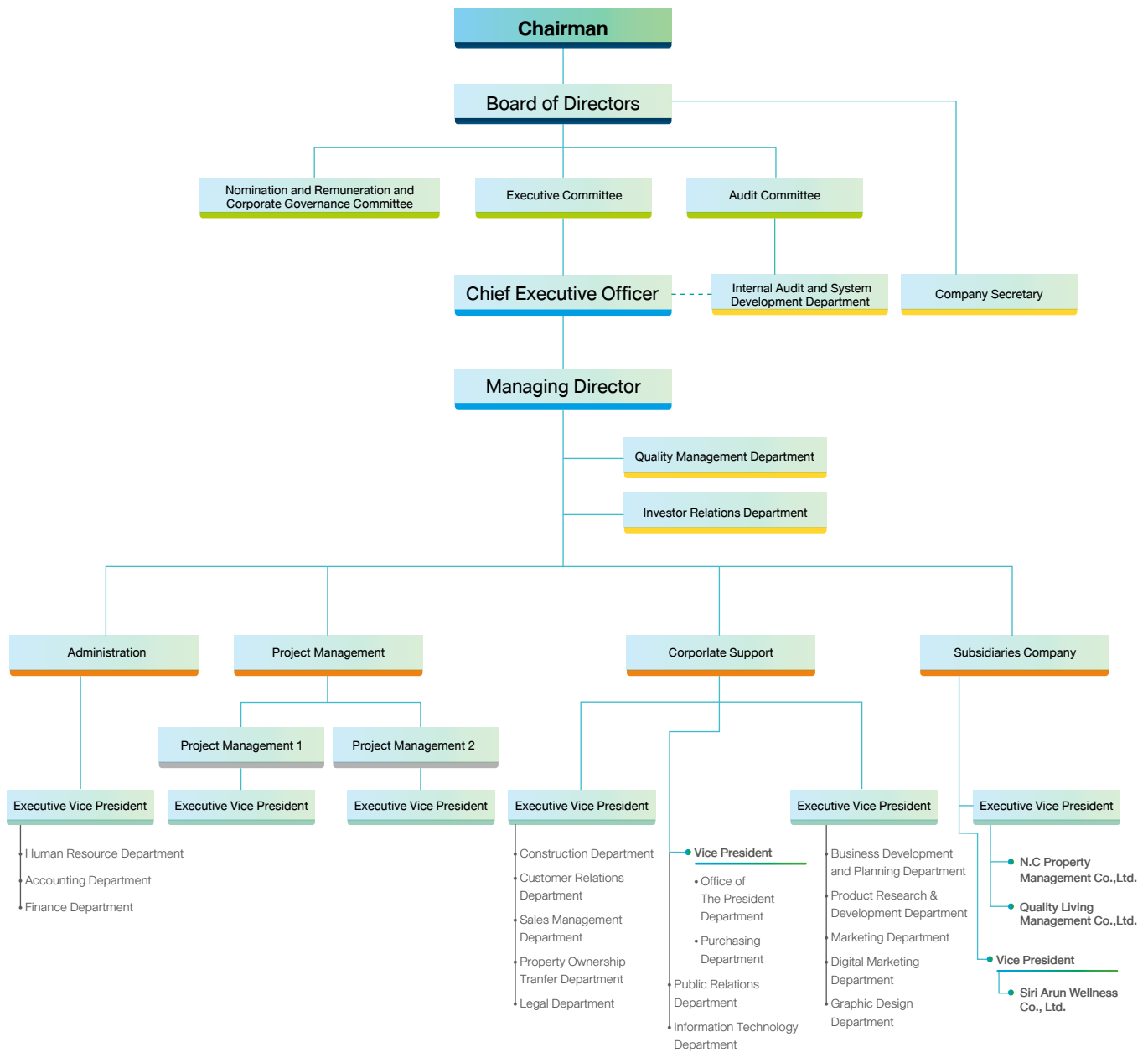
## Dividend Payment Policy

The Company has a policy to pay dividend of not less than 40% of its consolidated net profit after tax and legal reserves. Factors to be considered when paying dividend are operational performance, financial status, liquidity, business expansion plans, and other matters related to management of the Company given that such operation must be beneficial to the Company as well as to its shareholders.

The Board of Directors of the Company's subsidiaries will consider a dividend payment based on ending cash status and investment plan. The Board of Directors will consider a dividend payment on a case by case basis with sufficient cash status.

## Organization Structure

as of Year 2019



## Management Structure

### The Board of Directors

In 2019, the Company organizes total 6 meetings of Board of Directors. As at 31 December 2019, the Board of Directors comprising as follows:

1. Mr. Sudham	Chatwalwong*	Chairman and Independent Director
2. Mr. Pi boon	Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration and CG Committee
3. Mr. Kobsak	Pongponrat*	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee
4. Mr. Vichit	Vichaisarn*, Asst. Prof.	Director, Independent Director, Member of the Audit Committee
5. Mr. Trirat	Jarutach*, Asst. Prof.	Chairman
6. Mr. Vichan	Amornrojanavong*	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee
7. Mr. Vorakan	Dhepchalerm*	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee
8. Mr. Somchao	Tanthathoedtham	Director, Member of the Nomination and Remuneration and CG Committee and Chairman of the Executive Committee
9. Mr. Somnuek	Tanthathoedtham	Director and Executive Director
10. Mr. Wichian	Silapacharanan	Director and Executive Director

Ms. Porntippa Cheewaruangroj serve as Company Secretary

**Remark :**

1. Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham are members of the Tanthathoedtham Family, the majority shareholders holding 77.55% of the Company's total paid-up shares as at 30 December 2019.
2. \*The 2019 Annual General Meeting of Shareholders, held on 26 April 2019, resolved to approve the appointment of 3 new directors as follows: 1. Mr. Trirat Jarutach, Asst. Prof., 2. Mr. Vichan Amornrojanavong and 3. Mr. Vorakan Dhepchalerm in replace of the 3 directors who retired by rotation

### Directors Authorized to Act on the Company's Behalf

The following Directors are eligible for filing affidavits as approved at the shareholders' meeting:

- (1) Co-signing of Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham with the Company's official seal, or
- (2) Mr. Somchao Tanthathoedtham or Mr. Somnuek Tanthathoedtham co-signing with either Mr. Wichian Silapacharanan with the Company's official seal.

### Board of Executive Directors

As at 31 December 2019, there were 4 members of the Executive Committee as follows:

1. Mr. Somchao	Tanthathoedtham	Chairman
2. Mr. Somnuek	Tanthathoedtham	Member
3. Mr. Wichian	Silapacharanan	Member
4. Mr. Rungsarn	Nuntakawong	Member

### Scope of Duties and Responsibilities of the Board of Executive Directors

- (1) To determine rule- and law-abiding policies, directions, strategy and business operations to parallel the business goals set by the Board of Directors.
- (2) To set the Company's organization structure and management authority, which include the nomination, employment, training and layoff of personnel, excluding the Chairman of the Board of Executive Directors and the Managing Director.
- (3) To consider and review the annual budget proposed by the Managing Director before presenting to the Board of Directors for approval.
- (4) To examine and monitor management's adherence to company policies to ensure maximum effectiveness.
- (5) To review and consider the business investment opportunities related to the core business or other businesses before presenting to the Board of Directors for approval.
- (6) To approve plans to obtain loans or advances from financial institutions for the running of normal business operations, for investments, purchasing of properties, land and construction and business operations for an amount not exceeding THB 500 million. If the transaction amount exceeds THB 500 million, it must be presented to the Board of Directors for approval.
- (7) To allocate funds for pension, bonuses or other compensations approved by the Board of Directors.
- (8) To perform other duties assigned by the Board of Directors.

The Board of Executive Directors may delegate financial authority for transactions to senior management as the Board deems appropriate.

Transactions that may have conflicts of interest require that the issue be reviewed as set forth in the Company's guidelines (in line with the regulations of the Company, and the Securities and Exchange Commission) prior to approval of such transactions, except for normal business transactions as clearly stated in the policies regarding connected transactions. The Executive Directors in the position that may lead to a conflict of interest does not have the authority to approve such transactions.



## Management

As at 31 December 2019, the Management comprise of 15 persons as follows:

1. Mr. Somchao	Tanthathoedtham	Chief Executive Officer
2. Mr. Somnuek	Tanthathoedtham	Managing Director
3. Mr. Wichian	Silapacharanan	Executive Vice President (Administration)
4. Mr. Rungsarn	Nuntakawong	Executive Vice President
5. Mr. Warapong	Nilsiri	Executive Vice President
6. Mrs. Nampetch	Tantawiriya	Vice President, Human Resource Department
7. Ms. Sumanee	Boonsarana	Vice President, Accounting Department
8. Mr. Boonchai	Rojpanich	Vice President, Sales Management Department
9. Mrs. Ajchara	Kingsai	Vice President, Property Ownership Transfer Department
10. Mr. Sanit	Leejunthuek	Vice President , Construction Department
11. Ms. Nongluk	Tanthathoedtham	Vice President, Office of The President
12. Mr. Jessada	Lukkipiniskul	Vice President, Marketing Department
13. Ms. Kamonwan	Sawadchai	Vice President, Accounting Department
14. Mr. Walatchanat	Rujidasirisakul	Manager, Financial Department
15. Ms. Sureeporn	Sangthongpradit	Manager, Accounting Department

The company defines the company's management. Set more than the criteria set by the Stock Exchange of Thailand

### Scope of Duties and Responsibilities of the Managing Director

- (1) To ensure that the Company's business operation is in line with the policies issued by the Board of Directors or the Board of Executive Directors, and to provide performance updates to both boards.
- (2) To prepare and review the annual budget prior to submitting to the Board of Directors for approval as well as to control the spending of each business unit.
- (3) To review and assess the Company's operating results and make necessary adjustments in operations to reflect internal and external conditions on a regular basis.
- (4) To establish business guidelines to ensure that the Company's operations are in line with the Boards strategy and goals set for management.
- (5) To control operating, selling and administrative expenses and approve business transactions including construction material procurement and investment expenditures to ensure the adherence to the budget approved by the Board of Directors or the Board of Executive Directors in the amount not exceeding THB 50 million per transaction. The Managing Director cannot alone approve any land purchase.
- (6) To review all transactions relating to the Company's assets and rights for which the Company may use to enter binding contracts with individuals, companies or financial institutions and to submit such transactions for review and approval by the Board of Executive Directors.

- (7) To review the Company's financial performance and to determine and submit for approval by the Board of Directors any interim or annual dividend.
- (8) To perform or execute any task or duty as assigned by the Board of Directors.

The Managing Director does not have any authority to approve any transactions in which the Managing Director and others may have conflicts of interest (in line with the regulations of the Company and the Securities and Exchange Commission) with the Company or the Company's subsidiaries, except for normal business transactions as clearly stated in the policies regarding connected transactions.

### **Company Secretary**

The Board of Director passed a resolution to appoint Ms. Porntippa Cheewaruangroj to hold secretary office according to the meeting resolution of Board of Directors no.2/2017 on May 15, 2017, has acted as the company secretary since June 1, 2017 to oversee Board activities and assist the Board and the Company in complying with related laws and regulations and in promoting good corporate governance, to oversee the organization of shareholders and Board meetings in conformity with laws and the Company's Articles of Association and procedures, and to oversee the preparation and storage of meeting support documents and follow up to ensure compliance with the shareholders' and Board resolutions. The Company has defined the Secretary's role, duties and responsibilities in the Corporate Governance Policy Manual, as it envisions the importance and necessity of secretary role in the development of its corporate governance system. The Secretary can be reached at E-mail Address: porntippa.c@ncgroup.co.th, ir@ncgroup.co.th or phone number 02-993-5080-7 ext. 403

### **Required Qualifications and Experience for Company Secretary**

1. Being knowledgeable in and having an understanding of the laws and regulations concerning the company and regulatory body in relation to the law on public limited companies and the law on securities and stock exchange; passing a training course on company secretary duty performance.
2. Being knowledgeable and having an understanding of good corporate governance and corporate governance best practices.

### **Company Secretary's scope of duties and responsibilities:**

1. To produce and keep
  - Record of Directors.
  - Notice of Board of Directors meeting, minutes of Board of Directors meeting and company's annual report.
  - Notice and minutes of all shareholders' meeting.
2. To keep all interest or conflicts of interest report reported by directors or any members of management team.
3. To perform any other action as determined by Capital Markets Supervisory Board.

**Tenure of each director**

Name	Title	Board Representation	Term
1. Mr. Sudham Chatwalwong	Chairman	27/11/2003 - 26/04/2019	6
2. Mr. Piboon Limpraphat, Ph.D	Director	15/05/2007 - Present	5
3. Mr. Kobsak Pongponrat	Director	27/11/2003 - 26/04/2019	8
4. Mr. Vichit Vichaisarn, Asst. Prof.	Director	11/10/2007 - 26/04/2019	7
5. Mr. Trirat Jarutach, Asst. Prof.	Chairman	27/04/2019 - Present	1
6. Mr. Vichan Amornrojanavong	Director	27/04/2019 - Present	1
7. Mr. Vorakan Dhepchalerm	Director	27/04/2019 - Present	1
8. Mr. Somchao Tanthathoedtham	Director	27/11/2003 - Present	6
9. Mr. Somnuek Tanthathoedtham	Director	27/11/2003 - Present	7
10. Mr. Wichian Silapacharanan	Director	27/11/2003 - Present	7

**Meeting Attendance in 2019**

Name	Title	Meetings Attendance/Total Meetings		
		Board of Directors	Audit Committee	Nomination and Remuneration and CG Committee
1. Mr. Sudham Chatwalwong *	Chairman	1/1	-	-
2. Mr. Piboon Limpraphat, Ph.D.	Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration and CG Committee	6/6	4/4	2/2
3. Mr. Kobsak Pongponrat *	Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee	1/1	1/1	1/1
4. Mr. Vichit Vichaisarn, Asst. Prof. *	Director, Member of the Audit Committee	1/1	1/1	-
5. Mr. Trirat Jarutach, Asst. Prof. *	Chairman	5/5	-	-
6. Mr. Vichan Amornrojanavong *	Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee	5/5	3/3	1/1
7. Mr. Vorakan Dhepchalerm *	Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee	5/5	3/3	1/1

Name	Title	Meetings Attendance/Total Meetings		
		Board of Directors	Audit Committee	Nomination and Remuneration and CG Committee
8. Mr. Somchao Tanthathloedtham	Director, Member of the Nomination and Remuneration and CG Committee	6/6	-	2/2
9. Mr. Somnuek Tanthathloedtham	Director	6/6	-	-
10. Mr. Wichian Silapacharanan	Director	6/6	-	-

**Remarks :** \* The 2019 Annual General Meeting of Shareholders, held on 26 April 2019, resolved to approve the appointment of 3 new directors as follows: 1. Mr. Trirat Jarutach, Asst. Prof., 2. Mr. Vichan Amornrojanavong and 3. Mr. Vorakan Dhepchalerm in replace of the 3 directors who retired by rotation

## Remuneration for Board of Directors and Managements

### 1. Monetary Remuneration

- Board of Directors' remuneration in 2019

Name	Title	Meeting Allowance (THB mb.)			Annual Retainer (THB mb.)	Total (THB mb.)
		Board of Directors	Audit Committee	Nomination and Remuneration and CG Committee		
1. Mr. Sudham Chatwalwong*	Chairman	0.050	-	-	0.144	<b>0.194</b>
2. Mr. Pi boon Limpraphat, Ph.D.	Director	0.120	0.120	0.060	0.200	<b>0.500</b>
3. Mr. Kobsak Pongponrat*	Director	0.020	0.020	0.020	0.064	<b>0.124</b>
4. Mr. Vichit Vichaisarn*, Asst. Prof.	Director	0.020	0.020	-	0.064	<b>0.104</b>
5. Mr. Trairat Jarutat*, Asst. Prof.	Chairman	0.220	-	-	0.296	<b>0.516</b>
6. Mr. Vichan Amornrojanavong*	Director	0.100	0.060	0.020	0.136	<b>0.316</b>
7. Mr. Vorakan Dhepchalerm*	Director	0.100	0.060	0.020	0.136	<b>0.316</b>
8. Mr. Somchao Tanthathoedtham	Director	0.120	-	0.040	-	<b>0.160</b>
9. Mr. Somnuek Tanthathoedtham	Director	0.120	-	-	-	<b>0.120</b>
10. Mr. Wichian Silapacharanan	Director	0.120	-	-	-	<b>0.120</b>
<b>Total</b>		<b>0.990</b>	<b>0.280</b>	<b>0.160</b>	<b>1.040</b>	<b>2.470</b>

**Remarks :** \* 1. The 2019 Annual General Meeting of Shareholders, held on 26 April, 2019, resolved to approve the appointment of 3 new directors as follows: 1. Mr. Trirat Jarutach, Asst. Prof., 2. Mr. Vichan Amornrojanavong and 3. Mr. Vorakan Dhepchalerm in replace of the 3 directors who retired by rotation. The second and third director are independent director and has been appointed to Audit Committee Member.

2. The Board of Directors Meeting No. 2/2019 has resolved to appoint Mr. Trirat Jarutach, Asst. Prof. to Chairman in replace of Mr. Sudham Chatwalwong. In 2019, Mr. Trirat Jarutach, Asst. Prof. received meeting allowance as Director for 1 time and received meeting allowance as Chairman for 4 times.

3. The Board of Directors Meeting No. 2/2019 has resolved to appoint Mr. Vichan Amornrojanavong and Mr. Vorakan Dhepchalerm to Nomination and Remuneration and CG Committee in replace of the retired committees.



Directors remuneration according to the resolution of 2019 Annual General Shareholders' Meeting, held on 26 April 2019 are as follow:

1. Meeting allowance for the Board of Director
  - Chairman THB 50,000/meeting
  - Member THB 20,000/meeting
2. Annual Retainer for the Board of Director
  - Chairman THB 440,000/year
  - Member - None -
3. Meeting allowance for the Audit Committee
  - Chairman THB 30,000/meeting
  - Member THB 20,000/meeting
4. Annual Retainer for the Audit Committee
  - Chairman THB 200,000/year
  - Member THB 200,000/person/year
5. Meeting allowance for the Nomination and Remuneration and CG Committee
  - Chairman THB 30,000/meeting
  - Member THB 20,000/meeting
6. Directors of subsidiaries' Remuneration - No -

• **Executive Directors and Management Remuneration in 2019**

Items	2019		
	Number of Persons	Amount (THB mb.)	Type of Remuneration
Executive Directors and Management Remuneration (As Management Team)	14	45.6	- Salary - Bonus - Provident Fund

**Note :** Management includes Chief Executive Officer, Managing Director, Senior Executive Vice President, Executive Vice President, Senior Vice President, Vice President, Accounting Manager and Finance Manager.

**2. Other Types of Remuneration**

- None -

## Human Resources Development Policy



The Company has committed to operating its business under the principle of corporate governance, transparency, fairness, social, cultural and environmental responsibilities concurrently with the enhancement and development of potentials of its personnel for excellence in all areas, and has also focused on developing its personnel to have quality, merits and ethics and to adhere to the honesty and the organizational and social responsibility. In addition, the Company has also supported its employees to participate in CSR activities. The Company believed that its development of personnel to become good and capable people would help promote the sustainable growth of its organization. The Company has carried out the human resources development in different areas in order to support its efficient and effective business operation.

Moreover, the Company also has its policy to continuously develop potentials, knowledge and abilities of its employees at all levels to be suitable to their job titles in order to meet its business demands and to be prepared for its local and overseas business expansion. Therefore, the Company has committed to developing its personnel of all professional fields and at all levels in combination with the development of skills, knowledge, abilities as well as concurrently implanting organizational culture and ethics to be in accordance with strategies and guidelines for current and future business operation of the Company, as follows:

#### 1) Career Development and Planning Policy

The Company has determined its career development and planning policy for its personnel of all professional fields and at all levels; whereas, employees shall receive continuous development of skills, knowledge and abilities; and the competency guidelines shall be applied to the organization both in terms of core competency as required by all employees in the organization and the managerial competency and functional competency for core functions such as construction, sale/transfer, marketing, product development for analysis and planning and to be used as guidelines for capacity development of individual employees, various patterns of development for employees at all levels in order to create self-potentials and to support the Company's business growth in the future.

#### 2) Human Resources Development and Training Policy

The Company has always been aware that human resources are valuable resources for its sustainable growth and success. Therefore, the Company has continuously developed skills, knowledge and abilities of personnel at all levels concurrently with the application of human resources development and management system such as the performance management systems (PMS) so that all work sections would have their performances in the same directions and in conformity with the organization's directions by taking account of:

1. Goal setting
2. Preparation and planning
3. Compliance with roles, duties and work plans
4. Follow-up and performance appraisal
5. Continuous improvement of works and personnel development

#### Internal Training

In order to promote and develop potentials of executives and employees to perform their works in response to the Company's goals and strategies with optimal efficiency and effectiveness, the Company has designed and developed its internal training programs, divided into levels, as follows:

**For employees at managerial level:** The Company has developed its executives by organizing advanced management program for leadership skill development concurrently with the increase of new body of knowledge and enhancement of expertise in effective management and for preparation of job promotion/rotation in the future in conformity with career advancement and promotion of all business sectors of the Company for its current and future competitiveness and leadership in the industry; whereas, the internal training has been organized in accordance with the annual training and development plan such as competency assessment program for personnel development, digital communication program, etc.

**For employees at operational level:** The Company has developed its operational employees by organizing functional training program for responsible work groups in each work section, thus, for development of work skills, knowledge and abilities and for enhancement of strengths to achieve the organization's goals and for elimination of weakness in order to manage individual performances as targeted, and by organizing internal training and development as per the annual development plan such as proactive conceptualization program, leadership for QMS program, psychology of selling of value-added goods program, construction problem-solving techniques and responses to customers' inquiries program, consumers' behavioral understanding strategies for increase of gross sales program, etc.

**For all employees:** The Company has developed all employees since the date of recruitment by organizing training of basic knowledge on job titles and responsibilities so that all employees shall understand its work system and business operation processes, knowledge on corporate governance and ethics in order to implant the awareness and participation in the promotion of corporate governance and social responsibilities. This year, the Company has organized an activity of taking out employees for mangrove forestation, etc. In addition to basic development, the Company also has other development patterns including establishment of working groups and work system development committees such as the Quality System Committee, the Risk Management Committee, Work Safety Committee, Welfare Committee as a platform for employees' learning on cross functions.

### External Training

In addition to internal training, the Company has also supported its executives and employees to participate in training and seminars in famous institutions or organizations and by sending them for local and overseas study tours for development of their knowledge and abilities and for exchange of new ideas and perspectives with other organizations such as “The Digital Age of Marketing”, “CFO in Practice”, “RE-CU Senior, Class 62”, “REIT Leader Academy”, “Workshop on Business Model Canvas by Alex Osterwalder’s”, “Effective Minutes Taking (EMT)”, “Transfer Pricing TFRS 15 and Income”, contracts made with customers, lease agreements, “Management and Operation in Elderly Care Center”, “Real Marketing”, “Growth Mindset”, “Business Process Improvement”, etc.

#### 3) Organizational Knowledge Management and Development

For long-term personnel development, success and creation of added value to the organization, the Company has therefore used IT systems to help improve the efficiency of human resources management and development, and has initiated “Knowledge Sharing Project” to promote internal knowledge management, and has also organized a platform for transfer of knowledge to the work teams (in case, employees have returned from external training) for application of knowledge for use in the responsible jobs. In addition, the Company also helped develop potentials of employees in terms of skills of master of ceremony and presentation.

However, the Company has been aware of importance of quality of life and wellbeing of employees and has therefore provided welfare and safety services such as food expenses, annual health checkup, life and health insurance, provident fund, discounts on purchasing of houses in the Company’s projects, loans and allowances, fire escape training and rehearsal.

In addition to its internal personnel development, the Company has also given importance to the development of youth groups who intended to have internship with close coaching and transfer of knowledge and experiences to students who are future manpower of the country.

In 2019, the Company has organized internal and external training, as follows:

Organization of Training	Numbers of Training Programs	Quantity (people)
Internal training	10	273
External training	40	48
<b>Total</b>	<b>50</b>	<b>321</b>

## Good Corporate Governance



- **Corporate Governance Day (CG & CSR Day):**

The Company has been continuously aware of the importance of management under the principle of corporate governance and the manual of corporate ethics by announcing 2nd February of each year as the CG & CSR Day.

In 2019, the 25<sup>th</sup> anniversary of the Company's establishment, the Company, led by the Management and employees of N.C. Group, jointly organized a party to celebrate such anniversary during 1<sup>st</sup>- 2<sup>nd</sup> February. The party shall be divided into 2 sessions, i.e., the day session shall be for "CG & CSR Day 2019 NC Home Loving and Environmental Conservation"; whereas, the Management and employees of N.C. Group have jointly grown the intertidal forest at Mangrove Wooden Home, Samut Songkram Province to implant the awareness of its employees of the importance of environmental protection and care for all stakeholders and its social responsibilities in all working processes,

and the night session shall be a banquet party to celebrate the 25<sup>th</sup> anniversary of N.C., held at **the Grace Amphawa Resort, Samut Songkram Province**, aiming at commemorating the founders and appreciating its employees for their joint efforts of overcoming the obstacles and driving its businesses over the past 25 years, and creating pride and morale and appreciation of the meaningful 25<sup>th</sup> anniversary among the Management and employees.

### **The Company's Good Corporate Governance Policy.**

The Company's Board of Directors has placed the importance on good corporate governance and always carried out the business operations with righteousness by taking into account the stakeholders in all groups including the impacts on societies, communities and environments, as well. Deriving from the Company's Board of Directors meeting in 2019, The Board of Directors has assigned the Nomination and Remuneration and CG Committee: NRC the corporate governance policy was considered for assurance that it is in line with the ASEAN CG Scorecard guidelines, yet, the Principles of Corporate Governance in 5 Categories as follows have still been adhered to:

1. Shareholder's Rights
2. Equitable Treatment of All Shareholders
3. Stakeholders' Rights
4. Information Disclosure and Transparency
5. Duties of the Board of Directors

## 1. Shareholder's Rights

The Company understands the importance of shareholder's rights and has in place measures to protect such basic rights as per the legal requirement and encouraging shareholders to fully exercise their rights as stated clearly in the Company's corporate governance guidelines.

### Annual General Shareholders' Meeting (AGM)

The 2019 Annual General Shareholders' Meeting was held on April 26, 2019 with 7 Board members attending the meeting (the Company has 7 Board members). The total number of shareholders attending the AGM by self or through proxy totaled 35 persons representing 891,019,203 common shares or a representation of 71.55 % of the Company's total outstanding common shares. (Total issued and a paid-up share is 1,245,283,691 shares).

The Company has a policy of equitable and fair treatment of shareholders to support, promote and facilitate the rights of all groups of shareholders in compliance with not only the law and regulations, but also with honesty, transparency and responsibility to all shareholders. Shareholders' meetings are conducted according to strict procedures to ensure compliance with regulations and guidelines and the Company works to encourage meeting attendance from every shareholders. Moreover, the venue, date and time of the Meeting are decided for maximum convenience to Shareholders, therefore, the Meeting will not be held on public holidays, commercial bank holidays or beyond usual working hours (between 8:30 – 16:00) and the venue will be in an easily accessible location in Bangkok or other areas where the main office is located. On the date of the Meeting, services will be provided to assist with the registration and document check to ensure convenience for shareholders and meals will also be provided for all attendees.

The Company holds the annual general meeting of shareholders within 4 months from the date of balance sheet, which the Company provided its shareholders with a letter of invitation via post mail to attend the AGM along with all documents related to the meeting for which shareholders should receive 21 days prior to the meeting date. The objective is to provide shareholders with sufficient information and time to review such information and to consider the issues prior to attending the meeting. Notice of the meeting was also placed in a daily newspaper for 3 consecutive days prior to the said meeting. In addition, all documents including the letter of invitation, the proxy forms and all applicable supplementary information both in Thai and English were placed on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) 30 days prior to the meeting date.

In case where a shareholder is either not able to attend the AGM or prefers to vote by proxy, the shareholder can do so by appointing another person in their stead or appoint one of the three Company's Independent Directors to vote on their behalf.

Detailed procedures regarding the AGM was provided to all shareholders along with the letter of invitation to attend the meeting, which provides details regarding the agenda and the necessary documents that need to be presented to attend the meeting. Staff was on hand on the day of the AGM to assist shareholders and proxies register for which the Company provided 2 hours in advance of the meeting and staff were also on hand to provide assistance throughout the meeting.

The Chairman presiding over the AGM notified shareholders about the voting process and the format in counting such votes. For the issue on voting for Board members, the Company allowed shareholders to vote by person. The Chairman discussed key issues that have been submitted for shareholders to consider and vote upon per the sequence and only submitted issues as stipulated in the agenda. Equal and sufficient opportunity was given to shareholders to ask questions. Shareholders are allowed to attend the AGM post commencement of the meeting and vote on issues for which approval is being sought. The additional votes brought in by the shareholder due to late arrival will form a quorum starting at the time for which participation at AGM commences unless the AGM sees otherwise.

A comprehensive minute to the AGM was kept, recording not only the issues and discussions but also including the voting outcome on each issue. The comprehensive minute is sent to relevant persons within 14 days after the AGM along with disclosing such information on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th). For fiscal 2019, the Company was recognized for the highest achieved in preparing for and executing the AGM by receiving 100 points from the SEC in conjunction with Thai Investors Association which was in a excellence level.



The Company's financial auditor (Dharmniti Auditing Co., Ltd.) and the lawyer were also invited to attend the AGM to not only assist in answering questions but also listen to thoughts and comments for which shareholders may have. For transparency purposes in aggregating votes, an internal audit's external consultant was assigned to ensure integrity of vote count.

Chair of stakeholders will be responsible for appointment and compensation of auditors based on recommendation of company's Board of Director. Auditor must not be Board, employees, contractors, or persons who take any position in company. Independent auditors from Dharmniti Co., Ltd. are invited to attend the meeting to discuss and share ideas with shareholders for purpose of voting transparency.

In this regard, the company provides opportunities for minority shareholders to propose additional meeting agendas. And nominate a suitable person to be selected as a director of the company. On September 19, 2019, the company published a letter to shareholders through the Stock Exchange of Thailand system for minority shareholders to propose meeting agendas. And nominate a suitable person to be selected as a director at the Annual General Meeting of Shareholders 2020. The company has published the rules and procedures on the company's website. As well as notifying shareholders of the aforementioned results through the system of the Stock Exchange of Thailand. No shareholder proposed anyhow.

## **2. Equitable Treatment of All Shareholders**

The Company's policy towards its shareholders is one of support, equitable and ethical treatment which abides by all guidelines and legal requirements. Details of activities facilitating shareholders in attending the AGM is disclosed as the first item in the Shareholder's Rights section.

### **Control of Internal Information**

The Company has in place policies against the Company's Board of Directors, senior management and staff using insider information for personal gains or benefits as per the section of "Internal Information Control". Members of the Board are required to disclose any conflicts of interest that they may have for the Board of Directors to consider. A clear policy has also been set in regards to members of the Company's Board serving as members of the Board of other company's in the "Board Member's Qualifications".

### **Conflicts of Interest**

The Company holds in contempt for any use of the Company's information or position by members of the Board, senior management and/or staff for personal benefits. A policy has been issued to prohibit members of the Board, senior management and staff from undertaking activities that is deemed to have conflicts of interest with the Company. However, should it be impossible to avoid such transactions, the Board of Directors mandates that such transactions be undertaken in lieu of the guidelines stipulated by the SET and must be submitted for approval by the Board of Directors with the attendance of members of the Audit Committee. This is to ensure such transactions are taken on an arms length basis.

Persons who are involved in such transaction may not be involved in the review or approval process. A summary of related party transactions has been disclosed in both the Company's annual report (56-2 report) and also that of the Company's annual information disclosure under the 56-1 report format.

In addition to prohibiting any member of the Board, senior management and staff from using information or position for personal benefits, the Company also prohibits its Board Members, senior management and staff from undertaking businesses that is construed to be in direct competition with the Company or related businesses. Establishment of business group structures which do not support related transactions with potential conflicts of interest.

## **3. Stakeholders' Rights**

The Company puts emphasis on the rights of all its stakeholders whether internal or external. These stakeholders include all staff, management of the Company and that of its subsidiaries along with its external stakeholders including customers, counter parties, competitors, creditors and regulatory entities. This also encompasses responsibility towards social and environmental concerns. The emphasis of these rights has been stated clearly in the Company's good corporate governance policies and in the Company's handbook on ethics to serve as reference. In fairness to its stakeholders and related persons, the Company provides a channel for such persons to launch a complaint for unfair treatment or for any misconduct on

the Company's part through the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th). In addition, individual can contact directly to company's board of directors by sending an email to [bod@ncgroup.co.th](mailto:bod@ncgroup.co.th) or to the secretary office at [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th). Company emphasizes the important of the rights and benefit of all stakeholders as follows

**Shareholders:** The Company is focused in operating its business with the utmost honesty, integrity and ethics along with the utmost transparency to ensure sustainable growth for the Company and ultimately increasing the shareholders' long-term value and wealth. This takes into consideration shareholder's rights and equality as disclosed in section 1 "Shareholders' Rights" and section 2 "Equitable Treatment of All Shareholders"

**Employees / Executives:** In considering its human capital to be at the forefront in ensuring the Company's future success, the Company's policies include equitable treatment of all staff, provide growth opportunities, comparable compensation, appointment process, re-assignment process and policies on ongoing personal development. Such staff policy is to enhance their effectiveness and efficiency while providing all with the skills necessary to become candidates for career enhancement opportunities as stipulated in the section of "Personnel Development Policy".

Good health, safety and amiable work environment are key concerns for the Company. A committee on safety has been established to ensure safety and hygiene in the work place. Another committee on staff benefits was established to oversee the policies on staff benefits, breaking human's right protection, including yearly health check-ups, providing a place for exercise, providing staff insurance and setting pension fund policies.

"The company places importance on employees. Therefore, the company has policies for providing remuneration and welfare to help and raise quality of life for employees and families together with building working morale and encouragement as follows:

- 1) The company set payment of fair remuneration as commensurate with duties, responsibilities and company performance.
- 2) The company has stipulated consistent consideration in reviewing employee remuneration and welfare for competitive capacity within the industry.

Where in terms of managing the returns and creating opportunities in such career advancement, the Company applies KPIs and competencies as the indicators on the individual KPIs for performance evaluation and determining remuneration for executives and employees based on their performances which will be evaluated on the basis of both the individual and department level twice a year for us as a criteria for considering salary increases and position promotions.

**Customers:** The ISO 9001:2008 certification received reflects the efforts put forth by the Company in seeking to provide the best product, service and after sales service at an appropriate price while ensuring long-term customer satisfaction. Emphasis is placed on courteous treatment and efficient service for its customers and strictly abiding to service agreements as stipulated within each contract. A channel for customer complaints for its products and services has been put in place (CFR: Customer Feedback Records) while emphasizing customer privacy. At every transfer of title deed, a feedback form is provided to each customer to provide thoughts and comments about the Company's products and services. The Company also provides its customers with an annual survey form reflecting residents' level of satisfaction on the Company's products and services for which the results will be used to improve such products and services to enhance overall customer satisfaction.

**Suppliers:** At the heart of the Company's emphasis is the ethical and equitable treatment of all its business partners while ensuring that all parties receive appropriate returns for both parties. This includes avoiding situations leading to disputes on applicable fees and strictly abiding by the terms as stipulated in all of the contracts.

**Creditors / Financial institutions:** The Company abides strictly by the terms and conditions as set forth in the contracts for borrowing money

**Competitors:** Fair and ethical competition is emphasized in running the Company's operations. The Company prefers open competition and enables suppliers to charge for goods and services at competitive market prices, by promoting business operation under fair competition, intellectual property or trade copyright. The Company is not engaged in any illegal actions in acquiring of competitor's information and avoids making reference to its competitors. In 2014, there were no legal infringements made against its competitors.

**Independent Auditors:** NCH has realized the importance of having independent auditors as the investors' tool for investigating the operation of management team as well as having the correct and reliable financial report. One of the NCH policies is to fully support the operations of the independent auditors as well as providing the correct information needed by the auditors.

**Community and Society:** The Company believes in managing the environment, making social contributions and supporting events that benefit communities. Support and contributions are made by the Company and/or in conjunction with State entities to local communities for which the Company operates as stipulated under the section of "Social Contributions". As a good corporate Samaritan, the Company abides by all applicable legal guidelines, including the conscious campaign of the efficient use of the resource. The meeting of the board of directors passed a resolution to approve the assignment of the Management Department to consider guidelines for promoting environmental education and training for employees.

Beside, company had set the self treatment policy and policy of treating to immediate supervisor, colleagues, as well as company to protect the participation or concealment the activities that make conflict of interest, corruption for self-interest. The reason behind this approval was that company believed that employees are keys to business success. They need to be trained and developed continuously until they are the best at what they do. Furthermore, employees have to behave well and give their shares to build a proper company culture and sustainable growth

#### 4. Information Disclosure and Transparency

The Board of Directors' directive is to ensure the disclosure of both financial and non-financial information that pertains to the Company's operations. Information integrity, completeness and transparency of disclosure through the various designated channels along with the abidance with all SEC and legal guidelines are a must. The composition, tasks and responsibilities along with remuneration for members of the Board and the members of various Committees have been disclosed in the "Management Structure". Reports of the various Committees have also been included in the annual report and details on remuneration for members of the Board are disclosed. A report on good corporate governance and adherence report has also been included.

Additionally, a new policy has been put in place that mandates full disclosure of shares trading by the directors and top executives to the Board, investor relations, or Secretary Company at least 24 hours prior to transaction. The meeting of the board of directors passed a resolution to set policies for company directors to make quarterly reports on the purchases-sales of shares/holdings in company securities to the meeting of the board of directors.

##### Quality of Financial Disclosure

The Company's Board of Directors has exercised due care in ensuring that the disclosed financial information is correct, transparent and complies with generally accepted accounting principles ensuring appropriateness to the Company's operations and applying such accounting standards on a consistent basis. To further provide a higher level of confidence, the Board has put in place a risk management function and also an effective internal audit function. The Audit Committee is charged with the responsibility of ensuring quality of financial disclosure and establishing a robust internal audit process. A Board of Directors' duties on financial disclosure report along with the Audit Committee's report has been included in the 2015 annual report.

##### Relationship with Investors

An Investor Relations Department has been established to serve as the Company's representative to communicate on the Company's behalf with shareholders, fund managers, equity analysts and the general public community through a number of channels either directly or indirectly. The Company utilizes channels via the SEC, the SET, media, e-mail, telephone, fax, IR Newsletter and posting information on the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) both in Thai and English. Interested persons can contact the Company via the Company's web site [www.ncgroup.co.th](http://www.ncgroup.co.th) or via the Investor Relations Department's E-Mail: [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th), contact by phone: 02-993-5080-7 ext. 401, 403 and 404 or contact by fax: 02-993-5089.

## 5. Duties of the Board of Directors

### Structure of the Board of Directors

Board of Directors must possess qualifications based on Public Company Act and related laws. Board must not show any characteristic that is not suitable to manage company with public stockholding as specified by Securities and Exchange Commission.

The Company's Board of Directors comprise of knowledgeable and capable individuals with business experiences and the variety of qualifications of directors, i.e., the specialization of skills and profession for responsibility is to consider and approve the Company's vision, strategies, policies, business and financial budget as well as supervise the management team to effectively and efficiently execute policies. This is in observance of all legal guidelines, purpose, Company's Articles of Association and resolutions approved by shareholders to increase the Company's overall value and the utmost stability for shareholders.

The Company has fixed the number of directors to be proper to its business size. As of 31<sup>st</sup> December 2019, the Board of Directors consisted of 7 members including 3 executive directors and 4 non-executive directors; meanwhile 3 of 7 directors are independent directors. Therefore, all stakeholders can be ensured that directors can independently perform their duties representing shareholders with proper balancing of powers.

The Board Chairman is an Independent Director and is not the same person holding the Managing Director position. There is a clear cut difference in the operating roles and responsibilities of the Board of Directors and that of management.

Independent Directors refer to persons possessing the qualities and is independent as per the definition stipulated by the SET regarding qualifications and responsibilities as a member of the Audit Committee as disclose in the "Board Member's Qualifications"

The definition of the term "Independent Director" as per the Company's guidelines is compliance of the SET's guidelines as shown in the information under the "Board Member's Qualifications"

The Company's policy and guidelines for its Board members sitting on other Company's Board of Directors has been disclosed in the annual report under the "Board Member's Qualifications". To date, the Company has not specified the number times a Board member can be re-elected to sit on the Company's Board. However, upon reaching the term for retirement, the Nomination Committee may consider the appropriateness in re-selecting the outgoing Board members by taking into consideration the individual Board member's performance and the value of contribution made to the Company in the previous term(s).

### Subcommittee.

The Company's Board of Directors appoints the suitably knowledgeable and experienced to be members of 3 Subcommittees as follows to help in the study of and scrutiny on the work in various subject matters:

1. Audit Committee.
2. Executive Committee.
3. Nomination and Remuneration and CG Committee.

Provided that the elements of the members, roles, duties and responsibilities of each Group have appeared in the Subject Topic on the Company's Director Structure. The Company has determined that the Subcommittees have duty to report the performances of duties in accordance with the Charter in the previous year to the Company Board of Directors and report the shareholders in the Annual Report. Even though the Company has not yet established the Risk Management Committee and the Corporate Governance Committee, however, a Working Group has already been established to clearly be responsible for the relevant matters.

### Board Meetings

In the year 2019, the Board of Directors held 6 meetings and the Board of Directors Meeting No. 6/2019 held on December 20, 2019 has an agenda to review the company's vision and mission. To increase the efficiency of policy administration including the agenda for notifying the board of directors' meeting and the Subcommittee in advance for the Board Meeting of the Year 2020. The Company has determined that the Directors have a duty to attend every Board meeting, except in the case of necessity. The Chairman and the Managing Director will oversee and approve the meeting agenda. And allow the directors to propose matters to the board meeting agenda in which the meeting has a clearly specified agenda. There is sufficient and complete supporting documents and delivered to the board 7 days in advance of the meeting so that the directors have sufficient time to study the information before attending the meeting. Directors can request additional information from the Company Secretary.

The Chairman emphasizes due care and careful judgment and provides sufficient time for the thorough discussion and consideration of matters. The Company Secretary is charged with issuing invitations and supporting Board members with all necessary documentation in preparation for Board meetings. The minutes to all Board meetings are prepared by the Company Secretary, which must be approved by the Board of Directors prior to safekeeping and for future reference by stakeholders.

In 2019, the Board of Directors met in ordinary Board meeting total 4 times and 2 times in an extraordinary Board meeting. Attendance record of Board members is disclosed in the "Management Structure".

### Orientation of New Directors

The Company is aware of the importance of performance of duties of new directors with good understanding on the Company's businesses; therefore, the Company has introduced its overall operation guidelines, management structure of the Company and its subsidiaries for understanding of its overall operating and management system. In addition, the Company has also provided important and necessary data and information for performance of duties of directors such as the Company's structure, regulations, objectives, business ethics, corporate governance policy, related laws, financial statements, notes to financial statements and charters of all committees, and has also conducted meetings with executives in all units, and has conducted visits of the Company's projects, and has acknowledged the data relating to business operation of the Company and guidelines for future management.

In 2019, the Company organized an orientation for the new Board of Directors on 7<sup>th</sup> May 2019 and managed a journey to visit the Company's project on 7<sup>th</sup> October 2019.

### The Monitoring of Implementation

The board of directors has maintained close monitoring on the implementation of strategy through twice meetings a year. The agenda included the acknowledgement of operating results of the year's first half and second half, as well as the approval of next year's operation plan by which each department has to report the results of operation and request for the approval of plan from the board of directors in order to proceed to the board meeting for consideration.

### Charter of Board of Directors and sub committees

To ensure clear operating procedures of Board of Directors and sub committees, company develops charter for management and regularly adapt for improvement.

### Board Self-Assessment

An annual self-assessment process has been implemented for the Board of Directors, the Audit Committee, the Nomination Committee and the Remuneration Committee. Furthermore, self-assessment for members of the board of directors was initiated for the first time. The assessment evaluates the performance of each a group, applying the guideline for Board self-assessment put forth by SET and conforming to good corporate governance principles, the Company had conducted a Board performance evaluation.

Which enables both entities to review the problems and obstacles encountered along with the progress made in the past year. Reflection of the review is used as reference and guideline for developing and modifying strategies and policies for the coming year.

The summary of all boards' and committees' assessments in 2019 as of meeting no. 1/2020 on February 28<sup>th</sup>, 2020 is as follows.

#### **Performance Evaluation of the Company's Board of Directors**

**Criteria** The Board's Self-Evaluation Form is a form used to evaluate the performance of the board of directors as a whole. The evaluation guideline was adapted and adjusted from the Stock Exchange of Thailand to suit the characteristics and structure of the board. The evaluation result has an important role to develop the efficient and effective performance and operation of the board. Topics of evaluation are:

1. Structure and qualifications of the board of directors
2. Roles, duties and responsibilities of the board of directors
3. Board meetings
4. Board performance of duties
5. Relationship with the management
6. Self-development of directors and development of executives

**Procedure** The Company secretary submits the evaluation form for all directors to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the board meeting for consideration, acknowledgement and discussion every year.

In 2019, the summary of the board performance results in 6 topics showed that most activities were very well/ appropriately operated with the average point at the great level, equivalent to 91.75%

#### **Performance Evaluation of the Company's Board of Directors as a initiated**

**Criteria** The Board's Self-Evaluation Form is a form used to evaluate the performance of the board of directors as an initiated which is seemed a form used to evaluate the performance of the board of directors as a whole. The evaluation guideline was adapted and adjusted from the Stock Exchange of Thailand to suit the characteristics and structure of the board. The evaluation result has an important role to develop the efficient and effective performance and operation of the board. Topics of evaluation are:

1. Structure and qualifications of the board of directors
2. Board meetings
3. Roles, duties and responsibilities of the board of directors

**Procedure** The Company secretary submits the evaluation form for all directors to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the board meeting for consideration, acknowledgement and discussion every year.

In 2019, the summary of the board performance results in 3 topics showed that most activities were very well/ appropriately operated with the average point at the great level, more 97%

#### **Performance Evaluation of the Audie Committee**

**Criteria** The Audit Committee's Self-Evaluation Form is a form used to evaluate the performance of the audit committee as a whole. The objectives of this evaluation are:

1. To enable consideration and revision of the performance, problems and obstacles during the previous year.
2. To increase effectiveness of the audit committee's performance since they will realize their responsibilities more clearly.
3. To help improve the relationship between the audit committee and the management.



**There are 6 topics to be evaluated namely:**

1. Component of the audit committee
2. Training and resources
3. The audit committee meetings
4. The audit committee activities
5. Relationship with Internal Audit Manager, Auditor and executives
6. Future rules of the audit committee

**Procedure** The audit committee secretary submits the evaluation form for all committee members to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the audit committee meeting for consideration, acknowledgement and discussion every year and report to Board of Directors for acknowledge at the next meeting

In 2019, the summary of the audit committee performance results in 6 topics showed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 98%

**Performance Evaluation of the Nomination and Remuneration and CG Committee**

**Criteria** The Nomination Committee's Self-Evaluation Form is a form used to evaluate the performance of the nomination and remuneration and CG committee as a whole. The objectives of this evaluation are:

1. To enable consideration and revision of the performance, problems and obstacles during the previous year.
2. To increase effectiveness of the nomination and remuneration and CG committee's performance since they will realize their responsibilities more clearly.
3. To help improve the relationship between the nomination and remuneration and CG committee and the management.

**There are 3 topics to be evaluated namely:**

1. Structure and qualifications of the board of directors
2. Directors do their meeting efficiently.
3. Roles, duties and responsibilities

**Procedure** The nomination committee secretary submits the evaluation form for all committee members to evaluate themselves at the end of each year. The secretary will also collect and report the summary of results to the nomination and remuneration and CG committee meeting for consideration, acknowledgement and discussion every year and report to Board of Directors for acknowledge at the next meeting

In 2019, the summary of the nomination and remuneration and CG committee performance results in 3 topics showed that most activities were very well/appropriately operated with the average point at the great level, equivalent to 98.01 %

**Policy of Managing Director in taking Board of Director role of other companies**

To ensure effective management and time allocation, company sets policy to limit Managing Director in taking Board of Director role of less than 3 registered companies.

**Senior Management Level Position Succession Plan.**

The Company recognizes the necessity and importance of the Senior Management level position successions, hence, the rules on the position succession, particularly, of the Managing Director and Deputy Managing Director are specified as follows:

1. In the case of a vacancy of the position of a Managing Director, Nomination Committee shall perform duty in making the considerations on the selection to fill the position of the Managing Director from the Company's Deputy Managing Directors. Or in the event where there is no suitable person, the selection of a person from the third parties may be made. Over in the past, the plan was mapped out and actions on the development carried on for readiness preparation for the Deputy Managing Director which has currently been promoted to the position of Managing Director already.

2. In the case of a vacancy of the position of a Deputy Managing Director which, at the present, there are 3 of them, the Executive Board of Directors Committee shall perform duty in making the considerations on the selection to fill the position of the Deputy Managing Directors from the high level Management next in line or in the event that there is no suitable person, a selection from the third parties may be the alternate choice.

#### **Remuneration for Board Members and Senior Management**

The Company's Board of Directors appointed the Remuneration Committee whose responsibility is to consider and set remuneration for members of the Board and the Company's Managing Director. Clear and transparent guidelines must be established while ensuring that remuneration is competitive with that of the industry and sufficiently high to retain qualified members of the Board. Board members who take on additional responsibilities will receive additional compensation as appropriate per the approval received at the AGM. Management's remuneration follows the policies and guidelines as set forth by the Company's Board of Directors which is directly linked to the Company's financial performance along with that of individual performance. Remuneration for members of the Board and that of management for 2018 is disclosed under the heading "Remuneration for Board Members and Senior Management".

#### **Assessment of the Managing Director**

The Company's Remuneration Committee is responsible for assessing the Chief Executive Officer and the Managing Director's performance by taking into consideration of the Company's operating results and adherence to policies as per Board resolution while taking into consideration the overall economic outlook. The committee uses the above information to determine remuneration for the Chief Executive Officer and the Managing Director and submits the outcome for Board approval.

#### **High-level Executive Remuneration Policy (CEO & MD) on both Short-term and Long-term Status.**

According to the CEO and MD Remuneration Policy on both short-term and long-term status as well as the CEO's and MD's performances, the Nomination and Remuneration Committee shall be the party to make the evaluations which will be conducted at every yearend performance evaluation at the end of the year provided, however, that the results of the CEO's and MD's evaluations are considered the confidential information which cannot be disclosed. The rules of the conclusion on the evaluations for payments on both short-term and long-term remunerations shall be as follows:

##### **Short-Term.**

The remuneration payments shall be made in the form of salary and bonus by considering on the base of the performances and operational results of the Company in each year. For the non-monetary remuneration, it shall be the position welfare.

##### **Long-Term.**

The Company pays contributions to the Provident Fund every month.

#### **Internal Control and Audit Process**

Much emphasis is placed on the internal control process both at the management level and at the procedural level to ensure operating efficiency. Job functions and authority have been clearly documented while asset utilization is being optimized to provide the most benefit for the Company. There are clear cut responsibilities of the administrative, management and the audit functions to ensure an effective check and balance system. The Company's Board of Directors assesses the adequacy of the internal audit process to be used for future guidance on an annual basis.

There is an Internal Audit and System Development Department whose function is to perform planned audits and assess results. An Internal Audit Manual has been drafted to ensure the adherence to guidelines regarding the Company's core operations, key financial transactions, administrative functions, management information system and legal guidelines applicable to the Company. Special audits are undertaken within stipulated guidelines to ensure efficiency and compliance with all legal guidelines and the Company's policies. The Department operates independently and can audit any function and provide audit summary, comments and suggestions to the Audit Committee. Performance review of the Department is overseen by the Audit Committee.

In addition, in the year 2019 the company signed the contract with ANS Business Consultants, internal audit consultant service provider. This was to ensure that all operation systems of the company would be done correctly and met the international standards. The audit results would be reported to Board of Directors and responsible departments to improve the overall performances.

Great emphasis is put on risk management by the Company's Board of Directors and risk management committee election is in place along with an assessment process with corrective plans and actions have been prepared. Risks that bear effect on the Company's operations are stipulated in the "Risk Factors". The Board of Directors reviews and assesses the risk management process on a quarterly basis.

### **Business Ethics**

Members of the Board of Directors understand their responsibility and duty to utilize their capabilities and experiences to maximize the benefits of the Company while observing ethical standards and all applicable legal guidelines, the Company's own guidelines and resolutions reached at the shareholders' meeting. Duties must be carried out with honesty, integrity and maximizing the benefit of both the Company and its shareholders. The resolution reached at the Board meeting 1/2006 held on February 24, 2006 regarding ethical guidelines for Board members, senior management and staff were announced as reference for all to observe. Every staff member is urged to conduct their tasks with honesty, integrity and ethically and to extend such high standard of moral standard towards external parties including stakeholders, society and the environment. The Board also mandated a system to review and assess adherence on a consistent basis.

Board of Directors is responsible for Updating the company's Code of Ethics every two years. The revision was made to better incorporate international best practice, held on February 22nd, 2017, the meeting had agreed to revise and issue the 9th edition of the Code of Conduct, In line with the company's anti-corruption policy. In addition to the handbook, training on an ongoing basis is being planned while all new recruits are introduced to the Company's ethical standards during their orientation.

General guidelines have been established for all as reference in undertaking their duties with honesty and integrity while such guideline also stipulates the penalties related to misdemeanor. In the past year, No confliction against the Good Corporate Governance was reported.

### **Development for Members of the Board and Senior Management**

The Company's policy is to support the development of skills for members of the Company's Board, senior management and the Company Secretary by requiring their attendance of seminars of related topics beneficial to the execution of tasks in their various capacities. These include both seminars and courses that have been developed internally and seminars/ courses offered by professional institutions such as that of the Thai Institute of Directors (IOD), Listed Companies Association and others. The purpose is for the attendees of such seminars and courses to internalize knowledge and experience which can be applied to improve the Company's overall performance. To build confidence in the board's ability to effectively monitor company performance with opportunities to regularly participate in training and improve knowledge together with facilitating training participation for the board of directors, the Human Resources Department and the company's secretary have been assigned the task of preparing a registry of training participation history for the board of directors and proposed proper training courses for the consideration of each director in order to support the participation of the board of directors in training courses or seminar activities to enhance work-related knowledge. Details of development courses attended by Board members and senior management have been disclosed under the "Management's Information" section along with the "Personnel Development Policy".

**The Board and Senior Management training's in 2019**

	Name - Surname		2019 Training courses	
			In-house Training	Public Training
Board				
1.	Mr.Somchao	Tanthathoedtham	Evaluation Competency for Human Resources Development	-
2.	Mr.Somnuek	Tanthathoedtham	Evaluation Competency for Human Resources Development	1. Thai-Chinese Leadership for New Generation, Class no.3 2. REIT Leader Academy (REIT) 3. Lecturer : RE-CU Junior Startup in Real Estate , Class no. 19,20
3.	Mr.Wichian	Silapacharanan	Evaluation Competency for Human Resources Development	-
The Executives				
1.	Mr. Rungsarn	Nuntakawong	Evaluation Competency for Human Resources Development	1. Health Ambassador, Class no.2 , Chulabhorn Royal Academy
2.	Mr. Warapong	Nilsiri	Evaluation Competency for Human Resources Development	-
3.	Mr. Boonchai	Rojpanich	1. Evaluation Competency for Human Resources Development 2. Digital Communication	1. The Digital Age Of Marketing
4.	Mr. Jessada	Lukkipiniskul	-	1. Housing Analysis : Bangkok-Perimeter-Ayutthaya- Saraburi 2. Housing Analysis : Chiang Mai-Chiang Rai-Phitsanulok-Tak 3. Housing Analysis : Chonburi-Rayong-Chachoengsao
5.	Mrs. Nampetch	Tantawiriya	1. Evaluation Competency for Human Resources Development 2. Digital Communication	1. Business model canvas by Alex Osterwalder’s
6.	Ms. Sumanee	Boonsarana	1. Evaluation Competency for Human Resources Development 2. Digital Communication	1. TFRS 15 2. Transfer Pricing
7.	Mrs. Ajchara	Kingsai	1. Evaluation Competency for Human Resources Development 2. Digital Communication	-
8.	Mr. Sanit	Leejunthuek	1. Evaluation Competency for Human Resources Development 2. Digital Communication	-
9.	Mrs. Nonglak	Tanthatherdtham	1. Evaluation Competency for Human Resources Development 2. Digital Communication	1. Administration and Operation for Elderly Care Center

### Company Secretary

The Board of Director passed a resolution to appoint Mrs. Pornnipa Cheewaruangroj to hold secretary office according to the meeting resolution of Board of Directors no.2/2017 on 25 May, 2017, has acted as the Company Secretary since July 1, 2017 to oversee Board activities and assist the Board and the Company in complying with related laws and regulations and in promoting good corporate governance, to oversee the organization of shareholders and Board meetings in conformity with laws and the Company's Articles of Association and procedures, and to oversee the preparation and storage of meeting support documents and follow up to ensure compliance with the shareholders' and Board resolutions. The Company has defined the Secretary's role, duties and responsibilities in the Corporate Governance Policy Manual, as it envisions the importance and necessity of secretary role in the development of its corporate governance system. The Secretary can be reached at [pornnipa.c@ncgroup.co.th](mailto:pornnipa.c@ncgroup.co.th), [ir@ncgroup.co.th](mailto:ir@ncgroup.co.th) or phone number 02-993-5080-7 ext. 403

### Required Qualifications and Experience for Company Secretary

1. Being knowledgeable in and having an understanding of the laws and regulations concerning the company and regulatory body in relation to the law on public limited companies and the law on securities and stock exchange; passing a training course on company secretary duty performance.
2. Being knowledgeable and having an understanding of good corporate governance and corporate governance best practices.

### Company Secretary's scope of duties and responsibilities:

1. To produce and keep
  - Record of Directors,
  - Notice of Board of Directors meeting, minutes of Board of Directors meeting and company's annual report,
  - Notices and minutes of all shareholders' meetings.
2. To keep all interest or conflicts of interest report reported by directors or any members of management team.
3. To perform any other action as determined by Capital Market Supervisory Board.

### Policies and guidelines about anti-corruption

The Company recognizes the importance in conducting its business with integrity, honesty, morality and ethics by relentlessly working to support and foster anti-corruption mindset in employees at all levels; a step that is deemed essential to a sustainable reputation and business prosperity. as follow:

1. Company understands the importance of corruption and sets policies to operate based on integrity without support for corruption.
2. Company provides guideline in promoting sustainable value of integrity to employees
3. Company assigns internal audit and system development departments to monitor any action that relates to corruption, and prepare preventive actions and penalties.

### Roles and Responsibilities

1. The board of directors determines policy, supervises and monitors the operating results in order to ensure the Company has achieved the Anti-Corruption Policy, as well as reviews the policy to assure compliance with changes of business, regulations, requirements and relevant laws.
2. The Audit Committee inspects and supervises internal control, produces financial reports and other procedures related to anti-corruption measures in order to ensure that all departments have performed with efficiency and compliance with the law and regulations for which have met the good governance principle and code of conduct on business operation.
3. The management has to strictly implement, communicate and promote the policy among employees of all levels and ensure all parties have acknowledged, understood and performed their duty without misconduct or corruption.

### Complaints

1. In case that employee suspects any action that is likely to violate the policies or ethics, he can reports to following responsible persons;
  - Supervisor
  - Human Resource Department
  - Board of Directors or secretary
2. Company assigns Human Resource Department to receive external complaints. In case that you suspect any action that is likely to violate ethics, please directly contact
  - Human Resource Department

N.C. Housing Plc.

1/765 Moo 17, Soi Amporn, Paholyothin Road

26<sup>th</sup> Kilometer, Kukot Sub-District, Lumlukka District, Patumthani Province, 12130

Tel 02 993 5080 - 7 ext. 230

Email: hrnc@ncgroup.co.th

Therefore, in order to build a corporate culture of good corporate governance, the company has arranged training courses on good corporate governance and company ethics for new employees by requiring new employees to sign affirmations acknowledging compliance with corporate ethics, including the dissemination of news and information on operations and activities related to good governance through various channels to promote continued knowledge and understanding.



## Structure of the Board of Directors

The Company's management structure consists of 5 committees including the Board of Directors, the Audit Committee, the Nomination and Remuneration and CG Committee, the Board of Executive Directors and Risk Management Committee details are as follows:

### Board of Directors

In 2019, the Company's Board of Directors met a total of 6 times. As of December 31, 2019, there were 10 members of the Board of Directors as follows:

1. Mr. Sudham Chatwalwong *	Chairman
2. Mr. Somchao Tanthathoedtham	Director, Member of the Nomination and Remuneration and CG Committee, Chairman of the Executive Committee
3. Mr. Somnuek Tanthathoedtham	Director and Executive Director
4. Mr. Wichian Silapacharanan	Director and Executive Director
5. Mr. Piboon Limpraphat, Ph.D.	Director, Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration and CG Committee
6. Mr. Kobsak Pongponrat *	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee
7. Mr. Vichit Vichaisarn,* Asst. Prof.	Director, Independent Director, Member of the Audit Committee
8. Mr. Trirat Jarutach*, Asst. Prof.	Chairman
9. Mr. Vichan Amornrojanavong*	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee
10. Mr. Vorakan Dhepchalerm*	Director, Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration and CG Committee

Company secretary: Ms. Porntippa Cheewaruangroj

- Remark :**
1. Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham are members of the Tanthathoedtham Family, the majority shareholders holding 77.55% of the Company's total paid-up shares as at 30 December 2019.
  2. \*The 2019 Annual General Meeting of Shareholders, held on 26 April 2019, resolved to approve the appointment of 3 new directors as follows: 1. Mr. Trirat Jarutach, Asst. Prof., 2. Mr. Vichan Amornrojanavong and 3. Mr. Vorakan Dhepchalerm in replace of the 3 directors who retired by rotation

### Scope of Duties and Responsibilities of the Board of Directors

- (1) To manage the Company's business in compliance with the law, the Company's objectives, Articles of Association and resolutions of shareholders in an honest manner and with the aim to maximize benefit to the Company.
- (2) To set goals, guidelines, policies, work plans and the Company's financial budget; to ensure that the Board of Executive Directors and the Senior Management are in compliance with the policies and regulations set by the Stock Exchange of Thailand. However, the following activities will be able to carried out only with the approval of the shareholders' meeting: increasing or decreasing the Company's capital, issuing debentures, selling or transferring the Company's businesses in part or in whole to a third person or vice versa, amending the company's Memorandum of Association, Articles of Association, conducting related party transactions, and the selling or purchasing of major assets following the regulations of the Stock Exchange of Thailand or other government entities.
- (3) Setting appropriate accounting policies, providing financial reporting and reviewing the Company's financial statements to ensure integrity. Assessing the appropriateness and effectiveness of the Company's internal audit and risk management processes along with processes to review performance and modify such processes to obtain the desired results.
- (4) Ensure that there is integrity in business dealings with all Company's stakeholders
- (5) Ensure ethical business operations
- (6) Abide by the fiduciary duties of a publicly listed company's board member in providing a statement on the Board's responsibilities in preparing financial information for disclosure alongside that of the Company's financial auditor's statement in the Company's annual report.
- (7) The Board of Directors may appoint a number of directors and/or the management as it deems appropriate to be the Executive Board of Directors with the authority to manage the Company as assigned by the Company Board of Directors including the assignments and distributions of powers to undertake actions as appropriate for effective management.

In 2019, the Board of Directors has required that non-executive directors may convene their meeting as may be suitable without participation by executive directors in order to open an opportunity for the Board of Directors to discuss problems relating to operation and management of the Company, including other important matters; whereas, such non-executive directors' meeting was convened on 13<sup>th</sup> May 2019.

### Audit Committee\*

At the 2019 Annual General Meeting of Shareholders on April 26, 2019, a resolution was passed to elect the board of director's Independent director and new audit committee in place of those who are retired by rotation This will be effective from April 27, 2019 and has a 3-year term consisting of

1.	Mr. Pi boon	Limpraphat, Ph.D.	Chairman
2.	Mr. Kobsak	Pongponrat	Member
3.	Mr. Vichit	Vichaisarn, Asst. Prof.	Member
4.	Mr. Vichan	Amornrojanavong **	Member
5.	Mr. Vorakan	Dhepchalerm **	Member

Secretary of the Audit Committee: Ms. Kamonwan Sawadchai

**Remark :** \* The 2019 Annual General Meeting of Shareholders, held on 26 April 2019, resolved to approve the appointment of 3 new directors as follows: 1. Mr. Trirat Jarutach, Asst. Prof., 2. Mr. Vichan Amornrojanavong and 3. Mr. Vorakan Dhepchalerm in replace of the 3 directors who retired by rotation

\*\* Elected Mr. Vichan Amornrojanavong and Mr. Vorakan Dhepchalerm to be independent directors and audit committee in place of those who are retired by rotation

(\* is the name list of qualify and professional Audit Committee. See more details of each member on Directors and Executives topic)

### Scope of Duties and Responsibilities of the Audit Committee

- (1) To review the Company's financial reporting process to ensure accuracy and sufficient disclosure of financial information, by coordinating with the independent financial auditor and senior management, responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest that the auditor review or examine any transactions considered necessary and significant during the audit of the Company's accounts.
- (2) Check the availability, appropriateness, and effectiveness of company's internal control system and internal audit system. Examine how independence of internal audit team and give a recommendation on the appointment, transfer, termination of internal audit department head and any other departments that relevant to internal audit functions.
- (3) To ensure that the Company's business practice is in compliance with the securities and exchange laws, the rules and regulations of the Stock Exchange of Thailand, or related business laws.
- (4) Making considerations, selections, nominations for the appointment of independent person to perform duties as the Company's auditor and proposal on the remuneration for such person by taking into account the reliability, resource adequacy and quantity of the audit workload of such particular Audit Office including the experiences of personnel assigned to audit the Company's accounts as well as attending the meeting with the outsourced auditor without the management attending the meeting, at least once a year. Provided, however, that such person shall have a right to terminate the outsourced auditor if being detected to be deficient in performing duties whereby a proof can be established that such deficiency may cause damage to the Company.
- (5) Examine every detail that is relevant or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand.
- (6) Prepare the annual internal audit report and published in the company annual report. This report must be signed by chairman of the audit committee and must have the following detail:
  - a) The committee's opinion regarding to the accuracy, completeness, and the reliability of the company annual report.
  - b) The committee's opinion regarding to the sufficiency of the company's internal audit system.
  - c) The committee's opinion regarding to the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand, or other business laws compliance.
  - d) The committee's opinion regarding to the appropriateness of the auditor.
  - e) The committee's opinion regarding to issues that may conflict with the company's interests.
  - f) The number of audit committee meetings and participation of each member.
  - g) Add their opinions or observations derived from their field work as written in the charter.
  - h) Any other information that investors should know under committee's duty and responsibility.

In 2019, the Audit Committee held a total of 4 meetings which reported to the Board of Directors with progress reports and reported to Shareholder in the Annual Report

### Nomination and Remuneration and CG Committee

The Board of Directors' Meeting No.2/2019 was convened on 13<sup>th</sup> May 2019 and passed its resolution to appoint 3 independent directors and 1 executive director as members of the Nomination, Remuneration and Governance Committee, with the term in office of 3 years, thus, effective as from 13<sup>th</sup> May 2019 onwards. 4 Directors consisted of:

1.	Mr. Piboon Limpraphat, Ph.D.	Chairman
2.	Mr. Somchao Tanthathodtham	Member
3.	Mr. Vichan Amornrojanavong	Member
4.	Mr. Vorakan Dhepchalerm	Member

Secretary of the Nomination and Remuneration and CG Committee: Ms. Porntippa Cheewaruangroj

And the Board of Directors' Meeting No.6/2019 was convened on 20<sup>th</sup> December 2019 and passed its resolution to approve the scope of powers and duties of the new Nomination, Remuneration and Governance Committee, effective as from 20<sup>th</sup> December 2019 with the following details:

#### Scope of Duties and Responsibilities of the Nomination and Remuneration and CG Committee

1. To consider guidelines, process, structure, elements and qualification of the board of directors and the subcommittee.
2. To recruit and select persons with qualifications appropriate to be appointed to the Company's Board of Directors, Subcommittee, Chairman of the Board, Chairman of the Executive Board, Chief Executive Officer, Managing Director, Company Secretary, Secretary to the Board of Director, Secretary to the Subcommittee in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval.
3. Determine guidelines and assess the performance of the Board of Directors, the various Committees, the Board of Executive Directors, the Chief Executive Officer and the Managing Director.
4. Support the company in giving opportunity to minority shareholders to propose a person for recruitment as a member of the Board of Directors.
5. Determine the level of remuneration for members of the Board, the various Committees and the Board of Executive Directors which includes the monthly remuneration, meeting allowance, annual bonus and other cash and non-cash benefits. The proposal is to be submitted for Board and/or shareholder consideration and approval.
6. Determine remuneration for the Chief Executive Officer and the Managing Director which includes the monthly salary, annual bonus and other cash and non-cash benefits to be submitted for Board consideration and approval.
7. To make considerations on the Employees Remuneration Policy, both monetary and non-monetary, for submission to the Company Board of Directors for approval.
8. Prepare good corporate governance policy appropriate for the company under legal framework, guidelines, rules and regulations issued by regulators i.e. the Stock Exchange of Thailand, the Securities Exchange Commission, related agencies, as well as approaches to good corporate governance in line with international standards before proposing to the Company Board of Directors for approval.
9. Conduct review and improve good corporate governance policy regularly to ensure the company's policy conforms to the international practice including legal, guidelines and various rules pertaining to the company's business.
10. Supervise, guide and advise directors, executives and staffs in performing their duties and responsibilities in line with the good corporate governance policy that will benefit the company's operations on continuous basis.
11. Suggest rules and guidelines relating to good ethics and morality in managing business and procedures of the Company's directors, management and staff.

12. Support and encourage stakeholders to follow and abide by the Company's good corporate governance policy.
13. Establish the framework in supervising/overseeing the company's anti-corruption operations.
14. Provide good corporate governance report to the Company's Board of Directors, and report the Company's Board of Directors immediately in case of encountering significant issue or important incident which may affect the company's operations materially.
15. To undertake other related activities as assigned by the Company's Board of Directors.

During 2019, the Nomination and Remuneration and CG Committee held a total of 2 meetings which reported to the Board of Directors with progress reports and reported to Shareholder in the Annual Report

### Board of Executive Directors

As of December 31, 2019, there were 4 members of the Board of Executive Directors as follows:

1. Mr. Somchao	Tanthathoedtham	Chairman
2. Mr. Somnuek	Tanthathoedtham	Member
3. Mr. Wichian	Silapacharanan	Member
4. Mr. Rungsarn	Nuntakawong	Member

### Scope of Duties and Responsibilities of the Board of Executive Directors

- (1) To determine rule-and law-abiding policies, directions, strategy and business operations to parallel the business goals set by the Board of Directors.
- (2) To set the Company's organization structure and management authority, which include the nomination, employment, training and layoff of personnel, excluding the Chairman of the Board of Executive Directors and the Managing Director.
- (3) To consider and review the annual budget proposed by the Managing Director before presenting to the Board of Directors for approval.
- (4) To examine and monitor management's adherence to company policies to ensure maximum effectiveness.
- (5) To review and consider the business investment opportunities related to the core business or other businesses before presenting to the Board of Directors for approval.
- (6) To approve plans to obtain loans or advances from financial institutions for the running of normal business operations, for investments, purchasing of properties, land and construction and business operations for an amount not exceeding THB 500 million. If the transaction amount exceeds THB 500 million, it must be presented to the Board of Directors for approval.
- (7) To allocate funds for pension, bonuses or other compensations approved by the Board of Directors.
- (8) To perform other duties assigned by the Board of Directors.

The Board of Executive Directors may delegate financial authority for transactions to senior management as the Board deems appropriate.

Transactions that may have conflicts of interest require that the issue be reviewed as set forth in the Company's guidelines (in line with the regulations of the Company, and the Securities and Exchange Commission) prior to approval of such transactions, except for normal business transactions as clearly stated in the policies regarding connected transactions. The Executive Directors in the position that may lead to a conflict of interest does not have the authority to approve such transactions.

### Risk Management Committee

In 2019, the Company's Risk Management Committee met a total of 4 times which report to Board of Directors. As of December 31, 2019, there were 4 members of the Risk Management Committee as follows:

1. Mr. Somchao	Tanthathoedtham	Chairman of the Risk Management Committee
2. Mr. Somnuek	Tanthathoedtham	Member of the Risk Management Committee
3. Mr. Wichian	Silapacharanan	Member of the Risk Management Committee
4. Mr. Rungsarn	Nuntakawong	Member of the Risk Management Committee

Secretary of the Risk Management Committee: Mr. Warapong Nilsiri

### Scope and Responsibilities of the Risk Management Committee.

- (1) Acknowledging and giving suggestions on the policy, strategy, as well as the direction of risk management of the Company.
- (2) Reviewing and recommending the risk management plan of the Management including the overall picture of risk management process of the Company.
- (3) Acknowledging the important risks and making considerations as to whether the Management has responded appropriately to the risk or not.
- (4) Making follow-ups on the result of implementations in compliance of the organizational risk management framework.
- (5) Performing other duties as assigned by the Company Board of Directors.

### The Risk Management Steering Committee

1. Mr. Warapong	Nilsiri	Executive Vice President	Secretary of the Risk Management Committee and Consultant
2. Mrs. Nampetch	Tantawiriya	Vice President, HR Department	Chief of Steering Committee
3. Mr. Walatchanat	Rujidasirisakul	Manager, Financial Department	Secretary to Steering Committee
4. Mr. Boonchai	Rojpanich	Vice President, Sales Department	Steering Committee
5. Ms. Sumanee	Boonsarana	Vice President, Accounting Department	Steering Committee
6. Ms. Nongluk	Tanthathoedtham	Vice President, Office of The President	Steering Committee
7. Ms. Kamonwan	Sawadchai	Vice President, Accounting Department	Steering Committee
8. Ms. Ladawan	Wongprasert	Marketing Manager	Steering Committee
9. Mr. Chamon	Muenphan	Assistant Manager, Construction Department	Steering Committee

Effective from July 1<sup>st</sup>, 2019 onward.



## Nomination of Directors and Senior Management Positions

The Nomination and Remuneration Committee was appointed by the Company's Board of Directors to screen persons with suitable qualifications to be appointed to the Independent Director, Board of Directors, the various Committees, Chairman, the Board of Executive Directors, Company's Managing Director and Chief Executive Officer in case a vacancy occurs or when there needs to be a new appointment. Candidate's names are to be submitted for the Company's Board of Directors and/or the Company's shareholders for consideration and approval. The Committee must ensure that the selection process is clear and transparent through the screening of persons with the necessary qualifications, expertise of various backgrounds, strong social standing, is a visionary, is an ethical person, is able to make independent contributions and has sufficient time to meaningful contribution to the Company and in consistence with the strategy in the company's business operation.

The Company has arranged to hold an orientation for new directors in order to allow the newly appointed directors to learn more about the Company's business, policy, as well as roles and responsibilities of the Company's directors. (Referring to Board Meeting Topic) Meeting with Chairman of the Board, the board of directors and the sub-committee will be arranged. In addition, important information necessary for the roles of directors will be given, including articles of association, the Company's objectives, code of conduct, a handbook for the directors of listed company, the good governance policy, the Company's organizational structure, laws relating to financial statements, notes to financial statements and the acknowledgement of information on the Company's business operation.

For other management positions within the Company, appointments are made by the Company's Board of Directors based on the Company's guidelines in selecting persons that are able to make meaningful contributions to the Company.

### Rules for Appointment and Removal of Directors

#### The Composition and the Appointment of Directors

- (1) The Board of Directors shall compose of at least five Directors, and at least half must be of Thai nationality. Persons appointed to the Board of Directors must possess qualifications as stated in article 68 of The Public Company Act of 1992 and guidelines as set forth by the Securities and Exchange Commission. The qualifications of each candidate are reviewed including their experiences, knowledge and capability for the business, and present the name list to the shareholders' meeting for the final selection.
- (2) At least one third of the Company's Board of Directors must be independent board members.
- (3) At every annual general shareholder's meeting, one third of the Directors has to retire. If the number of Directors cannot be divided exactly by three the number closest to one third shall be retired.  
Directors to retire in the first two years following the registration of the Company shall retire by a draw. In every subsequent year, the Directors who have been in the office for the longest term shall retire. A retired director is eligible for being re-elected.
- (4) The election of Directors will be voted at the shareholders' meeting under the following conditions and procedures:
  - (4.1) The number of individual's vote equals to the number of shares s/he is holding.
  - (4.2) Each individual's vote can be cast to vote for one or more nominees but the vote cannot be divided to preferred nominees.
  - (4.3) After the vote, the nominated persons shall be ranked in descending order from the highest number of votes received to the lowest and shall be appointed as Directors in that order. The number of newly elected Directors must equal to the number of the vacating Directors. If two or more Directors are eligible for the same seat and earn the same number of votes, the Chairman has the power to make the final decision as to who will be elected.
- (5) In case of vacancy on the Board of Directors other than through retirement by rotation, the Board of Directors shall elect any person who is qualified and is not subject to prohibition under laws governing public companies as a substitute Director at the next Board meeting by a vote not less than three quarters of the number of Directors remaining, unless the remaining term of the said director is less than two months. The substitute director shall hold the position only for the remaining term of the director he replaces.

- (6) A resolution may be passed at the shareholders' meeting to remove directors from office prior to retirement by rotation, by a vote not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half the number shares held by shareholders attending the meeting and having the right to vote.

#### **Board Members' Qualifications**

- (1) Each board member shall possess knowledge and capability, vision, honesty and integrity. Each member must possess high ethical standards, must possess a clean and transparent record of previous responsibilities and must have sufficient time to make meaningful contributions to the Company.
- (2) Each board member must possess the qualities and must not have been disqualified in relation to the guidelines set forth for publicly listed companies and/or any other applicable laws and regulations
- (3) Board members may serve as a board member for other Companies as long as such positions will not hamper the board member from fulfilling his/her duties as a member of the Company's board.
- (4) Board members must not operate, be partner in or be a shareholder in any business entity that operates in the same industry as that of the Company or is a competitor of the Company unless such position is disclosed to shareholders at the shareholders' meeting prior to the appointment to the Company's board.
- (5) The qualification of an independent director is similar to that of a member of the Audit Committee which complies with the Stock Exchange of Thailand's guidelines regarding the qualifications and responsibilities of members of the Audit Committee. The independent director's responsibility is to ensure that the interests of all shareholders are upheld. The independent directors are also to be allowed to freely provide thoughts and comments at Board meetings.

#### **Definition of Independent Committee**

Independent Committee is a committee that none of its member works in the same business, related businesses as company. So they can make their own decisions independently.

Each independent director shall comply with the following rules:

- (1) holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, 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. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
- (3) 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 applicant or its subsidiary company;
- (4) neither having nor used to have a business relationship with the applicant, 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 applicant, 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 applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant 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;

- (5) neither being nor used to be an auditor of the applicant, 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 applicant, 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;
- (6) 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 applicant, 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;
- (7) not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;
- (8) not undertaking any business in the same nature and in competition to the business of the applicant 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 per cent 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 applicant or its subsidiary company;
- (9) not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

The Company Board of Directors prescribes the definition of the independent directors to be in accordance with the Regulations of the Stock Exchange of Thailand and in the Notification of the Capital Market Supervisory Board Governing the Granting and Permission on the Offerings of Newly Issued Shares.

#### **Components and Appointment of the Executive Committee**

The Board of Directors has appointed executive directors by means of election from directors and the top management in order to effectively supervise and elaborate the Company's operation in conformity with guidelines and management policy as prescribed by the Board of Directors

#### **The Appointment of Members of the Audit Committee**

The Board of Directors and/or the shareholders' meeting are responsible for appointing members of the Audit Committee by appointing at least three individuals whose qualifications meet the minimum requirement as stipulated by the Stock Exchange of Thailand and each appointed member has a three-year tenure.

#### **The Appointment of Members of the Nomination and Remuneration and CG Committees**

The Board of Directors appoints at least 3 members to each of the Nomination and Remuneration and CG Committees with the majority of the members being Independent Directors and has a term of 3 years.

## Corporate Governance in Subsidiary and Associated Companies

To comply with the corporate governance principle that enables control, management and operation of subsidiary and associated companies and to maintain the benefit of Company's investment, the Company assigned its authorized person to represent the Company in the boards of its subsidiary and associated companies in proportion to its shareholding according to the Company's regulations. Also, the Company's authorized persons in the boards of such subsidiary and associated companies shall play a part to set up important policies for business operation.

## Remuneration for the Company's Financial Auditor

- Audit fee: The remuneration for the Company's financial auditor for their auditing work for the accounting period as follows.

Company Name	Amount (Baht)
N.C. Housing Plc. (NCH)	1,230,000
N.C. Property Management Co., Ltd. (NCPM)	30,000
Quality Living Management Co., Ltd. (QLM)	66,000
Siri Arun Wellness Co., Ltd	50,000
<b>Total</b>	<b>1,376,000</b>

- Non-audit fee: The Company and its subsidiaries compensated the Company's financial auditor for services including transportation fees for the accounting period as follows.

Company Name	Amount (Baht)
N.C. Housing Plc. (NCH)	49,497
N.C. Property Management Co., Ltd. (NCPM)	970
Quality Living Management Co., Ltd. (QLM)	1,195
<b>Total</b>	<b>51,662</b>

## Internal Information Control



Company applies corporate governance in managing internal data, thus identifying operating guidelines for Board of Committee, management, and employee regarding the use of internal data (Insider Trading) which are not supposed to be publicly exposed for personal interest. The guidelines include **“Policy to expose information technology, Management Manual, Employee Manual, Company Ethics”** Main contents are as follows;

- Directors, senior management and employees need to report their stock ownership along with their spouses' ownership and under aged children's stock ownership. Penalties under the Securities and Stock Exchange Act 1992 section 275, and those under the Stock Exchange of Thailand have been informed to directors, executive directors, and senior management.
- Require Directors, executive directors and senior management to report any change of their Company stock ownership, according to the section 59, to the Securities and Exchange Commission and the Stock Exchange of Thailand. And the report copy must be sent to the Company.
- Establish “Executive Manual”, aiming that the executives make use of the fundamental information in compliance with regulations and rules required by the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). They include executive's qualification, role and responsibility, internal data policy, security holding reporting, personal data reporting, and disclosure policy. This is to enable the executives follow it correctly and ensure that the company operates performance system equitably and transparently to all shareholders and stakeholders.
- As stipulated in both the Company's employee handbook and that of the Company's code of ethics, the Company's board members, management and staff are prohibited from making any purchase or sale transaction of the Company's shares in the event that such person(s) has access to information that may have significant bearing on the Company's share price one month prior to the release of such information and 48 hours post the release of such information to the general public. Internally, the Company has distributed reminders concerning the prohibition of disclosing such critical information to all its board members, management and staff.

- Complaints
  1. In case that employee suspects any action that is likely to violate the policies or ethics, he can reports to following responsible persons;
    - Supervisor
    - Human Resource Department
    - Board of Directors or secretary
  2. Company assigns Human Resource Department to receive external complaints. In case that you suspect any action that is likely to violate ethics.

During 2019, Board of Directors, senior management and employees do not have the offense.



## Corporate Social Responsibilities



In 2019, the company had the policy concerning the support of environment, society and public activity either run by company itself or cooperated with public sector and local community. Moreover, we also supported local activity where we settled our business including put a high effort on building a quality house and developed our work process. In order to create CSR in Process, we developed the so called “Precast”, a readymade construction system, to help decreasing noise and dust pollution and traffic congestion around the construction site. Furthermore, the company also issued the magazine called “NC Happy Home” for project members to publicize company’s information and others useful knowledge. Moreover, the Company is committed to acting as a good citizen by complying with all relevant laws and regulations. Company has been aware of the importance of honest, fair, and ethical business operations for sustainable growth and increase of value and maximum return for all stakeholders.



## Business Philosophy

### Vision

To be a leading real estate company with a variety of international standard and high -quality goods and services, using modern management and technology to expand its business through domestic and international cooperation

### Missions

- Planning good investment and business expansion
- Developing product and service development
- Focusing on customer satisfaction and maximizing return for all stakeholders
- Building personnel and teams
- Applying reliable systems and good practices to the management
- Building a network of work and business

### Practices of Social Responsibility

#### 1. Policy and Treatment of Business Partners and Creditors

##### • Conflict of Interests

The Company has a policy to supervise its directors, management, and staff members to prevent them from exploiting their position in the Company to seek personal gains.

##### • Responsibility to Shareholders

The Company has a policy to use integrity, fairness, ethics, morality and transparency in business operations for sustainable growth to increase economic value and highest return on investment to its shareholders in the longrun, by taking account of the right and equitability of shareholders.

##### • Policy and Treatment of Oneself

All employees are considered a critical success factor of the organization; thus, it is essential for them to regularly seek knowledge and develop competency, and adhere to disciplines and ethics.

##### • Policy and Treatment of the Company

The Company would like all employees to take part in sustainable development and growth of the Company as well as to create a good culture within the organization.

##### • Policy on Treatment of Business Partners

The Company has a policy to treat its business partners fairly and equitably, taking account of common interests and based on fair benefits generated by both sides. Any situations that may lead to conflict of interests shall be avoided.

##### • Policy on Treatment of Creditors

The Company shall keep all its promises and perform in accordance with the terms and conditions agreed with its creditors for the repayment of principal and interest, as well as keeping all collaterals in good condition as agreed.

##### • Policy and Treatment of Trade Competitors

The Company has a policy of free and fair competition which is against monopoly and does not require its business partners to sell their products to the Company only. It has no policy to and will not acquire information about its competitors by any illegal or unethical methods.

##### • Policy and Treatment of Independent Auditor

The Company is aware of the importance of independent auditors who are used by shareholders as a mechanism to examine performance of the management as well as to verify correctness and completeness of financial reports. The Company has a policy to fully cooperate with the auditors by providing them with accurate and complete information and facilitating them in carrying out the audit.

- **Policy and Guidelines on Breach of Copyrights and Intellectual Properties, and Use of Information and Communication Technology**

The Company stresses the importance of proper use of copyright materials, intellectual properties, information technology and communication by strict adherence to the law, moral and ethical standards.

## 2. Policy and Guidelines on Corruption

The Company recognizes the importance in conducting its business with integrity, honesty, morality and ethics by relentlessly working to support and foster anti-corruption mindset in employees at all levels; a step that is deemed essential to a sustainable reputation and business prosperity as follows:

- The Company realizes the importance of and has a policy to promote the employees' integrity, as well as does not encourage an act of corruption.
- The Company has determined a procedure to constantly encourage the employees to work with integrity.
- The Company has formed the Audit and System Development Department as a section to investigate any acts that may lead to corruption and has also determined proper guidelines of protection and penalties.
- Company showed the intention to join the Collective Action Coalition of Thailand private sector to anti-corruption according to the meeting resolution of Board of Directors no.6/2014 on 25 December, 2014.

## 3. Policy and Guidelines on Human Rights

The Company vows to treat all employees fairly and without discrimination and is committed to offer equal employment opportunities for all. Any form of discrimination, whether based on nationality, religion, race or gender, is strictly forbidden and an explicit ban on the use of any child or forced labor is observed at all time. Welfare and compensation for employees are determined based on the following guideline:

- The Company has a policy to strictly comply with the principles of human rights and will not support any acts in relation to violation of the human rights.
- The Company will enhance the employees' knowledge and understanding on principles of human rights in order to enable them to apply to their work correctly and properly.

## 4. Fair Employee Treatment

### Policy and Treatment of Employees

Realizing that the employees are the most valuable assets and critical success factor of the Company, The Company has a policy to treat its employees fairly, either in terms of opportunity, remuneration, appointment, transfer, or continuous training and development to enhance their performance potential and career path. The following regulations shall be adhered to:

- Treat all employees with politeness and respect for individuality.
- Provide all employees with fair remuneration.
- Consider the employment, promotion and transfer as well as rewarding and punishment of all employees in a fair manner based on ethical standards and human resource management for the highest benefits of the Company.
- Provide all employees with equitable and regular opportunities to enhance their knowledge, competency and capabilities for their duties.
- Maintain regularly safe working environments for the life and property of employees.
- Foster a good work culture and atmosphere.
- Listen to sound opinions and recommendations of the employees.
- Adhere strictly to labor laws and regulations.
- Avoid any unfair acts that may affect occupational security of the employees or threaten and pressure their mental health.

#### Administration of Employee Remuneration and Benefits

Always valuing its employees, the Company has a policy to provide remuneration and benefits that support and improve the living standard of employees and their family members, as well as creating incentives and motivation to work as follows:

- The Company offers fair and appropriate remuneration based on job position and responsibility as well as the Company's performance.
- The Company constantly revises employee remuneration and benefits to remain at the competitive standard in the industry.

#### 5. Policy and Treatment of Customers

Customer satisfaction and consumer confidence are very important to the Company, which aims to provide high quality goods and services at reasonable prices, and maintain a good and long-term relationship with the customers. The Company has thus determined the following guidelines:

- Deliver high quality goods and services, which meet or exceed customers' expectation, at reasonable prices.
- Provide complete and accurate disclosure of all information pertaining to its products and services without any distortion, which may cause any misunderstanding of the quality or any conditions of the products to the customers.
- Comply fairly with all agreements and conditions made with the customers.
- In case of failure to comply with any conditions, the Company shall give the customers an advance notice to jointly find solutions.
- Communicate with customers politely and efficiently, and provide a system and process to allow customers to file complaints regarding quality of the products or services, as well as respond to customer demands quickly and efficiently.
- Directors, management, and staff members shall not disclose any information on customers without prior permission from those customers or authorized persons of the Company unless such information is requested by third parties in accordance with the provisions of law.

#### 6. Policy and Guidelines on Safety, Occupational Health and Environment

The Company is committed to safety, occupational health and protecting the environment by conducting its business in strict compliance with regulatory requirements, while constantly evaluating impacts on environment. The guidelines are as follows:

- Comply with laws and regulations regarding safety, occupational health and environment
- Conserve and maintain working environment for highest level of safety to the lives and the livelihoods of all employees
- Promote, educate and train employees on environment conservation and raise awareness for an effective and efficient use of natural resources among employees.
- Promote efficient use of natural resources and design and develop more environment-friendly products.

#### 7. Community participation and development

The Company strives to grow and prosper in a sustainable matter following our business strategy and, at the same time, gives back to the society, communities and environment. The company believes that a strong relationship amongst people living within a community is the basis for a good society.

- To this end, the Company supported a number of events in and around the communities of the Company's projects including charitable events and providing support for relief efforts of those affected by natural disasters.

- Project to Enhance and Develop Youth - The Company would like to see children growing up in a healthy environment where they are given the opportunity not to only think but also act upon their thought by supporting the following projects:
- Education - With educational support being at the core of its emphasis, the Company's activities to support this area include:

#### 8. Innovation and Disseminations.

Innovation and technology play a very important role in nowadays' society due to the needs of conveniences and raising level of the quality of life for the betterment. The Company understands and knows what the villagers or customers are wanting. So, attention is paid to every detail of the products and services by firmly striving for quality home construction and making developments in every working process in order to create developments in products and services based principally on the customers' needs. Technology is adopted for use to increase comfort and raise the quality of living and services to enable the customers to receive the best thing. The company has continuously developed products and services to meet new demands simultaneously with the development of the quality system by applying the ISO system for use. We are the first Company to adopt this ISO system for use and are currently developing the quality system under ISO 9001: 2015 to develop products and services for much better quality which, in this respect, the Company has joined hands with partners such as SCG to study and apply innovative designs that are eco-friendly to develop the products and services which are Smart Homes, Eco Homes, and Care Homes for use in residential design development because the Company recognizes the importance of promoting the innovation for housing, responding to the needs of customers who take into account the energy consumptions. At present, SCG's cool house innovation to adjust the condition of the house to feel the good air quality in the house. with the Active Airflow System. The equipments to be attached to homes will function to push hot air inside and pull it up to the upper floor and then transfer it to the roof hall which is a system to help suitably adjust home temperature. The air circulation system will function as a natural air conditioner for homes. This system will be installed along with a small solar cell to power the exhaust fan without depending on the electricity. This innovation responds to the new generations who care for energy consumptions. Such a concept is piloted at Thanyathani Home on Green Project and developed for use at the current CHARM project

Nevertheless, the Company has still continued to develop home designs to meet the needs of the elderly society in the near future. The designs also take into account the integration of every generation in the same home. In addition, the Company has as well adopted the IT system for use in the developments of the quality of products and services within the organization. Those include Real Estate ERP, MANGO and the addition of LINE @ system to respond quickly to the customers' needs in the after-sales service as well.

**Note:** The detail on the Company's CSR activities can be found in Sustainability Report 2019.

## Social Activities:

### CSR Activities on Education and Learning Skills

- “NC Scholarship for Academic Year 2019” Project.

The Company has conferred continuous Bachelor's degree scholarships for well-behaved students from economically disadvantaged backgrounds, studying a Bachelor's degree in the Faculty of Architecture and the Faculty of Engineering, Rajamangala University of Technology Thanyaburi (there are currently 30 scholarship students and 21 scholarship graduates) thus to promote the development of talented and upright personnel in the real property sector.



- Carrying on the Activity of “Good and Talented Citizenship Project”



The Company has focused on “A Happy Living Community” by starting from the development of children and youth in nearby areas of the Project and in other provinces. Therefore, the Company has organized activities with schools participating in the Project and has supported the financial resources, cooperation and facilitation in organizing the training and activities in “Good and Talented Citizenship Project”. N.C. Housing Public Company Limited, in cooperation with Thammasat University, aimed to implant systematic and positive thinking process among youth and new generations and to mold up their merits and public awareness, leadership and good followership, emotional maturity, mutual interaction, bonds, assistance and good foundation for the society, N.C. community and good citizenship of the country. The Company has evaluated the results and has continuously conferred certificates to students participating in activities of “Good and Talented Citizenship Project”.



### Social and Community Aspects:

In 2019, guidelines for conducting CSR activities of the Customer Relations Department have still focused on establishing relationship in families and communities and increasing the environmental awareness and physical and mental well-being through various activities organized throughout the year.



- **Activity of New Year Merit Making and Alms Offering and the National Children's Day 2019**

There were activities of games and shows for youth and family members to enjoy such as magic shows, games and prizes, various patterns of face painting, and snacks.





#### • Loy Krathong Festival Activities

To continue the grace of Loy Krathong Festival and to persuade residents to use natural and environmental-friendly Krathong and to facilitate venues for family members to float their Krathongs together



#### • NC Family Workshop Activities

Throughout the year 2019, we have offered various activities and focused on physical and mental health promotion and happiness activities such as “Anti-aging Activity Starts Now” and “Health Care with Thai Wisdom”, giving nutritional knowledge and tips for selection of proper foods for age groups for health care and prevention of degeneration and potential diseases in older age groups, emphasizing the overall body of knowledge on foods and basic exercises or applied exercises with yoga poses for understanding and basic application for preparation of older age groups, or “Easy Homemade Korean Kimchi” activity, demonstrating good DIY health menus.

In addition, concepts of environmental conservation were also introduced such as reduction of use of chemicals and single-use plastic bags, for example, production of herbal inhalers from the traditional Thai wisdom, DIY activities, essential oil sprays made from natural extracts for relaxation (when applied to bedding accessories, it helps eliminate dust mites), production of soy candles, alternative fragrance for relaxation and good health, using smokeless natural and environmental-friendly materials, workshop of decoration of fabric bags and portable water bottle patterns in line with the trends of plastic reduction and use of fabric bag campaign to help support the environmental conservation, starting from matters around us.



## Internal Control & Risk Management



The Company Board of Directors has assigned the Audit Committee to verify and assess the internal control system and monitor controls over the operations of the Audit Section and system development directly in order to enable the Committee to perform their duties in conducting the audit independently on the assessment of the sufficiency of the internal system existing in such working system including the compliance with the rules, regulations relating to the Company's business operations. In addition, we have contracted a consultancy company: namely; ANS Business Consultants Co., Ltd., to perform duties to audit working process in accordance with the Audit Plan 2019 which have already been approved the Company's Board of Director and to report the result of the audits directly to the Audit Committee.

Audit Committee had reviewed the internal audit system and found no significant flaws in the process. The results are congruent with the recommendation from company's auditor. So, the Audit Committee approved that NCH had sufficient, efficient and effective internal control system. There were some recommendations to improve overall performance of the company from internal audit consultant which were already done by the company.

## 1. Organizational Control

- 1.1 The company's corporate infrastructure gives importance to establishing corporate infrastructure that supports internal control systems and corresponds with the regulations in compliance with good governance principles, whether in terms of the infrastructure for the company's board of directors, audit committee, executive committee, nomination and remuneration committee or system auditing and development department.

Board of director appointed executive directors and also appointed 3 independent directors to be audit committee. Executive directors would have a meeting monthly. Board of directors would have a meeting quarterly. Audit committee would have a meeting with Internal Audit and System Development and Internal Auditor quarterly.

- 1.2 The company provides the organizational structure and environment that boosts the internal control effectively, formulates the organization-level strategies, business goal, annual plan, KPIs plan for each department/project, and communicates the management policy to the executives and all employees as practices. KPI committee was to review and to examine all departments' KPIs to make sure that all KPIs suited the situation as well as company's policy.
- 1.3 To achieve company mission and respond to stakeholders, society and public sector, the company had set the business ethics of board of directors, executives, and all personnel in doing their duties honestly, loyally and morally. Social activity is partial strategy in management. The employees' compensation policy has been set forth consistently with the company's profits. The company also provides and encourages training and educating for knowledge and competency improvement, cheer-up and encouragement that employees cooperatively work to achieve the organization's goal as whole.
- 1.4 To control internal flow of documents and quality of work, company implemented ISO and set the standard operation procedures for finance, procurement, and general administration.

## 2. Risk Assessment

The company has set risk management policy and established a risk management work committee to consider annual risk management operational plans together with setting risk management issues as main agendas for every quarterly meeting of the company's board of directors in order to assure that sufficient risk management measures have been taken and that the aforementioned measures are at a suitable level.

### **Risk Management Policy:**

1. The Risk Management Work Committee has duties and responsibilities as set forth in overall risk management policy, which must cover key risks and the arrangement of risk assessment schedules, the setting of risk indicators and the preparation of reports about risks in line with the risk management process practiced by the company.
2. The risk management work plan must correspond with the policy and strategies set forth by the company with ability to assess and oversee the magnitude of the company's risks remains at a suitable level.
3. Sufficient review of risks by the risk management work plan, including the effectiveness of the system and practice in compliance with set policy.
4. Practice in compliance this risk management policy requires strict and continual adherence under the control of the company's board of directors and the company's management department.

### 3. Operation Control

- 3.1 Chart of Authority of all management levels were already implemented and redesigned the organization structure to enable cross-controlling system.
- 3.2 The company provides planning and KPIs performance report on monthly basis, and strategy review is made biyearly. Reported the KPI results and reviewed plans and goals every 6 months.
- 3.3 Company operates its business under the Securities and Stock Exchange Act, the regulations of the Stock Exchange of Thailand as well as other relevant laws such as Consumer Protection Act, Environmental Laws, City Plan Act, etc. The meeting also stipulated that consideration be given to related business transactions as a main agenda in the meetings of the board of directors every quarter in order to assure that the company had already given proper consideration to the aforementioned transactions in the maximum interests of the company, shareholders and stakeholders.

### 4. Information technology and communication systems:

- 4.1 The company improves the information technology reporting system through Enterprise Resources Planning (ERP) to ensure of the accuracy and speediness in performing duties and reporting data that supports the executive's decision. Additionally, the company is seeking for reducing cost, improving performance, and provides the customers with maximum satisfaction.
- 4.2 The organizational structure constitutes of a work unit that is responsible for internal and external communication and update information accurately and completely available to the Investor Relationship and Public Relationship, and having the PR billboard and company's message billboard installed in visual place
- 4.3 The company has set policy and guidelines about not violating copyrights, intellectual property and the use of information technology and communications in writing as a guideline for controlling the efficiency of the company's information technology and data communications.
- 4.4 Submitting the meeting agenda and concerned documents 7 days prior to the meeting is the company's rule.
- 4.5 Top management is responsible for company information technology.

### 5. Follow up System

- 5.1 Management meeting had been held at least once a month to review all projects' performance. Company used sub-meeting to consider and solved any problems as well as report the progress of all projects.
- 5.2 Performance and quality evaluation were done by quality management team and Internal Audit and System Development periodically as planned.
- 5.3 The company has established channels of complaints for suspicious incidents or actions are noticed concerning the abovementioned violations or failure to comply with professional ethics (details appearing under the topic of corporate governance)

#### » Internal Audit Supervisor and Corporate Governance Supervisor

The Audit Committee has appointed ANS Business Consultants Co., Ltd. to be the Company's auditor. ANS Business Consultants Co., Ltd. has assigned Mr. Amornpong Nualwiwat to be the responsible auditor for the Company.

The Audit Committee has reviewed the qualifications of ANS Business Consultants Co., Ltd. and Mr. Amornpong Nualwiwat and agreed that they have the appropriate qualifications to work in the position because of their independence and internal audit experience. The Company also set up the Audit and System Development Department to coordinate with the audit Company.

Also, the consideration, approval, appointment, removal, and transfer of the Company's internal audit supervisor must be done through the Audit Committee. Attachment 3

## Audit Committee's Good Corporate Governance Report

### To Shareholders,

The Company Board of Directors has announced the Corporate Governance Policy since 24 February 2006 and has determined to review, update it regularly every year to be in compatibility with the development of Corporate Governance Principles by the Stock Exchange of Thailand in order to cause the creation of the system that provides the structure and process of the relationships among the Board of Directors, Management and shareholders. The business is overseen to be carried on in an appropriate direction as it should be by having measures on checking and balancing as well as on the use of resources for maximum benefit in order to create competitiveness which will lead to growth and value addition to shareholders in the long-term as well as building confidence in the shareholders, investors and related parties in conducting the business of the enterprise.

The Company's concept of the Corporate Governance Policy is based on the basic principles of good corporate governance in relation to the transparency, honesty responsibility for the performances in accordance with the duty and competitive ability as well as providing care and supports to the Management and employees to carry on their work carefully with the ethics in doing business properly and righteously by dividing it into 5 sections;

Section 1 Board of Directors

Section 2 Shareholders' rights and equality

Section 3 Disclosure of information and Transparency

Section 4 Risk Management and Control

Section 5 Ethics

Audit committee was appointed to be a subcommittee by Board of Directors in their meeting. Subcommittee was an independent mechanic in balancing the power of management. Internal audit department and system development department reported the efficiency of the existing control system to the audit committee. They also supported to make continuously self audit happened in all levels of the company. This would build an audit culture and control environment. Then employee participation followed. Participated employees would keep or improved this audit system. Good audit system impacted directly to human resource development and was important fundamental to company's efficiency and effectiveness improvement.



Mr. Piboon Limpraphat, Ph.D.

**Chairman of the Audit Committee**

## Audit Committee's Report

### To Shareholders,

N.C. Housing Public Company Limited's Audit Committee was appointed by the Company's Board of Directors on November 7, 2006 for a period of 3 years. The Audit Committee is made up of 3 Independent Directors possessing qualities as stipulated by the Stock Exchange of Thailand (SET) along with the guidelines relevant to the Audit Committee. Members of the Audit Committee include:

- |    |             |                   |          |
|----|-------------|-------------------|----------|
| 1. | Mr. Piboon  | Limpraphat, Ph.D. | Chairman |
| 2. | Mr. Vichan  | Amornrojanavong   | Member   |
| 3. | Mr. Vorakan | Dhepchalerm       | Member   |

Activities were undertaken as per the given responsibilities by the Company's Board of Directors and as per the responsibilities stipulated in the Audit Committee's Charter, which parallels the guidelines as stipulated by the SET.

In 2019, the Audit Committee met total of 4 times which includes three persons who had series of meetings with audit committee group of NC N.C. Housing Public Company Limited with the attendance of senior management, the internal audit's external consultant, Head of Internal Audit and System Development and the Company's financial auditor as necessary. Key activities undertaken for the year include:

1) Reviewed the Company's quarterly and full year financial statements for fiscal year 2019. To provide a level of confidence that the Company and its consolidated financial statements have been prepared in accordance with generally accepted accounting principles with sufficient and complete disclosure of financial information. The review is also to ensure that the disclosure is with integrity and review transactions between the Company and its subsidiaries and that of related party transactions or conflict with the company benefits according to law and the regulations of the Stock Exchange of Thailand or other laws which are liable to company policies .

2) Reviewed and approved the annual internal audit plan and ensured the adherence to the approved audit plan and make necessary adjustments to better risk control with the changing risk resulting from the change in operating environment. Made recommendations to improve effectiveness of the internal audit process while approval was given to further clarify the guidelines outlining the Department's responsibilities and duties.

3) Reviewed and assessed the effectiveness of the Company's internal control process and sufficiency of the company's internal audit system through the audit reports made by internal audit's external consultant and the Internal Audit Department's reports. The Committee oversaw the ongoing development of the internal control process and assessed the Company internal control process in accordance with the internal control sufficiency form used to minimize the risk of any mishaps. Ensured the compliance with both the Committee's resolutions and also that of the Board of Directors' resolutions.

4) Reviewed the policies and risk management procedures along with the progress of managing such risks as submitted by senior management on a quarterly basis to ensure confidence that the Company's risks have been minimized to an acceptable level.

5) Reviewed the effectiveness of the Company's good corporate governance by ensuring transparent information disclosure and follows the laws as stipulated by the guidelines of the Securities and Exchange Act. which it is announce of SEC, SET and Laws related to business operations.

6) Reviewed and performed a self-assessment in relation to the Audit Committee's Charter and in line with guidelines stipulated by the SET.

7) Reviewed the re-appointment Consider, select, and propose and remuneration of Dharmniti Auditing Company Limited as the Company's financial auditors to be submitted for Board review before submitting for shareholder approval at the Company's 2019 AGM.

8) To undertake other related activities as assigned by the Company's Board of Directors.

The Company's Audit Committee believes that the Company's internal audit process is sufficient, appropriate and provides a level of confidence in the integrity of the Company's financial statements in its totality and this report approved by Audit Committee meeting on 28 February, 2020.



Mr. Piboon Limpraphat, Ph.D.

**Chairman of the Audit Committee**



## Report of Nomination and Remuneration and CG Committee

### To Shareholders,

The Board of directors is responsible for the appointment of member of the Nomination and Remuneration and CG Committee, which consists of three Independent Directors and one Executive Director with Mr. Piboon Limpraphat, Ph.D., independent director, serve as the Chairman.

At present, Nomination and Remuneration and CG Committee comprising as follows

- |    |             |                   |          |
|----|-------------|-------------------|----------|
| 1. | Mr. Piboon  | Limpraphat, Ph.D. | Chairman |
| 2. | Mr. Somchao | Tanthathodtham    | Member   |
| 3. | Mr. Vichan  | Amornrojanavong   | Member   |
| 4. | Mr. Vorakan | Dhepchalerm       | Member   |

In 2019, the Nomination and Remuneration and CG Committee completely carried out its duties and responsibility which be assigned by the Board of Directors and as is stipulated in its Board-approved charter. This year the Nomination and Remuneration and CG Committee held two meetings, where all the committees attended, and reported its performance to the Board for acknowledgement, summarized below:

1. Recruited suitable candidates for tabling to the Board for appointment to the director in replace of the resigned director.

2. Consider the criteria for selecting directors, as well as select and nominate those persons qualified and appropriate to be considered by the Board of Directors before further submission to shareholders' meeting for appointment as directors.


3. Consider and instruct the Board of Directors the appropriate qualified directors to be appointment to the company's sub-committee.

4. Consider a compensation method and standard for directors, member of the sub-committee, as well as that for the CEO & Managing Director before further submission to shareholders' meeting for approval. In this regard, Mr. Somchao Tanthathodtham has been refraining from voting in this agenda to avoid the conflicts of interest.

5. Acknowledged the outcomes of the Committee's self-assessment for 2019 which was implemented according to its charter and in line with the principles of Good Corporate Governance for listed companies' practices issued by SET

6. Prepared a report of Nomination and Remuneration and CG Committee for the year 2019 to the Board of Directors and to be published in the Company's Annual Report.

The Nomination and Remuneration and CG Committee completed its duties with integrity, based on the responsibilities designated in its charter sufficiently and thoroughly with the due competence, care, prudence and independence for all stakeholders' equitable interests.



Mr. Piboon Limpraphat, Ph.D.

**Chairman of Nomination and Remuneration and CG Committee**

## Related Parties Transactions

Summary of related party transactions and transactions with persons with potential conflicts of interest for fiscal year 2019 as noted by the financial auditor in the notes to the financial statements are as follows:

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
1. Mr. Somchao Tanthathoedtham	Director, Member of the Nomination and Remuneration and CG Committee, Chairman of the Board of Executive Directors, Chief Executive Officer and major shareholder of the Company holding 1.88% of shares as of December 30, 2019	The Company borrowed funds from Mr. Somchao Tanthathoedtham at an interest rate of 5.75% per annum <ul style="list-style-type: none"> <li>- Balance, beginning of year</li> <li>- Outstanding borrowings during 2019</li> <li>- Refund during 2019</li> <li>- Ending balance at December 31, 2019</li> <li>- Interest payable</li> </ul>	<ul style="list-style-type: none"> <li>0.00</li> <li>0.00</li> <li>0.00</li> <li>0.00</li> <li>0.00</li> </ul>	The Company borrowed funds from Mr. Somchao Tanthathoedtham to support its operating cash and increase liquidity. The interest rate paid is benchmarked to commercial bank's MLR.
2. NCH 2555 Holding Co., Ltd.	Chief Executive Officer and major shareholder of share 2 of the same directors: Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham	The Company borrowed funds from Mr. Somchao Tanthathoedtham at an interest rate of 5.75% per annum <ul style="list-style-type: none"> <li>- Balance, beginning of year</li> <li>- Outstanding borrowings during 2019</li> <li>- Refund during 2019</li> <li>- Ending balance at December 31, 2019</li> <li>- Interest payable</li> </ul>	<ul style="list-style-type: none"> <li>229.00</li> <li>0.00</li> <li>(10.00)</li> <li>219.00</li> <li>3.32</li> </ul>	The Company borrowed funds from NCH 2555 Holding Co., Ltd. to support its operating cash and increase liquidity. The interest rate paid is benchmarked to commercial bank's MLR.

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
3. Sap Namchai Pattana Co., Ltd.	<ul style="list-style-type: none"> <li>NCH 2555 Holding Co., Ltd. major shareholder and others within the Tanthathoedtham group hold 100% shareholding in Sap Namchai Pattana Co., Ltd.</li> <li>The Company and Sap Namchai Pattana Co., Ltd. share 2 of the same directors: Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	<p>The Company rented land from Sap Namchai Pattana Co., Ltd. in the amount of THB 55,000 per month.</p> <ul style="list-style-type: none"> <li>- Total rental fee</li> <li>- Ending balance</li> </ul>	<p>0.66</p> <p>0.66</p>	<p>The Company rented 11 rais of land from Sap Namchai Pattana Co., Ltd. contracted for 3 year since Jan. 1, 2019 to Dec. 31, 2021 (in the amount of THB 660,000 baht) for use as a sales office, mock-up models and parking lot for the Baan Pha Piyarom project because it is convenient for customers to visit.</p>
4. Namchai Golf Management Co., Ltd./ Engaged in the business of providing Golf course management services	<ul style="list-style-type: none"> <li>NCH 2555 Holding Co., Ltd. major shareholder, and others within the Tanthathoedtham group hold 100% shareholding in Namchai Golf Management Co., Ltd./</li> <li>The Company and Namchai Golf Management Co., Ltd. share 2 of the same directors: Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	<p>Acquisition of golf membership cards for holding marketing promotions, the price of which is the market price.</p> <ul style="list-style-type: none"> <li>- Total purchases</li> <li>- Account Payable</li> </ul>	<p>0.18</p> <p>0.00</p>	<p>Acquisition of golf membership cards for holding marketing promotions, the price of which is the market price.</p>

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
5. S.C. Construction and Decoration Co., Ltd. (SC) / Supplier of Construction Material	<ul style="list-style-type: none"> <li>Mr. Namchai Tanthathoedtham, the Ex - Chairman, Mr. Somchao Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Director and major shareholder, and Mrs. Nongluck Tanthathoedtham, major shareholder holds 94.98% in SC</li> <li>The Company and SC share 2 of the same directors</li> <li>Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	Construction materials were purchased from S.C. Construction and Decoration Co., Ltd. <ul style="list-style-type: none"> <li>- Total purchases</li> <li>- Account Payable</li> </ul>	0.26 0.05	<ul style="list-style-type: none"> <li>The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arm's length basis.</li> <li>Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited service if necessary.</li> </ul>
6. Sathaporn Wattana Trading Co., Ltd. / Supplier of Construction Material	<ul style="list-style-type: none"> <li>Mr. Namchai Tanthathoedtham, the Ex - Chairman, Mr. Somchao Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Mr. Wichian Silapacharanan, Mr. Rungsarn Nuntakawong, Director and major shareholder, and others within the Tanthathoedtham group hold 100% shareholding in Sathaporn Wattana Trading Co., Ltd.</li> <li>The Company and Sathaporn Wattana Trading Co., Ltd. share 2 of the same directors:</li> <li>Mr. Somchao Tanthathoedtham and Mr. Somnuek Tanthathoedtham</li> </ul>	Construction materials were purchased from Sathaporn Wattana Trading Co., Ltd. <ul style="list-style-type: none"> <li>- Total purchases</li> <li>- Account Payable</li> </ul>	26.71 7.38	<ul style="list-style-type: none"> <li>The Company and its subsidiary sources certain construction material that bears impact on the Company's quality and standard requirement along with material that are considered to be hard to find for its sub-contractors. The transaction is undertaken at arms length basis.</li> <li>Purchasing construction material from a related party enables the Company to control quality standard of material, delivery time and expedited</li> </ul>

Persons with potential conflicts of interest	Relationship	Transaction	Transaction Value (THB mn.)	Necessity/Appropriateness
7. Precast Station Co., Ltd./ Manufacturer of Precast Concrete	<ul style="list-style-type: none"> <li>Mr. Pasakorn Jeadsadavarangoon, Precast Station Co., Ltd.'s Director, the kinfolk of (Mr. Somchai Tanthathoedtham Director, Member of the remuneration Committee, Chairman of the Executive Board, Chief Executive Officer and major shareholder of the Company holding 1.88% of shares as of December 30, 2018)</li> </ul>	<ul style="list-style-type: none"> <li>Precast Station Co., Ltd. rented land from the Company for use as an office in the amount of THB 20,000 - 40,000 per month.               <ul style="list-style-type: none"> <li>Total rental fee</li> </ul> </li> <li>The Company hired Precast Station Co., Ltd., contractor by price agreed upon               <ul style="list-style-type: none"> <li>Total rental fee</li> <li>Account Payable</li> </ul> </li> </ul>	0.72	<ul style="list-style-type: none"> <li>Precast Station Co., Ltd. rented land from the Company for use as a manufacturer of Precast Concrete office contracted               <ul style="list-style-type: none"> <li>For Jul. 1, 2019 to Jul. 31, 2022 (20,000 baht)</li> <li>For Jan. 1, 2016 to Dec. 31, 2022 (40,000 baht)</li> </ul> </li> <li>The Company hired Precast Station Co., Ltd., contractor by Price agreed upon</li> </ul>
8. Siri Arun Wellness Co., Ltd.	<ul style="list-style-type: none"> <li>99.99% of NC Property Management Co., Ltd.'s shares held by N.C. Housing Co., Ltd</li> <li>NC Property Management Co., Ltd. (NCPM) holds 60% of Siri Arun Wellness Co., Ltd.'s total shares and have 3 directors from NCPM, namely, Mr. Somchai Tanthathoedtham, Mr. Somnuek Tanthathoedtham, Mr. Wichian Silapacharanan, And all Directors holding 1 share.</li> </ul>	<ul style="list-style-type: none"> <li>The Company allowed Siri Arun Wellness Co., Ltd. to rent office space. At the rental rate of 297,160 baht per month               <ul style="list-style-type: none"> <li>Total</li> </ul> </li> <li>The company allows Siri Arun Wellness Co., Ltd. to rent furniture at 24,149.53 baht per month.               <ul style="list-style-type: none"> <li>Total</li> <li>Accrued Balance</li> <li>Guarantee</li> </ul> </li> </ul>	0.30  0.05 0.00 0.32	<ul style="list-style-type: none"> <li>The Company allowed Siri Arun Wellness Co., Ltd. to rent office space. By renting at Arun House 39, 4-5<sup>th</sup> floor and entering into the contract from Dec 1, 2019 - Nov, 30 2020</li> <li>The Company let Siri Arun Wellness Co., Ltd. to rent furniture and the water-electricity cost calculated from the meter.</li> </ul>

**Note:** 1. Items 1, 2, 3 and 4 are standalone transactions and occur irregularly.

2. Items 5, 6 and 7 are transactions performed on a regular basis.

\* Mr. Namchai Tanthathoedtham passed away on October 2, 2007

Manager of legacy Mr. Namchai Tanthathoedtham are:

- Mr. Somchai Tanthathoedtham - Mr. Prasit Tanthathoedtham  
- Mr. Somnuek Tanthathoedtham - Mr. Sujin Tanthathoedtham

## Necessity/Appropriateness of Related Party Transaction and Report from the Audit Committee

The Audit Committee has reviewed the related party transactions for the accounting period ending December 31, 2019 and perceives that the transactions are of necessity and is within reason to provide the Company and shareholders with maximum benefit. The terms and conditions specified for the contracts are on the same basis as other individuals or businesses and such transactions were not for the transfer of benefits between the Company and its subsidiaries or individuals.

## Approval Process for Related Party Transactions

With unanimous decision, the Company's Board of Directors' resolution relating to related party transactions or transactions with persons who may have conflicts of interest with the Company is for each issue to be approved by the Board of Directors with the attendance of the Audit Committee to ensure fairness, appropriateness and arm's length pricing of these transactions putting the Company's interest in the forefront. Board members are prohibited from voting on issues deemed to be in conflict of interest. Loans to persons deemed to have conflicts of interest are also prohibited. Policies and guidelines as set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) are strictly observed by the Company.

## Policies or Guidelines on Related Party Transactions

There are 5 types of related party transactions:

1. Normal transactions of the Company

Policies towards transaction such as the purchasing of construction material, the sales of units in development projects and the purchase of land are for transactions to be done at arm's length, which are comparable to market prices used as reference. The best price, terms and conditions must be sought for the Company and its subsidiaries and must be submitted for approval by the Audit Committee in regards to adherence to the Company's procedures and guidelines. Upon receiving clearance from the Audit Committee, the matter is then submitted to the Board of Directors for final approval.

2. Supporting transactions for the Company's normal business

Supporting transactions of the Company's normal business include sub-contracting a related company to manage communities of developed projects or to construct pre-sales units.

3. Short-term renting and rental of land

Land rental for temporary establishment of a sales office for the Baan Pha Piyarom project.

4. Transactions related assets or services

The outsourcing of gardening care to the Company's subsidiary

5. Financial support

Financial support comes in the form of borrowing funds from sister companies, borrowing funds from persons who may have conflicts of interest, and having commercial banks issuing letters of guarantee on the Company's subsidiary's behalf for government entities. Comments from the Audit Committee are sought for the appropriateness and of such transactions. Input from independent experts or the Company's financial auditor is sought for transactions for which the Audit Committee may have difficulty in assessing the appropriateness of such transactions. Such inputs from specialists are taken into consideration by the Board of Directors or shareholders upon making decisions.

To make the process of purchasing land for the Company's future projects transparent, the Board of Directors has made it a policy that land title to be purchased for future projects will be in the name of the Company. No persons related to the Company may hold title to the pieces of land to be purchased by the Company. However, should there be need to purchase such pieces of land from a related person, the process must be submitted for the Audit Committee, the Board of Directors and shareholders' approval while observing both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)'s established guidelines.



All future related party transactions that may occur must abide by the guidelines as established by both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Internal Audit Department will undertake checks through random sampling to ensure the integrity of such transactions. The findings of the Internal Audit Department should be made to the Audit Committee at the next meeting. The Company also discloses all related party transactions in the notes to the financial statements section of the financial disclosure reviewed by the Company's financial auditor. Such disclosure is to ensure compliance with generally accepting accounting practice and such information is also disclosed in the Company's annual 56-1 report and annual report (56-2).

## Management Discussion and Analysis

### Overall Summary of the Company's Operations

The Company's full scale property development business includes residential and condominium development, property project management and community management. Currently all of the Company's revenue is derived from its property development business.

The Company holds 99.99% stakes in each of its 2 subsidiaries - The first is N.C. Property Management Co., Ltd. provides comprehensive project management services including sales and marketing, construction, title transfer, undertaking rehabilitation projects and the co-management of assets with the land owner. The second is Quality Living Management Co., Ltd. provides community management services for various property projects and condominiums post title transfer.

As of December 31, 2019, the Company and its subsidiaries launched a total of 17 property development projects and a total of 7 projects are during development and future development with 76.08% or 10,879.21 million baht backed by sales contracts.

### • Operations Analysis

#### 1. Revenue

Revenue earned by the Company for fiscal year 2019 totaled million 1,252.83 baht, reflecting a 30.18 % decrease from the previous year's 1,782.19 million baht

Of the Company's revenue which is derived from property development, the largest proportion of revenue is derived from the sale of landed residential units. The proportion of revenue derived from sales, service and other income for 2019 were 96.7%, 1.6% and 1.7%, respectively as compared to revenue derived from sale, service and other income were 97.4%, 1.3% and 1.4%, in 2018.

#### Revenue Breakdown

Revenue	Operated	2019		2018		2017	
		THB mn.	%	THB mn.	%	THB mn.	%
Sales Revenue	NC	1,711	96.71	1,735.3	97.4	1,425.1	97.8
Service Revenue	QLM*	20.02	1.60	22.3	1.3	21	1.4
Other Revenue **	NC , NCPM*, QLM*	21.24	1.70	24.7	1.4	10.9	0.8
<b>Total Revenue</b>		<b>1,252.83</b>	<b>100.0</b>	<b>1,782</b>	<b>100.0</b>	<b>1,457</b>	<b>100.0</b>

**Remark** \* The Company hold a 99.99% stake in NCPM and QLM

\*\* Other Revenue: Rental fees, fees for altering contracts, interest receivables, gain from sales of assets and Other non-core business transaction form a large part of the Company's other revenue.

NC: N.C. Housing Plc. / NCPM: N.C. Property Management Co., Ltd / QLM: Quality Living Management Co., Ltd.

## Sales Revenue

In 2019 proportion of single detached houses, duplexes, townhouses and condominium were 39.0%, 13.4%, 26.2%, 10.5% and Vacant land were 11.0% respectively as compared to the proportion of single detached houses, duplexes and townhouses for the previous year 2018 were 42.8%, 12.0% , 14.2% and 11.2% respectively.

### Sales Revenue by Type of Residential Units

Type	2019		2018		2017	
	THB mn.	%	THB mn.	%	THB mn.	%
Sales Revenue :						
Single Detached Houses	472.0	39.0	735.6	42.4	816.5	57.3
Duplexes	162.4	13.4	207.6	12.0	153.2	10.8
Townhouses	317.0	26.2	245.6	14.2	216.3	15.2
Condominium	127.4	10.5	194.2	11.2	239.1	16.8
Vacant land	132.9	11.0	352.3	20.3	-	-
<b>Total Sales Revenue</b>	<b>1,211.6</b>	<b>100.0</b>	<b>1,735.2</b>	<b>100.0</b>	<b>1,425.1</b>	<b>100.0</b>

The proportion of the Company's revenue earned on sales of pre-built units, semi-pre-built units and pre-sales units for 2019 were 81.87%, 16.97% and 1.16% respectively while compared to last year's 99.09%, 0.91% and 0% respectively.

### Sales Revenue by Customer's Payment Preference

Type	Down Payment Installment	% of Sales Revenue		
		2019	2018	2017
1.Pre-built units	(0-2 Payments)	81.87	99.09	95.3
2.Semi Pre-built units	(3-6 Payments)	16.97	0.91	1.9
3.By order units	(> 7 Payments)	1.16	0.00	2.8
<b>Total</b>		<b>100</b>	<b>100</b>	<b>100</b>

A large proportion of the Company's sales revenue is derived from the sale of landed residential units at the Company's project: Baanfah Greenery Pinklao, NC on Green Charm, Baan Pha Piyarom Lake Grande (P.13), Baanfah Piyarom Niva (P.14), Baan Pha Greenery-Sai5, Baan Pha Greenery Pakkred-Ratchapruek, Baan Pha Piyarom Tendo (P.15), Baan Pha townee Don Wai projects constituting 78.00% and from condominium project as 10.50% of total sales revenue.

#### Revenue from Projects Sales

Project	2019		2018		2017	
	THB mn.	%	THB mn.	%	THB mn.	%
Baan Pha Green Park, Pracha Uthit	-	-	-	-	-	-
Thanyathani Home on Green 2	-	-	-	-	15.0	1.1
NC Royal Pinklao	30.0	2.5	41.7	2.4	235.6	16.5
NC on Green Charm	144.2	11.9	143.1	8.2	130.9	9.2
Baan Pha Greenery North Pattaya	-	-	-	-	-	-
Baan Pha Piyarom Terre (P.12)	-	-	-	-	2.4	0.2
Baan Pha Piyarom Lake Grande (P.13)	145.7	12.0	131.3	7.6	110.69	7.8
Baan Pha Piyarom Niva (P.14)	40.5	3.3	136.5	7.9	235.7	16.5
Baan Pha Greenery Pinklao-Sai5	24.9	2.1	310.2	17.9	237.3	16.7
Baan Pha Greenery Pakkred-Ratchapruek	106.0	8.7	90.4	5.2	86.6	6.1
Baan Pha Piyarom Tendo (P.15)	281.0	23.2	184.5	10.6	74.1	5.2
Baan Pha Townee Donwai	173.5	14.3	151.0	8.7	153.5	10.7
Natureza North Pattaya Condominium (P.1)	4.1	0.3	12.8	0.7	11.5	0.8
Natureza North Pattaya Condominium (P.2)	95.3	7.9	143.8	8.3	80.1	5.6
Diamant Condominium	28.0	2.3	37.6	2.2	51.8	3.6
Vacant land, Lam Luk Ka, Khlong 6	0.00	0.0	23.9	1.4	-	-
Vacant land Jatuchot	0.00	0.0	324.3	18.7	-	-
Vacant Land Thanyathanee (P. 3)	64.9	5.4	4.2	0.2	-	-
Vacant Land Khlong 3	68.0	5.6	0.0	0.0	-	-
Baan Fah Beach Jomtien Beach	5.5	0.5	0.0	0.0	-	-
<b>Total</b>	<b>1,211.6</b>	<b>100.0</b>	<b>1,735.3</b>	<b>100.0</b>	<b>1,425.1</b>	<b>100.0</b>

#### Rental income and service revenue

Rental income and service revenue derived from property investment and the operation of the Quality Living Management Co., Ltd, a subsidiary, which provides the services of community management for housing and condominium project after residing. In 2019, the company earned 20.02 million baht rental income and service revenue.

#### Other Incomes

In 2019 the company earned 21.24 million Baht other incomes.

## 2. Cost

The Company and its subsidiaries' cost of sales earned for the year 2019 totaled THB 819.50 million, decrease from the year 2018 totaled THB 1,195.45 million or decrease of 375.64 million bath, 31.43 percent

## 3. Expenses

### Sales and Administrative Expenses

In 2019, the company and its subsidiaries' selling expenses amounting to 141.52 million baht, decrease of 34.07 million baht, or 19.41 % from 2018. The major reason is specific business tax, transfer fee and selling expenses were decreased.

The Company and its subsidiaries' administrative expenses amounting to 165.58 million baht, decrease of 9.27 baht million, or 5.30% from 2018 as a result of personnel costs were decreased.

### Financial Costs

The Company' financial costs was decreased 16.35 million baht or 27.86%. Because the decrease in loans from financial institutions and loans from other companies.

### Tax expenses

The Company and its subsidiaries' tax expenses was decreased 11.02 million baht or 61.91% from the year 2019. Because of in the year 2018 the Company' posted a net profit decreased.

## 4. Net Profit

In 2019, the Company made a net profit of 18.67 million baht. When compared with the 2018 net profit of 96.30 million baht, the Company' net profit decreased by 77.63 million baht, or 80.61 % Because the Company' sales was decreased 523.69 million baht or 30.18

### Shareholder Wealth

Earnings per share (EPS) for 2019 was at 0.017 as compared to the previous year's EPS at 0.077 baht in 2018

## • Financial Status

### 1. Assets

As of December 31, 2019 the company's total assets stood 4,102.70 million baht, which was a 146.93 million baht or 3.46% decrease from 2018. Because of inventory was decreased.

#### 1.1 Inventory

Inventory in the form of property for sale was stated at cost or the net value that the Company is likely to receive whichever is lower. Asset stated at cost reflects the cost of land acquisition plus cost in land development, construction cost and other directly related cost including interest expense. As of December 31, 2019 as compared to the same period in 2018 inventory was 172.06 at million baht versus 311.75 million baht or constitutes 4.19% and 7.34% of total assets respectively. The Company had inventory release management policy to reduce the interest cost and improve the operating liquidity in core projects such as Diamant Condominium and Natureza Condominium, The transfer was completed gradually during the period.

#### 1.2 Land Held for Development and Property Development Cost

As of December 31, 2019 the Company is total property development cost and land held for development 3,563.21 million baht (46.07% and 40.78% of total assets) increased 11.40 million baht or 0.32% from 2018.

#### 1.3 Property, Building and Equipment Net

Land and property for office use along with club house owned by the Company in residential projects forms the largest proportion of the Company's property, building and equipment. As of December 31, 2019, the Company's property, building and equipment net stood at 94.15 million baht declined from 106.71 million baht posted a year earlier

constitutes 2.29% of total assets for 2018 and 2.51% of total assets for the year earlier. The decline in asset value was mostly the result of depreciation.

## **2. Asset Quality**

### **2.1 Asset**

Upon review of the Company's asset value, should there be any event or change in condition which puts integrity of asset value into question, the Company will immediately expense the loss on the asset value.

### **2.2 Accounts Receivables**

Income from housing estate sales with land and income from the sales of condominiums is perceived as income when there are transfers of risks and returns which were already significant in the ownership of buyers as of 31 December 2019. The Company has trading debtors before deducting allowances for doubtful debts amounting to 1.59 million baht from the real estate and community management businesses. At the same time, as of 31 December 2018, the Company had debtors before deducting allowances for doubtful debts amounting to 1.0 million.

Trade Accounts receivables of 1.59 million baht is not considered to be a significant sum and bears little impact on the Company's financial performance. The Company will issue contact letters to follow-up on accounts that have been delinquent for over 2 months. The responsible department will work with the delinquent account owner(s) to resolve all outstanding debt. A loss reserve has also been set aside based on the Company's historical loss rate.

## **3. Liquidity**

The Company's cash is derived mainly from the revenue on sale of landed residential units and asset backed credit line from financial institutions. As of December 31, 2019, the Company's cash and cash equivalents totaled 27.21 million baht, which is an 2.01 million baht decrease from the previous year. Details on cash movement are as follows:

As of 31 December 2019, the Company had net cash used in business operation amounted to 261.25 million baht, an decrease of 456.54 million baht or 63.08 % from 2018.

The net cash used in investment activities amounting to 10.18 million baht, an decrease of 5.65 million baht, or 1.25%, from 2018, from the ability to repay the debt even more.

Net cash income in financing activities in the amounting of 259.08 million baht, because the loans from the financial institutions.

The liquidity rate increased from 2.83 times in 2018 to 3.58 times in 2019 due to decreased current liabilities by 132.71 million baht, or 3.40%, from inventory decrease of 139.70 million baht, or 44.81% and land held for development was decreased by 292.30 million baht or 18.30 % from 2018.

## **Sources of Funds**

### **Appropriate Capital Structure**

#### **1. Liabilities**

As of December 31, 2019, the company has total liabilities of 1,530.75 million baht, decreased from the amount as of December 31, 2018 by 1,663.99 million baht, or decrease of 8.01%, because Short-term and Long-term loans from the financial institutions, loans from Directors and Payables to related parties were decreased.

Which the current liabilities decreased by 328.10 million baht, or decrease of 23.75%, because short-term loan from the financial institutions decreased by 122.07 million baht or 30.94% and short-term loans from Directors and Payables to related parties decreased by 0.50 million baht or 16.67%

Debt/Equity ratio decreased by 0.60 times in 2019 to 0.94 times in 2018

#### **2. Shareholder's Equity**

As of December 31, 2019, the Company's shareholder's equity totaled 2,571.95 million baht which is a 0.53% increase from last year's 2,585.64 million baht



### 3. Legal reserves

In 2019 the company allotted 1.21 million Baht legal reserves, resulting that as of December 31, 2019, the legal reserves shown in the company's financial statement accounted for 74.15 million Baht (5.95% of registered capital)

### 4. Commitment and Contingent Liabilities

- The Company has entered into lease for the commercial buildings, sale office building, land and other services. As at December 31, 2019, the Company is obligated to pay the rent and service as follows: Payable within: 1 year 2.60 Million Baht and payable within 2 to 3 years 1.40 million baht.
- As at December 31, 2019, the Company had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties, 190.41 million baht including guarantees for electricity, water and others amount 8.03 million baht and guarantees fund for maintenance to public utilities amount 182.38 million baht.
- As at December 31, 2019, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to 0.65 million baht and gasoline amounting to 0.20 million baht.

## Board of Directors' Duties on Financial Disclosure

### To The Shareholders

As a publicly listed company on the Stock Exchange of Thailand (SET), the Company's Board of Directors understands the importance of ensuring integrity in information disclosure and ensuring complete, transparent, sufficient disclosure of the Company's financial statements. Such disclosure observes generally accepted accounting principles with discretion observed on the suitability, appropriateness and circumspect of accounting principles, which is applied on a consistent basis. Such robust accounting guidelines also serve to protect against fraud or abnormal transactions where due consideration was given in determining the appropriateness and comprehensiveness of guidelines to best reflect the Company's true financial performance.

The Company's Board of Directors appointed the Audit Committee with members including Independent Directors with qualifications as stipulated by the SET and was charged with the responsibility to oversee that the financial and operating information provided by the Company maintains integrity and is sufficient and to report its findings and suggestions to the Company's Board of Directors. The Committee is also responsible for the transparent, correct and complete disclosure of information regarding related party transactions and transactions that may have conflicts of interest. Ensuring a comprehensive risk management system, a robust internal audit process and a comprehensive and appropriate corporate governance policy along with having an effective assessment process on abiding with all applicable legal guidelines and that of the SET are all part of the Audit Committee's responsibility. A report by the Audit Committee has been provided in the Company's 2018 annual report.

The Company's Board of Directors believes the Company's overall internal audit process to be sufficient and should provide a level of comfort that the Company's financial statements and the consolidated financial statements for the period ending December 31, 2019 for which the Company's Audit Committee, Company's management and the Company's financial auditors have reviewed and audited to be correct, complete, appropriate and employs generally accepted accounting principles and abides by all applicable laws and related guidelines.



(Mr. Tirat Jarutach, Asst. Prof.)

**Chairman**



(Mr. Somchao Tanthathodtham)

**Chief Executive Officer**

# FINANCIAL REPORT



# Report And Consolidated Financial Statements and Separate Financial Statements

## INDEPENDENT AUDITOR'S REPORT

**To The Shareholders and Board of Directors of  
N.C. Housing Public Company Limited**

### Opinion

I have audited the consolidated financial statements of N.C. Housing Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of N.C. Housing Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of N.C. Housing Public Company Limited and its subsidiaries as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of N.C. Housing Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions 'Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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 our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

#### Project cost estimate

- Risk

The Company is engaged in real estate business with projects in Bangkok and other provinces. It sells detached house, twin house, townhouse and condominium. The Company has to prepare the project cost estimate which consists of land cost, cost of construction, cost of borrowing, and cost of public utility to prepare individual land plot cost estimate, calculate inventory and recognize cost of sale for the transferred plot. Such estimate is complicated and requires significant judgment in estimating the cost of borrowing and cost of public utility. These require the assumptions in estimating the cash flow receipt and payment throughout the project as well as experience in building the public utility in the past. I paid special attention in the preparation and review of the project cost estimate in accordance with the requirements of the financial reporting standards because it is significant to the financial statements as at December 31, 2019. According to the consolidated financial statements, the Company's inventory amounted to Baht 172.06 million (see Note 8) and cost of

land development Baht 1,890.02 million (see Note 9) totaling Baht 2,062.08 million or 50.27 percent of total assets. For the year ended December 31, 2019, the Company recognises cost of sale in the amount of Baht 819.50 million or 66.92 percent of total expense.

- **Risk response**

Regarding my audit approach on such matter, I have considered the reasonableness of the assumption and the method used by the management in calculating the project cost estimate and reviewing the estimate regularly by auditing the supporting evidence which represents the best estimates of the management, especially the forecast of cash flow receipt and payment estimates throughout the project period in order to prepare the borrowing cost estimate and utilities construction information to prepare the central utilities cost estimate. In addition, I have compared the actual cost with such estimates. I have given importance to the adequacy of the information disclosure of the accounting policy regarding the use of judgment and significant accounting estimates in Note 4.20 in the notes to the financial statements.

### **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 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 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 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 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 those charged with governance in order for those charged with governance to correct the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 Standards on Auditing 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 financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements 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's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of 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's 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 financial statements 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 financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements 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 those charged with governance 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 those charged with governance with a statement that we 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 those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements 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.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.



(Mr. Peradate Pongsathiansak)

**Certified Public Accountant**  
**Registration No. 4752**

**Dharmniti Auditing Company Limited**

Bangkok, Thailand

February 28, 2020



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

### THE STATEMENTS OF FINANCIAL POSITION

As At December 31, 2019

#### ASSETS

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
	Note				
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	27,209,956.29	29,218,701.62	19,194,626.54	26,623,080.12
Short-term investments	7	954,238.51	945,822.90	712,417.43	706,153.78
Trade accounts receivable		72,225.00	-	-	-
Short-term loan to related parties	5	-	-	-	-
Inventories	8	172,056,399.74	311,754,062.17	171,982,705.82	311,754,062.17
Property development costs	9	1,890,016,484.33	1,597,713,904.42	1,890,016,484.33	1,597,713,904.42
Land held for development	10	1,673,190,765.95	1,954,095,684.81	1,599,783,206.95	1,880,688,125.81
Other current assets	5, 11	10,316,278.62	12,796,538.47	9,515,659.92	12,840,906.48
Total current assets		3,773,816,348.44	3,906,524,714.39	3,691,205,100.99	3,830,326,232.78
<b>NON-CURRENT ASSETS</b>					
Deposit pledged as collateral	12	13,820,850.90	9,241,903.52	13,820,850.90	9,241,903.52
Investment in subsidiaries	13	-	-	79,364,497.95	71,864,497.95
Investment property	14	192,201,288.11	194,085,729.74	192,201,288.11	194,085,729.74
Property, plant and equipment	15	94,147,347.22	106,705,098.29	85,649,682.49	106,698,380.14
Intangible assets	16	4,652,905.29	4,764,199.37	4,527,579.53	4,764,199.37
Withholding tax		6,838,671.96	11,178,273.67	6,736,443.57	10,988,898.33
Deferred tax assets	24	14,645,096.53	14,095,140.39	12,923,523.97	12,373,567.83
Other non-current assets		2,577,801.86	3,031,905.36	2,560,301.86	3,031,905.36
Total non-current assets		328,883,961.87	343,102,250.34	397,784,168.38	413,049,082.24
<b>TOTAL ASSETS</b>		<b>4,102,700,310.31</b>	<b>4,249,626,964.73</b>	<b>4,088,989,269.37</b>	<b>4,243,375,315.02</b>

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

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****THE STATEMENTS OF FINANCIAL POSITION**

As At December 31, 2019

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Note					
CURRENT LIABILITIES					
Bank overdrafts and short - term loans					
from the financial institutions	17	306,870,308.27	456,424,790.85	306,870,308.27	456,424,790.85
Trade notes payable		31,102,831.43	24,301,426.51	31,102,831.43	24,301,426.51
Trade accounts payable and other payable	18	80,749,267.50	59,113,730.58	79,548,187.39	59,107,730.58
Payable to related parties	5	37,698,592.56	39,738,055.52	37,797,083.55	41,355,320.57
Accrued expenses	5	18,915,558.16	36,348,984.21	16,484,703.54	35,371,981.40
Corporate income tax payable		-	9,013,835.54	-	9,013,835.54
Current portion of long-term loan from					
the financial institutions	19	273,073,114.78	395,424,412.59	273,073,114.78	395,424,412.59
Short-term loan from other company	20	-	48,161,777.52	-	48,161,777.52
Short-term loan from related parties	5	219,000,000.00	230,000,000.00	219,000,000.00	229,000,000.00
Short-term loan from the director	5	2,500,000.00	3,000,000.00	-	-
Advance received from customers		8,275,409.98	3,076,657.00	8,275,409.98	3,076,657.00
Retention from contractors		71,228,193.39	74,043,498.74	70,969,266.57	73,784,853.41
Other current liabilities		4,142,439.74	3,005,960.45	3,975,254.09	2,915,333.10
Total current liabilities		1,053,555,715.81	1,381,653,129.51	1,047,096,159.60	1,377,938,119.07
NON-CURRENT LIABILITIES					
Long-term loans from the financial institutions	19	349,044,055.40	162,292,556.34	349,044,055.40	162,292,556.34
Employee benefit obligations	21	64,929,973.73	55,789,238.00	63,221,676.64	54,111,667.00
Provision for compensation for housing					
estate juristic persons	22	16,525,633.51	19,527,351.90	16,525,633.51	19,527,351.90
Liabilities from purchasing the real					
estate project	23	42,740,740.00	42,740,740.00	39,198,150.00	39,198,150.00
Other non-current liabilities		3,950,237.21	1,985,592.00	3,950,237.21	1,985,592.00
Total non-current liabilities		477,190,639.85	282,335,478.24	471,939,752.76	277,115,317.24
TOTAL LIABILITIES		1,530,746,355.66	1,663,988,607.75	1,519,035,912.36	1,655,053,436.31

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

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

### THE STATEMENTS OF FINANCIAL POSITION

As At December 31, 2019

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

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
SHAREHOLDER'S EQUITY					
Share capital					
Authorized share capital					
1,245,284,305 ordinary shares					
of Baht 1.00 each		1,245,284,305.00	1,245,284,305.00	1,245,284,305.00	1,245,284,305.00
Issued and paid-up share capital					
1,245,283,691 ordinary shares					
of Baht 1.00 each		1,245,283,691.00	1,245,283,691.00	1,245,283,691.00	1,245,283,691.00
Premium on share capital		577,530,000.00	577,530,000.00	577,530,000.00	577,530,000.00
Retained earnings					
Appropriated - legal reserve	25	75,360,000.00	74,150,000.00	75,360,000.00	74,150,000.00
Unappropriated		669,306,064.01	688,674,665.98	671,779,666.01	691,358,187.71
Other components of equity		-	-	-	-
Total equity attributable to company's shareholders		2,567,479,755.01	2,585,638,356.98	2,569,953,357.01	2,588,321,878.71
Non-controlling interests		4,474,199.64	-	-	-
TOTAL SHAREHOLDER'S EQUITY		2,571,953,954.65	2,585,638,356.98	2,569,953,357.01	2,588,321,878.71
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,102,700,310.31	4,249,626,964.73	4,088,989,269.37	4,243,375,315.02

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

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****THE STATEMENTS OF COMPREHENSIVE INCOME**

As At December 31, 2019

	Note	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
REVENUES	5				
Sales		1,211,569,864.00	1,735,259,801.00	1,211,569,864.00	1,735,259,801.00
Rental and service income		20,022,256.42	22,252,087.68	15,129,440.04	16,963,887.68
Other income		21,242,588.33	24,680,602.39	21,233,792.94	26,137,410.45
Total Revenues		1,252,834,708.75	1,782,192,491.07	1,247,933,096.98	1,778,361,099.13
EXPENSES	5				
Cost of sales		819,503,574.96	1,195,145,383.50	819,503,574.96	1,195,145,383.50
Cost of for rent and service		20,954,263.92	21,061,744.39	17,076,141.39	17,102,785.31
Selling expenses		141,518,305.45	175,592,053.77	141,518,305.45	175,592,053.77
Administrative expenses		165,577,463.56	174,845,808.13	164,332,648.72	172,754,413.27
Management benefit expenses		34,939,529.10	42,788,614.54	34,939,529.10	42,788,614.54
Finance costs	30	42,316,554.76	58,661,939.70	42,104,192.59	58,016,783.78
Total Expenses		1,224,809,691.75	1,668,095,544.03	1,219,474,392.21	1,661,400,034.17
Income (loss) before tax expenses		28,025,017.00	114,096,947.04	28,458,704.77	116,961,064.96
Tax expenses (income)	25.3	6,779,096.80	17,796,253.83	6,670,688.03	17,796,253.83
Profit (loss) for the year		21,245,920.20	96,300,693.21	21,788,016.74	99,164,811.13
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains (loss) from post-employee benefit, net of income tax		(2,572,261.80)	-	(2,798,327.71)	-
Items that may be reclassified subsequently to profit or loss		-	-	-	-
Total comprehensive income for the year		18,673,658.40	96,300,693.21	18,989,689.03	99,164,811.13
Profit (loss) attributable to					
Shareholders' equity of the parent company		21,771,870.56	96,300,693.21	21,788,016.74	99,164,811.13
Non-controlling interests		(525,950.36)	-	-	-
		21,245,920.20	96,300,693.21	21,788,016.74	99,164,811.13
Total comprehensive income attributable to					
Shareholders' equity of the parent company		18,673,658.40	96,300,693.21	18,989,689.03	99,164,811.13
Non-controlling interests		-	-	-	-
		18,673,658.40	96,300,693.21	18,989,689.03	99,164,811.13
BASIC EARNINGS PER SHARE OF					
THE PARENT COMPANY	31				
Profit (loss) for the year (Baht per share)		0.017	0.077	0.017	0.080

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

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the year ended December 31, 2019

In Baht

	Consolidated Financial Statements									
	Shareholders' equity of the parent company								Non-controlling interests	Total
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of equity	Total				
			Appropriated legal reserve	Unappropriated						
25	Balance as at January 1, 2018	1,245,283,691.00	577,530,000.00	69,150,000.00	597,373,972.77	-	2,489,337,663.77	-	2,489,337,663.77	
	Appropriated - legal reserve	-	-	5,000,000.00	(5,000,000.00)	-	-	-	-	
	Dividend paid	-	-	-	-	-	-	-	-	
	Comprehensive income									
	Profit for the year	-	-	-	96,300,693.21	-	96,300,693.21	-	96,300,693.21	
25	Other comprehensive income for the year	-	-	-	-	-	-	-	-	
	Total comprehensive income for the year	-	-	-	96,300,693.21	-	96,300,693.21	-	96,300,693.21	
	Balance as at December 31, 2018	1,245,283,691.00	577,530,000.00	74,150,000.00	688,674,665.98	-	2,585,638,356.98	-	2,585,638,356.98	
	Non-controlling interests increased due to investment in a subsidiary	-	-	-	-	-	-	5,000,150.00	5,000,150.00	
	Appropriated - legal reserve	-	-	1,210,000.00	(1,210,000.00)	-	-	-	-	
26	Dividend paid	-	-	-	(37,358,210.73)	-	(37,358,210.73)	-	(37,358,210.73)	
	Comprehensive income									
	Profit for the year	-	-	-	21,771,870.56	-	21,771,870.56	(525,950.36)	21,245,920.20	
	Other comprehensive income for the year	-	-	-	(2,572,261.80)	-	(2,572,261.80)	-	(2,572,261.80)	
	Total comprehensive income for the year	-	-	-	19,199,608.76	-	19,199,608.76	(525,950.36)	18,673,658.40	
	Balance as at December 31, 2019	1,245,283,691.00	577,530,000.00	75,360,000.00	669,306,064.01	-	2,567,479,755.01	4,474,199.64	2,571,953,954.65	

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

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**THE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the year ended December 31, 2019

In Baht

	Note	Separate Financial Statements					
		Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of equity	Total
				Appropriated legal reserve	Unappropriated		
Balance as at January 1, 2018		1,245,283,691.00	577,530,000.00	69,150,000.00	597,193,376.58	-	2,489,157,067.58
Appropriated - legal reserve	25	-	-	5,000,000.00	(5,000,000.00)	-	-
Dividend paid		-	-	-	-	-	-
Comprehensive income							
Profit for the year		-	-	-	99,164,811.13	-	99,164,811.13
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	99,164,811.13	-	99,164,811.13
Balance as at December 31, 2018		1,245,283,691.00	577,530,000.00	74,150,000.00	691,358,187.71	-	2,588,321,878.71
Appropriated - legal reserve	25	-	-	1,210,000.00	(1,210,000.00)	-	-
Dividend paid	26	-	-	-	(37,358,210.73)	-	(37,358,210.73)
Comprehensive income							
Profit for the year		-	-	-	21,788,016.74	-	21,788,016.74
Other comprehensive income for the year		-	-	-	(2,798,327.71)	-	(2,798,327.71)
Total comprehensive income for the year		-	-	-	18,989,689.03	-	18,989,689.03
Balance as at December 31, 2019		1,245,283,691.00	577,530,000.00	75,360,000.00	671,779,666.01	-	2,569,953,357.01

Notes to financial statements form an integral part of these statements



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

### THE STATEMENTS OF CASH FLOW

For the year ended December 31, 2019

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the year	21,245,920.20	96,300,693.21	21,788,016.74	99,164,811.13
Add (less) Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities :				
Depreciation and amortization	21,046,855.44	23,642,941.28	20,937,920.50	23,618,272.08
Unrealized gain from trading securities	(4,997.34)	(3,341.89)	(4,997.34)	(3,341.89)
Doubtful account	980,000.00	-	980,000.00	-
Allowance for declining in value of inventories	3,967,102.84	671,397.16	3,967,102.84	671,397.16
(Gain) loss from sale and amortization of fixed assets	(12,183,985.54)	(104,765.36)	(11,952,550.04)	(30,000.00)
(Gain) loss from sale and amortization of investment property	2,962,594.25	-	2,962,594.25	-
Transferred fixed assets to the juristic person of housing estate	14,770,556.34	2,442,718.66	14,770,556.34	2,442,718.66
Allowance for loss on impairment of fixed assets (reverse)	(1,449,006.39)	-	(1,449,006.39)	-
Loss from declining value of property, plant and equipment	-	514,675.08	-	514,675.08
Loss from written-off withholding tax	-	15,902.31	-	-
Gain from written-off accounts payable and accrued expenses	(200,712.10)	(11,211,351.49)	-	(11,211,351.49)
Provision for compensation for housing estate juristic persons	1,702,616.41	3,271,993.21	1,702,616.41	3,271,993.21
Employee benefit expenses	4,583,040.00	16,622,645.00	4,367,528.00	16,085,882.00
Interest income	(214,144.66)	(1,600,823.13)	(198,464.21)	(1,595,860.93)
Interest expenses	42,338,767.09	58,661,939.70	42,104,192.59	58,016,783.78
Tax expenses (income)	6,779,096.80	17,796,253.83	6,670,688.03	17,796,253.83
Income from operating activities before changes in operating assets and liabilities	106,323,703.34	207,020,877.57	106,646,197.72	208,742,232.62
Decrease (increase) in operating assets				
Trade accounts receivable	(72,225.00)	64,200.00	-	-
Inventories	135,730,559.59	173,936,956.91	135,804,253.51	173,936,956.91
Property development costs	330,713,052.63	536,063,253.09	330,713,052.63	536,063,253.09
Land held for development	(310,195,326.38)	(135,297,531.79)	(310,195,326.38)	(135,297,531.79)
Other current assets	1,500,284.93	(9,905,032.25)	2,345,246.56	(3,791,680.28)
Other non-current assets	454,103.50	1,081,719.00	471,603.50	1,081,719.00

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

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****THE STATEMENTS OF CASH FLOW (CONT.)**

For the year ended December 31, 2019

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Increase (decrease) in operating liabilities				
Trade notes payable	6,801,404.92	(24,668,713.26)	6,801,404.92	(24,668,713.26)
Trade accounts payable and other payable	21,635,536.92	(15,929,029.11)	20,440,456.81	(15,935,029.11)
Payable to related parties	(2,039,462.96)	(2,902,638.58)	(3,558,237.02)	(2,929,388.58)
Accrued expenses	(13,497,120.38)	9,002,488.74	(15,036,513.28)	8,082,670.41
Advance received from customers	5,198,752.98	(2,779,216.37)	5,198,752.98	(2,779,216.37)
Retention from contractors	(2,614,593.25)	(7,752,022.64)	(2,815,586.84)	(7,752,022.64)
Other current liabilities	1,136,479.29	2,485,373.60	1,059,920.99	2,473,607.87
Other non-current liabilities	1,964,645.21	1,985,592.00	1,964,645.21	1,985,592.00
Cash receivable (paid) from the operations	283,039,795.34	732,406,276.91	279,839,871.31	739,212,449.87
Cash received from interest income	214,144.66	7,778,864.21	198,464.21	7,773,902.01
Withholding taxes refunded from Revenue department	11,083,928.07	6,890,053.65	10,988,898.33	6,765,028.07
Income tax expenses paid	(22,387,657.99)	(18,036,042.81)	(22,271,341.35)	(17,941,697.21)
Cash paid for provision for compensation for housing estate juristic persons	(4,704,334.80)	-	(4,704,334.80)	-
Cash paid for liabilities from purchasing the real estate project	-	(5,250,000.00)	-	(5,250,000.00)
Net cash provided by (used in) operating activities	267,245,875.28	723,789,151.96	264,051,557.70	730,559,682.74
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash received from short-term loan from related parties	-	-	6,000,000.00	55,000,000.00
Cash paid for short-term loan to related parties	-	-	(6,000,000.00)	-
Increase in temporary investment	(3,418.27)	(3,375.14)	(1,266.31)	(1,253.88)
Increase in short-term investments	(4,578,947.38)	(84,916.92)	(4,578,947.38)	(84,916.92)
Cash paid for investment property	(10,847,701.83)	(123,472.71)	(10,847,701.83)	(123,472.71)
Proceeds from sales of fixed assets	12,600,000.00	154,766.36	12,368,564.50	80,000.00
Cash paid for purchase of fixed assets	(11,692,394.64)	(4,384,969.26)	(3,096,687.36)	(4,384,969.26)
Cash paid for purchase of intangible assets	(653,430.85)	(80,774.30)	(523,930.85)	(80,774.30)
Cash received from capital in subsidiary	20,000,000.00	-	-	-
Cash paid for increase of capital in subsidiary	(14,999,850.00)	-	(7,500,000.00)	(60,000,000.00)
Net cash provided by (used in) investing activities	(10,175,742.97)	(4,522,741.97)	(14,179,969.23)	(9,595,387.07)

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

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

### THE STATEMENTS OF CASH FLOW (CONT.)

For the year ended December 31, 2019

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short-term loans from the financial institutions	(149,554,482.58)	52,239,667.01	(149,554,482.58)	52,239,667.01
Cash paid for liabilities under finance lease agreement	-	(835,313.28)	-	(835,313.28)
Cash received from short-term loan from other company	-	50,000,000.00	-	50,000,000.00
Cash paid for short-term loan from other company	(48,161,777.52)	(163,963,644.88)	(48,161,777.52)	(163,963,644.88)
Cash received from short-term loan a related party	-	52,100,000.00	-	51,100,000.00
Cash paid for short-term loan a related party	(11,000,000.00)	(98,100,000.00)	(10,000,000.00)	(98,100,000.00)
Cash received from short-term loan from the director	-	55,600,000.00	-	1,500,000.00
Cash paid for short-term loan from the director	(500,000.00)	(69,500,000.00)	-	(18,400,000.00)
Cash received from long-term loans	332,575,346.26	534,529,832.08	332,575,346.26	534,529,832.08
Cash paid for long-term loans	(268,175,145.01)	(1,002,513,796.90)	(268,175,145.01)	(1,002,513,796.90)
Interest paid	(76,882,395.73)	(121,318,814.21)	(76,625,772.47)	(119,650,621.08)
Dividend paid	(37,358,210.73)	-	(37,358,210.73)	-
Net cash provided by (used in) financing activities	(259,078,877.64)	(711,762,070.18)	(257,300,042.05)	(714,093,877.05)
Net increase (decrease) in cash and cash equivalents	(2,008,745.33)	7,504,339.81	(7,428,453.58)	6,870,418.62
Cash and cash equivalents, beginning of year	29,218,701.62	21,714,361.81	26,623,080.12	19,752,661.50
Cash and cash equivalents, end of year	27,209,956.29	29,218,701.62	19,194,626.54	26,623,080.12
Supplemental disclosures of cash flows information				
1) Cash and cash equivalents consisted of :-				
Cash on hand	702,000.00	627,000.00	662,000.00	627,000.00
Cash at bank	26,507,956.29	28,591,701.62	18,532,626.54	25,996,080.12
Total	27,209,956.29	29,218,701.62	19,194,626.54	26,623,080.12

2) In year 2019 and 2018 the Company had transferred property development costs as past of land held for development amounted Baht 337.54 million

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

**N.C. HOUSING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO FINANCIAL STATEMENTS**

December 31, 2019

**1. GENERAL INFORMATION****(a) Legal status and address of the Company**

The Company was registered to be a limited company on February 2, 1994 and converted to be The Public Company Limited under the Limited Public Company Act with the Ministry of Commerce on November 27, 2003, and the Company name was changed to N.C. Housing Public Company Limited.

The address of its registered office is as follows:

1/765 Moo 17, Soi Amporn Paholyotin Rd. K.M. 26, Tambol Kukod, Aumpur Lumlookka, Patumtanee, 12130, Thailand.

**(b) Nature of the Company's business**

The Company and subsidiaries operate its principal business as a real estate developer for trade in various areas such as house for sell including the land development, providing construction services, condominium for sell, providing rental space in club house and health rehabilitation and senior care center, etc.

**(c) Parent company**

The major shareholder company is NCH 2555 Holding Company Limited represented 51% shareholding.

**2. BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND OPERATIONS**

2.1 The accompanying consolidated financial statements include the accounts of N.C. Housing Public Company Limited and the following subsidiaries are owned directly and indirectly by the Company :-

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

- 2.2 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated statements of financial position		Percentage of total revenues included in consolidated statements of comprehensive income for the year	
	2019	2018	2019	2018
<u>Subsidiaries</u>				
N.C. Property Management Co., Ltd.	2.04	1.82	2.35	0.08
Quality Living Management Co., Ltd.	0.04	0.05	39.70	7.71
<u>Indirect subsidiary companies - held by</u>				
<u>N.C. Property Management Co., Ltd.</u>				
Siri Arun Wellness Co., Ltd.	0.37	-	0.30	-

- 2.3 The acquisition of subsidiaries are recorded by Purchase Method.
- 2.4 Significant intercompany transactions between the Company and subsidiaries have been eliminated.
- 2.5 The consolidated financial statements are prepared by using uniform accounting policies for transaction alike and other events in similar circumstances.
- 2.6 Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

### 3. PRINCIPLES OF PREPARATION AND PRESENTATIONS OF FINANCIAL STATEMENTS

- 3.1 Principles of preparation and presentations of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

- 3.2 Financial reporting standards that became effective in the current year

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

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

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

#### Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

#### TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Recognition of revenues and expenses

#### Revenue from sale of real estate

Revenue from sale of real estate is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of land and houses or residential condominium units. Revenue is measured at the amount of the consideration received or receivable of goods supplied after deducting discounts to customers.

#### Consideration paid to customers

The Company and its subsidiaries paid registration fee or paid common area fee on behalf of customers when the customers register the transfer of houses or condominium units. The management of the Company and its subsidiaries have considered that these transactions are consideration paid to customers. Therefore, they are recorded as net offsetting with revenue from property sales, not distribution costs as previously recorded.

The installment payment collected before transferring the significant risks and rewards of ownership to the buyer is recorded as unrealized income.

Cost of sales are based on the estimated cost of real estate project. However, cost of sales will be adjusted to be close to the actual cost in the event that the factors of the actual cost are significantly changed.

In determining the cost of land, land and houses and cost of condominiums, the total development costs are attributed to units sold on the basis of the salable area.

A subsidiary recognizes the revenue from construction on the percentage of completion method. Payment received more than the percentage of work completion is recorded as advance received and the part of undue is recorded as accrued income.

A subsidiary recognizes property manager services income when service are completed according to the duration of the contract.

A subsidiary recognizes property service and rental income when service are completed according to the duration of the contract.

The Company and subsidiaries are recognized other revenues and expenses on the accrual basis.

#### 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and deposits at financial institutions which are promissory notes with original maturity of 3 months or less and excluded deposits which are pledged as collateral.

#### 4.3 Allowance for doubtful accounts

The Company and subsidiaries provide allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on the historical collection experience coupled with a review of the current status of existing receivables.

#### 4.4 Inventories

Inventories are real estate for sale which are stated at the lower of cost or net realizable value. Cost is included land, land developing, construction, borrowing costs and direct expense.

Inventories for service are valued at cost (first-in, first-out method) or net realizable value, whichever is lower.

Construction materials are valued at cost (first-in, first-out method) or net realizable value, whichever is lower.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

#### 4.5 Property development and land held for development

Property development is stated at cost. Cost is included land, land developing, construction, borrowing costs and direct expense.

Land held for development, the Company intends to hold for future benefit. Cost consists of land cost and related expenses for land acquisition including borrowing costs which incurred during the development of projects period.

Property development and land held for development are stated at the lower of cost or net realizable value.

The Company and its subsidiaries records the loss on decline in value (if any) of property development in the statement of comprehensive income.



#### 4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the costs of the respective assets. Capitalization ceases when the projects are ready for their intended use or sale, when the physical construction of the projects is complete, or when construction is suspended and until active development resumes. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs include the actual borrowing costs less any investment income from the temporary investment of those borrowings. To the extent that funds are borrowed and used for the general purposes, interest costs are calculated by multiplying the capitalization rate to the expenditures on that project. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity during the year other than borrowings made for specific purposes.

#### 4.7 Investments

##### Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

##### Investments in debt securities and marketable equity securities

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the statements of comprehensive income.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

#### 4.8 Investment property

Investment property, cost is included land, land developing, construction, borrowing costs and direct expense.

Investment property is stated at cost less accumulated depreciation and allowance on impairment (if any).

Land is not depreciated.

Depreciation of investment property under residential building for lease category is calculated by the straight-line method over the estimated useful life :

Residential building for lease	30 years
Utility	10 years
Furniture and fixtures	5 years
Building improvement	5 years

Depreciation of investment property is included in determining income.

#### 4.9 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance on impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the Company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives:

Buildings	20 years
Building improvement	20 years
Machineries and equipment	5 years
Sample house and sale office buildings	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

The Company and its subsidiaries have reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

#### 4.10 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software licenses	5 - 10 years
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#### 4.11 Trade payables and other payables

Trade and other payables (including balances with related parties) are stated at cost.

#### 4.12 Impairment of assets

At each the statements of financial position date, the Company and its subsidiaries will assess the impairment of property, plant, and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an assets is less than the carrying amount. The recoverable amount of an assets is the higher of the fair value less costs to sell and its value in use.

In determining value in use, the Company and its subsidiaries estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, a conservative valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in the statement of comprehensive income. Impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization.

#### 4.13 Related parties

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 fellow 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.

#### 4.14 Provisions for estimated liabilities

A Provision for estimated liabilities is recognized in the statements of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 4.15 Finance lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations by the effective rate.

#### 4.16 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the statements of financial position include cash and cash equivalents, bank overdrafts and short-term loans from financial institutions, trade accounts receivable, trade accounts payable include notes receivable and notes payable, loan. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 4.17 Employee benefits

##### Short-term employment benefits

The Company and its subsidiaries recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

##### Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

##### Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries has obligations in respect of the severance payments it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized in other comprehensive income.

#### 4.18 Earnings per share

Earnings per share of the Company and its subsidiaries are basis earnings per share which is calculated by dividing the net earnings for the period by the weighted average number of ordinary shares held by outside parties in issue and paid-up during the year.

#### 4.19 Income tax

Income tax comprises current income tax and deferred tax.

##### Current tax

The Company and a subsidiary record income tax expense (if any) based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

In addition to the Company and its subsidiaries computed corporate income tax based on the revenue and expense recognition principle in accordance with the Revenue Code and Instruction of the Revenue Department regarding the calculation of net profit and net income for real estate business, which differs from the accounting principles selected to apply in certain cases, such as recognition of revenue and cost of sales, capturing of interest expense and depreciation of assets under utilities system development for common facilities.

The one subsidiary records income tax expense (if any) based on the amount currently payable under the Revenue Code. Income tax is calculated at the tax rates from net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax. Income tax is calculated at the rates as follows.

	Tax rate	
	2019	2018
Net profit before income tax (Baht)		
1 - 300,000	Exempt	Exempt
300,001 - 3,000,000	15%	15%
More than 3,000,000	20%	20%

##### Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

#### 4.20 Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates would affect to the amount relating to incomes, expenses, assets, liabilities and disclosures of data relating to contingent assets and liabilities. The actual results may differ from amounts already estimated. Significant judgments and estimates are as follows:

##### 4.20.1 Estimated cost for house construction project

The Company and its subsidiaries estimate costs of house construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to complete the construction service, overhead expense, borrowing costs and center public utilities taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

##### 4.20.2 House building contracts

The subsidiary hiring of building house within housing project as an income by reference to the stage of completion of the construction contract activity, base on determining of the project's engineer, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to surveys of works and estimates performed by the project's engineer. The management is required to make judgment and estimates based on past experience and information obtained from the project's engineer.

##### 4.20.3 Estimated losses for house construction projects

In determining estimated expenses for house construction projects, the management is required to use judgment and relevant information to estimate losses that may be incurred from warranties and claims on the construction contract works. The estimates are made through a combination of specific reviews of construction projects, analysis of actual claims incurred and historical statistic information, among others. However, the use of different estimates and assumptions could affect the amounts of estimated expenses for construction projects.

##### 4.20.4 Allowance for declining-in value of inventories, property development and land held for development

###### Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

###### Allowance for declining-in value of property development and land held for development

The Company and its subsidiaries treat property development and land held for development as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost. The management determines the devaluation of such property development and land held for development based on net realizable value.

##### 4.20.5 Contribution to the housing estate juristic person

The Company has estimated the contribution to the housing estate juristic persons by using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation. It has already recognized the liabilities by the ownership transfer area proportion.

#### 4.20.6 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

#### 4.20.7 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

#### 4.20.8 Allowance for impairment of investments

The Company will set the allowance for impairment of investments when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment

#### 4.20.9 Investment property/Depreciation

In determining depreciation of investment property, the management is required to make estimates of the useful lives and residual values of the investment property and to review the useful lives and residual values when there are any changes.

In addition, the management is required to review investment property for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### 4.20.10 Property plant and equipment/Depreciation

In determining depreciation of land building and equipment, the management is required to make estimates of the useful life and residual value and to review estimate useful life and residual value when there are any changes incurred to it.

In addition, the management is required to review land, building and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### 4.20.11 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### 4.20.12 Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

#### 4.20.13 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 4.20.14 Liabilities from purchasing the real estate project

The Company and its subsidiaries have estimated the value of land purchase in real estate project. The management has estimated from the value of land purchase from the existing customers of project in the past.

**5. TRANSACTIONS WITH RELATED PARTIES AND COMPANIES**

The Company has certain transactions with its related parties and companies. A portion of the Company's assets, liabilities, revenues, cost and expenses arose from the transactions with the related parties and companies which are related through common shareholdings and/or directors. The effects of these transactions, which are in the normal course of business, were reflected in the accompanying financial statements on the basis determined by the related parties and companies.

Detail of relation between the Company and its related parties and companies are summarized as follow :

Company's name	Country of incorporation	Type of relation
NCH 2555 Holding Co., Ltd.	Thailand	Parent company
N.C. Property Management Co., Ltd.	Thailand	Subsidiary
Quality Living Management Co., Ltd.	Thailand	Subsidiary
Siri Arun Wellness Co.,Ltd.	Thailand	Subsidiary
S.C. Construction And Decoration Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Trading Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Homemart (1999) Co., Ltd.	Thailand	Co-shareholder and director
Sap Namchai Pattana Co., Ltd.	Thailand	Co-shareholder and director
Namchai Golf Management Co., Ltd.	Thailand	Co-shareholder and director
Namchai Property Development Co., Ltd.	Thailand	Co-shareholder and director
Tanyacart Management Co., Ltd.	Thailand	Co-shareholder and director
Sathaporn Wattana Transport Partnership	Thailand	Co-shareholder and director
Precast station Co., Ltd.	Thailand	Director's relative
Mr. Somchao Tanthathoedtham	Thailand	Director
Mrs. Patcharin Tanthathoedtham	Thailand	Director's relative
Mrs. Onusa Tanthathoedtham	Thailand	Director's relative



The significant transactions between the Company and its related parties and companies for the years ended December 31, 2019 and 2018 are summarized as follows :-

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Pricing basis	2019	2018	2019	2018
<b>Transaction during the year</b>					
<b>Subsidiaries</b>					
Interest income					
Quality Living Management Co., Ltd.	At the rate of 5.75% p.a.	-	-	-	82,705.47
N.C. Property Management Co., Ltd.	At the rate of 5.75% p.a.	-	-	22,212.33	1,382,504.79
Other income - office rental					
Quality Living Management Co., Ltd.	Baht 5,000 per month	-	-	60,000.00	60,000.00
Siri Arun Wellness Co.,Ltd.	Baht 297,160 per month	-	-	297,160.00	-
Other income - utility charges					
Quality Living Management Co., Ltd.	Baht 1,401.87 per month	-	-	16,822.44	16,822.44
Siri Arun Wellness Co.,Ltd.	Baht 24,149.53 per month	-	-	51,303.73	-
Management fee					
Quality Living Management Co., Ltd.	Minimum Baht 25,000 per project	-	-	2,560,000.00	2,130,000.00
<b>Related parties</b>					
Sale income					
Mr. Somchao Tanthathodtham	Market price	1,347,879.00	-	1,347,879.00	-
Other income - office rental					
Precast station Co., Ltd.	Baht 20,000 per month and Baht 40,000 per month	720,000.00	720,000.00	720,000.00	720,000.00
Construction cost					
Precast station Co., Ltd.	At per agreement	67,121,295.88	68,064,840.00	67,121,295.88	68,064,840.00
Purchase construction materials					
Sathaporn Wattana Trading Co., Ltd.	Market price	26,999,500.96	13,609,759.61	26,705,441.95	13,609,759.61
S.C. Construction And Decoration Co., Ltd.	Market price	259,215.12	4,683.39	259,215.12	4,683.39
Land rental expense					
Sap Namchai Pattana Co., Ltd.	Baht 55,000 per month	660,000.00	660,000.00	660,000.00	660,000.00
Golf club membership					
Namchai Golf Management Co., Ltd.	Market price	180,000.00	580,000.00	180,000.00	580,000.00
Interest expenses					
Mr. Somchao Tanthathodtham	At the rate of 5.75% p.a.	164,465.73	1,107,906.82	-	501,494.52
N.C.H. 2555 Holding Co., Ltd.	At the rate of 5.75% p.a.	13,172,541.10	14,921,234.25	13,165,924.66	14,918,398.63

The significant outstanding balance as at December 31, 2019 and 2018 are as follow:-

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Short-term loan to related parties				
- N.C. Property Management Co., Ltd.				
Balance, beginning of year	-	-	-	52,000,000.00
Addition during the year	-	-	6,000,000.00	-
Deduction during the year	-	-	(6,000,000.00)	(52,000,000.00)
Balance, ending of year	-	-	-	-
- Quality Living Management Co., Ltd.				
Balance, beginning of year	-	-	-	3,000,000.00
Addition during the year	-	-	-	-
Deduction during the year	-	-	-	(3,000,000.00)
Balance, ending of year	-	-	-	-
Accrued rental				
- Quality Living Management Co., Ltd.	-	-	-	-
Accrued utility charges				
- Siri Arun Wellness Co.,Ltd.	-	-	19,255.00	-
Accrued interest				
- Quality Living Management Co., Ltd.	-	-	-	82,705.47
- N.C. Property Management Co., Ltd.	-	-	-	-
	-	-	-	82,705.47
Payable to related persons and parties				
- Quality Living Management Co., Ltd.	-	-	69,550.00	-
- N.C. Property Management Co., Ltd.	-	-	-	1,617,265.05
- Siri Arun Wellness Co.,Ltd.	-	-	323,000.00	-
- S.C. Construction And Decoration Co., Ltd.	51,643.02	2,329.39	51,643.02	2,329.39
- Sathaporn Wattana Trading Co., Ltd.	7,674,675.95	3,220,470.68	7,380,616.94	3,220,470.68
- Precast station Co., Ltd.	29,972,273.59	35,755,555.45	29,972,273.59	35,755,555.45
- Namchai Golf Management Co., Ltd.	-	99,700.00	-	99,700.00
- Namchai Pattana Co., Ltd.	-	660,000.00	-	660,000.00
	37,698,592.56	39,738,055.52	37,797,083.55	41,355,320.57
Accrued interest				
- N.C.H. 2555 Holding Co., Ltd.	3,317,356.18	7,145,202.08	3,317,356.18	7,142,366.46
	3,317,356.18	7,145,202.08	3,317,356.18	7,142,366.46

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Short-term loan from related parties				
- N.C.H. 2555 Holding Co., Ltd.				
Balance, at the beginning of the period	230,000,00.00	276,000,000.00	229,000,000.00	276,000,000.00
Addition during the period	-	52,100,000.00	-	51,100,000.00
Deduction during the period	(11,000,000.00)	(98,100,000.00)	(10,000,000.00)	(98,100,000.00)
Balance, at the end of the period	219,000,000.00	230,000,00.00	219,000,000.00	229,000,000.00
Short-term loan from directors				
- Mr. Somchao Tanthathoedtham				
Balance, beginning of year	3,000,000.00	16,900,000.00	-	16,900,000.00
Addition during the year	-	55,600,000.00	-	1,500,000.00
Deduction during the year	(500,000.00)	(69,500,000.00)	-	(18,400,000.00)
Balance, ending of year	2,500,000.00	3,000,000.00	-	-

Loan from the directors and short-term loan from related parties incurred mainly intended to utilize for the Company's working capital and loan repaid.

Loan from the directors and short-term loan from related parties are promissory notes, which carried interest rates at 5.75% per annum and will be paid at call.

#### COLLATERAL WITH RELATED COMPANIES

As at December 31, 2019 and 2018, the Company had contingent liability from letters of guarantee issued by a bank on behalf of the subsidiary for electricity usage amounting to Baht 0.40 million.

#### MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company's management, such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised the managing director, deputy managing directors and senior managers.

Management benefit expenses for the years ended December 31, 2019 and 2018.

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Management benefit expenses				
Short-term employee benefits	33,609,454.10	39,111,550.54	33,609,454.10	39,111,550.54
Post-employment benefits	1,330,075.00	3,677,064.00	1,330,075.00	3,677,064.00
Total	34,939,529.10	42,788,614.54	34,939,529.10	42,788,614.54

#### Management

**6. CASH AND CASH EQUIVALENTS**

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cash in hand	702,000.00	627,000.00	662,000.00	627,000.00
Cash at bank - current accounts	5,550,389.67	21,505,559.50	5,286,296.31	20,689,921.06
Cash at bank - savings accounts	20,957,566.62	7,086,142.12	13,246,330.23	5,306,159.06
Total	27,209,956.29	29,218,701.62	19,194,626.54	26,623,080.12

Bank accounts are carried interest at the floating rate, which are set by the bank.

**7. SHORT-TERM INVESTMENTS**

Short-term investments consist of the following:

	In Baht			
	Consolidated Financial Statements			
	2019		2018	
	At cost	Fair value	At cost	Fair value
Fixed deposit for 6 months	241,821.08	241,821.08	239,669.12	239,669.12
Fixed deposit for 12 months	129,175.73	129,175.73	127,909.42	127,909.42
Investments in securities held for trading				
- SCB savings fixed income fund	498,517.00	583,241.70	498,517.00	578,244.36
Total	869,513.81	954,238.51	866,095.54	945,822.90

	In Baht			
	Separate Financial Statements			
	2019		2018	
	At cost	Fair value	At cost	Fair value
Fixed deposit for 12 months	129,175.73	129,175.73	127,909.42	127,909.42
Investments in securities held for trading				
- SCB savings fixed income fund	498,517.00	583,241.70	498,517.00	578,244.36
Total	627,692.73	712,417.43	626,426.42	706,153.78

## 8. INVENTORIES

Inventories consist of

	In Baht	
	Consolidated Financial Statements	
	2019	2018
Cost of houses and condominium for sales	180,342,204.81	316,146,458.32
Products for service	73,693.92	-
<b>Less</b> allowance for declining value of inventories	(8,359,498.99)	(4,392,396.15)
Inventories - net	172,056,399.74	311,754,062.17

	In Baht	
	Separate Financial Statements	
	2019	2018
Cost of houses and condominium for sales	180,342,204.81	316,146,458.32
<b>Less</b> allowance for declining value of inventories	(8,359,498.99)	(4,392,396.15)
Inventories - net	171,982,705.82	311,754,062.17

Changes in the allowance for declining value of inventories during the years are as follows:-

	In Baht	
	Consolidated / Separate Financial Statements	
	2019	2018
Beginning balance	4,392,396.15	3,720,998.99
Increase	3,967,102.84	671,397.16
Decrease	-	-
Ending balance	8,359,498.99	4,392,396.15

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

	Consolidated/Separate Financial Statements			
	2019		2018	
	Unit	In Million Baht	Unit	In Million Baht
House and condominium for sales	73	180.34	163	316.15
The selling contracted house and condominium	(2)	(2.88)	(25)	(51.42)
House and condominium for sale - net	71	177.46	138	264.73

As at December 31, 2019 and 2018, inventories of the Company in amount of Baht 61.67 million and Baht 219.01 million, respectively, are mortgaged as collateral for some long-term loans with local financial institutions, as discussed in Note 19.

## 9. PROPERTY DEVELOPMENT COSTS

9.1 Actual property development costs consist of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Lands and land development costs	2,873,114,178.18	2,962,707,367.99	2,873,114,178.18	2,962,707,367.99
Utilities	1,046,323,011.56	1,140,774,908.78	1,046,323,011.56	1,140,774,908.78
Construction in progress	4,970,629,978.23	5,710,387,537.20	4,970,629,978.23	5,710,387,537.20
Interest capitalization	517,658,330.09	491,776,329.18	517,658,330.09	491,776,329.18
Total	9,407,725,498.06	10,301,253,747.00	9,407,725,498.06	10,305,646,143.15
<u>Less</u> transfer to inventory	(180,342,204.81)	(316,146,458.32)	(180,342,204.81)	(316,146,458.32)
transfer to cost of sale	(7,337,366,808.92)	(8,391,785,780.41)	(7,337,366,808.92)	(8,391,785,780.41)
Property development cost, net	1,890,016,484.33	1,597,713,904.42	1,890,016,484.33	1,597,713,904.42

As at December 31, 2019 and 2018, almost of the Company's land and construction in the projects are mortgaged as collateral against credit facilities for some long-term loans with local financial institutions, as discussed in Note 19.

For the years ended December 31, 2019 and 2018, the Company recorded the related interest expense amounting to approximately Baht 31.91 million and Baht 53.47 million, respectively, as part of property development costs. The capitalization rate for calculate interest is 5.69% and 7.01%, respectively.

## 9.2 OBLIGATION AND COMMITMENT UNDER REAL ESTATE PROJECTS

	Consolidated/Separate Financial Statements	
	2019	2018
Number of projects on hand, beginning of year	21	20
Number of newly open projects	2	2
Number of closing projects	(4)	(1)
Number of project, transfer to land held for development	-	-
Number of projects on hand, ending of year	19	21
Total current projects value (In million Baht)	15,434.82	13,933.31
Contracted sales value (In million Baht)	12,042.20	10,660.44
As percentage of total current projects value	78.02	76.51

As at December 31, 2019 and 2018, the Company has the obligation and the commitment to complete the public utility development project for projects on hand in the amount of Baht 83.98 million and Baht 38.88 million, respectively.

## 10. LAND HELD FOR DEVELOPMENT

Land held for development consist of the following :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Beginning balance	1,954,095,684.81	1,793,634,688.71	1,880,688,125.81	1,720,227,129.71
<b>Add</b> during the year	64,846,200.00	153,625,457.00	64,846,200.00	153,625,457.00
Liabilities from purchasing the real estate project	-	15,843,800.00	-	15,843,800.00
Transfer from property development costs	65,444,591.74	45,546,972.93	65,444,591.74	45,546,972.93
Total	2,084,386,476.55	2,008,650,918.64	2,010,978,917.55	1,935,243,359.64
<b>Less</b> during the year	(337,544,693.54)	(36,227,308.62)	(337,544,693.54)	(36,227,308.62)
Transfer to property development costs	(73,651,017.06)	(18,327,925.21)	(73,651,017.06)	(18,327,925.21)
Land held for development	1,673,190,765.95	1,954,095,684.81	1,599,783,206.95	1,880,688,125.81

As at December 31, 2019 and 2018, almost of the Company's land held for development in the total amount Baht 309.94 million and Baht 329.14 million, respectively are mortgaged as collateral against the credit facilities for long-term loans with a local commercial bank, as discussed in Note 19.

## 11. OTHER CURRENT ASSETS

Other current assets consist of the following :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Prepaid expense	4,460,110.86	3,285,467.68	4,448,517.34	3,276,179.28
Receivables - the Revenue Department	741,061.17	244,646.85	199,958.69	244,646.85
Short-term loans to employee	491,425.93	446,277.16	447,400.98	433,264.29
Advance payments	661,270.10	474,200.00	456,000.00	474,200.00
Deposit	1,913,100.10	-	1,913,100.10	-
Accrued income	891,461.10	977,260.78	890,912.60	977,260.78
Other account receivable	2,004,614.11	7,839,312.97	2,004,323.76	7,824,754.97
Other current assets	743,791.25	139,929.03	746,002.45	221,156.31
Total	11,906,834.62	13,407,094.47	11,106,215.92	13,451,462.48
<b>Less</b> Allowance for doubtful accounts	(1,590,556.00)	(610,556.00)	(1,590,556.00)	(610,556.00)
Net	10,316,278.62	12,796,538.47	9,515,659.92	12,840,906.48



Changes in the allowance for doubtful accounts during the years are as follows:-

	In Baht	
	Consolidated /Separate Financial Statements	
	2019	2018
Beginning balance	610,556.00	610,556.00
Increase	980,000.00	-
Decrease	-	-
Ending balance	1,590,556.00	610,556.00

## 12. DEPOSIT PLEDGED AS COLLATERAL

As at December 31, 2019 and 2018, the Company had fixed deposit amounting to Baht 13,820,850.90 and Baht 9,241,903.52, respectively, which are pledged as collateral for maintenance to public utilities, customer's loan and gasoline, as discussed in note 34.3

Bank deposits are carried interest at the floating rate of the bank.

## 13. INVESTMENTS IN ASSOCIATED COMPANY AND SUBSIDIARIES

	Paid up shares (In Baht)		Ownership (%)		EQUITY METHOD Dividend (In Baht)		AT COST Amount (In Baht)	
	2019	2018	2019	2018	2019	2018	2019	2018
<u>Subsidiaries</u>								
N.C. Property Management Co., Ltd.	77,500,000.00	70,000,000.00	100	100	80,282,376.91	72,665,121.91	79,364,497.95	71,864,497.95
Quality Living Management Co., Ltd.	77,500,000.00	1,000,000.00	100	100	(2,959,205.87)	(3,840,756.69)	-	-
					77,323,171.04	68,824,365.22	79,364,497.95	71,864,497.95
<u>Less</u> Allowance for declining value of investment					-	-	-	-
Investments in subsidiaries- net					77,323,171.04	68,824,365.22	79,364,497.95	71,864,497.95

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

#### 14. INVESTMENT PROPERTY

Property investment consist of the following :

	Consolidate/Separate Financial Statements (In Baht)				
	Balance as at December 31, 2018	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2019
<b>At cost</b>					
Land	45,360,472.19	-	-	-	45,360,472.19
Residential building for lease	152,629,634.13	4,952,197.61	-	-	157,581,831.74
Building improvement	-	604,233.33	-	-	604,233.33
Utility	26,081,113.24	5,094,011.07	(5,152,951.07)	-	26,022,173.24
Furniture and fixtures	10,609,493.03	197,259.82	-	-	10,806,752.85
Total	234,680,712.59	10,847,701.83	(5,152,951.07)	-	240,375,463.35
<b>Less Accumulated depreciation</b>					
Residential building for lease	(19,671,449.97)	(4,910,973.51)	-	-	(24,582,423.48)
Building improvement	-	(15,229.94)	-	-	(15,229.94)
Utility	(12,482,859.96)	(2,729,275.93)	2,190,356.82	-	(13,021,779.07)
Furniture and fixtures	(8,440,672.92)	(2,114,069.83)	-	-	(10,554,742.75)
Total	(40,594,982.85)	(9,769,548.21)	2,190,356.82	-	(48,174,175.24)
Property investment-net	194,085,729.74				192,201,288.11

	Consolidate/Separate Financial Statements (In Baht)				
	Balance as at December 31, 2017	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2018
<b>At cost</b>					
Land	45,360,472.19	-	-	-	45,360,472.19
Residential building for lease	152,629,634.13	-	-	-	152,629,634.13
Building improvement	-	-	-	-	-
Utility	26,022,173.24	58,940.00	-	-	26,081,113.24
Furniture and fixtures	10,544,960.32	64,532.71	-	-	10,609,493.03
Total	234,557,239.88	123,472.71	-	-	234,680,712.59
<b>Less Accumulated depreciation</b>					
Residential building for lease	(14,760,476.46)	(4,910,973.51)	-	-	(19,671,449.97)
Building improvement	-	-	-	-	-
Utility	(9,365,348.09)	(3,117,511.87)	-	-	(12,482,859.96)
Furniture and fixtures	(6,331,548.88)	(2,109,124.04)	-	-	(8,440,672.92)
Total	(30,457,373.43)	(10,137,609.42)	-	-	(40,594,982.85)
Property investment-net	204,099,866.45				194,085,729.74

	In Baht	
	2019	2018
Depreciation for the year	9,769,548.21	10,137,609.42

Investment property is the residential building for lease and is presented at cost. The fair value of land and building structures (exclude furniture and fixtures) as at December 31, 2019 and 2018 amounting to Baht 201.60 million and Baht 206.52 million respectively, which have been determined based on valuations is performed by an accredited independent valuer. The fair value has been determined based on cost approach using level 3 input (see note 35.6)

For the year ended December 31, 2019 and 2018, the Company has the rental revenue from properties amounting to Baht 15,129,440.04 and Baht 16,963,887.68, respectively, and has the operating expenses and the financial cost amounting for Baht 25,705,319.08 and Baht 24,204,206.87, respectively which are recognized in the statements of comprehensive income.

As at December 31, 2019 and 2018, total amount of Company's investment property is mortgaged as collateral against facilities for long-term loans with local commercial bank, as discussed in note 19.

## 15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following :

Consolidated Financial Statements (In Baht)					
	Balance as at December 31, 2018	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2019
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	60,650,857.18	-	(362,046.00)	(14,477,079.07)	45,811,732.11
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	109,578,323.68	-	(682,200.00)	(10,623,976.61)	98,272,147.07
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	5,023,562.78	-	(83,750.00)	16,958,099.29
Medical equipment	-	1,124,795.35	-	-	1,124,795.35
Exercise equipment - physical therapy	-	13,551.41	-	-	13,551.41
Furniture and decorative	-	1,459,010.56	-	-	1,459,010.56
Machinery and equipment	9,233,580.14	287,406.10	-	-	9,520,986.24
Office equipment	18,447,448.05	2,644,835.72	-	-	21,092,283.77
Office equipment - under					
finance lease agreement	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	16,078,473.61	657,297.15	-	-	16,735,770.76
Kitchen durable goods	-	77,433.70	-	-	77,433.70
Other medical durable goods	-	18,504.66	-	-	18,504.66
Electrical appliance	-	150,597.21	-	-	150,597.21
Bedding set and service receiver tools and equipment	-	235,400.00	-	-	235,400.00
Vehicles	26,163,035.63	-	-	-	26,163,035.63
Total	309,460,729.04	11,692,394.64	(1,044,246.00)	(25,184,805.68)	294,924,072.00

Consolidated Financial Statements (In Baht)					
	Balance as at December 31, 2018	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2019
<b>Less</b> Accumulated depreciation					
Building - office	(10,203,301.02)	-	-	-	( 10,203,301.02)
- clubhouse	(84,846,146.69)	( 4,045,434.87)	628,231.54	10,335,489.97	( 77,927,860.05)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(6,727,561.30)	(876,637.90)	-	78,759.37	( 7,525,439.83)
Medical equipment	-	( 29,119.90)	-	-	( 29,119.90)
Exercise equipment - physical therapy	-	( 389.84)	-	-	( 389.84)
Furniture and decorative	-	( 40,311.82)	-	-	( 40,311.82)
Machinery and equipment	(8,546,094.31)	( 147,745.61)	-	-	(8,693,839.92)
Office equipment	(14,021,690.12)	( 2,691,847.98)	-	-	(16,713,538.10)
Office equipment - under finance lease					
agreement	(962,209.37)	-	-	-	(962,209.37)
Furniture and fixtures	(12,735,661.58)	( 1,227,366.77)	-	-	(13,963,028.35)
Kitchen durable goods	-	( 806.15)	-	-	( 806.15)
Other medical durable goods	-	( 506.95)	-	-	( 506.95)
Electrical appliance	-	( 3,404.21)	-	-	( 3,404.21)
Bedding set and service receiver tools and equipment	-	( 1,805.80)	-	-	( 1,805.80)
Vehicles	(17,304,829.46)	( 1,447,203.50)	-	-	(18,752,032.96)
Total	(199,271,097.12)	(10,512,581.30)	628,231.54	10,414,249.34	(198,741,197.54)
Net	110,189,631.92				96,182,874.46
<b>Less</b> Allowance for declining value					
- building clubhouse	(3,203,609.07)	-	1,449,006.39	-	(1,754,602.68)
- machinery and equipment	(280,924.56)	-	-	-	(280,924.56)
Total	(3,484,533.63)	-	1,449,006.39	-	( 2,035,527.24)
Property, plant and equipment - net	106,705,098.29				94,147,347.22

Consolidated Financial Statements (In Baht)					
	Balance as at December 31, 2017	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2018
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	62,860,365.55	-	-	(2,209,508.37)	60,650,857.18
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	112,304,579.01	-	-	(2,726,255.33)	109,578,323.68
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	-	-	-	12,018,286.51
Machinery and equipment	9,115,811.44	117,768.70	-	-	9,233,580.14
Office equipment	16,443,789.99	2,003,658.06	-	-	18,447,448.05
Office equipment - under finance lease agreement	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	15,573,931.11	504,542.50	-	-	16,078,473.61
Vehicles	25,947,447.63	1,759,000.00	(1,543,412.00)	-	26,163,035.63
Total	311,554,935.48	4,384,969.26	(1,543,412.00)	(4,935,763.70)	309,460,729.04
<b>Less Accumulated depreciation</b>					
Building - office	(10,203,301.02)	-	-	-	(10,203,301.02)
- clubhouse	(82,472,841.66)	(4,866,350.07)	-	2,493,045.04	(84,846,146.69)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(5,859,444.80)	(868,116.50)	-	-	(6,727,561.30)
Machinery and equipment	(8,357,185.71)	(188,908.60)	-	-	(8,546,094.31)
Office equipment	(11,262,332.05)	(2,759,358.07)	-	-	(14,021,690.12)
Office equipment - under finance lease agreement	(962,209.37)	-	-	-	(962,209.37)
Furniture and fixtures	(10,707,664.80)	(2,027,996.78)	-	-	(12,735,661.58)
Vehicles	(17,071,795.13)	(1,726,445.33)	1,493,411.00	-	(17,304,829.46)
Total	(190,820,377.81)	(12,437,175.35)	1,493,411.00	2,493,045.04	(199,271,097.12)
Net	120,734,557.67				110,189,631.92
<b>Less Allowance for declining value</b>					
- building clubhouse	(2,688,933.99)	(2,403,609.07)	1,888,933.99	-	(3,203,609.07)
- machinery and equipment	(280,924.56)	-	-	-	(280,924.56)
Total	(2,969,858.55)	(2,403,609.07)	1,888,933.99	-	(3,484,533.63)
Property, plant and equipment - net	117,764,699.12				106,705,098.29

	In Baht	
	2019	2018
Depreciation for the year	10,512,581.30	12,437,175.35

Separate Financial Statements (In Baht)					
	Balance as at December 31, 2018	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2019
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	60,650,857.18	-	(362,046.00)	(14,477,079.07)	45,811,732.11
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	109,578,323.68	-	(682,200.00)	(10,623,976.61)	98,272,147.07
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	-	-	(83,750.00)	11,934,536.51
Machinery and equipment	2,862,729.20	287,406.10	-	-	3,150,135.30
Office equipment	17,651,418.19	2,337,878.91	-	-	19,989,297.10
Office equipment - under					
finance	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	15,913,581.09	471,402.35	-	-	16,384,983.44
Vehicles	25,857,035.63	-	-	-	25,857,035.63
Total	301,822,955.72	3,096,687.36	(1,044,246.00)	(25,184,805.68)	278,690,591.40
<b>Less Accumulated depreciation</b>					
Building - office	(10,203,301.02)	-	-	-	(10,203,301.02)
- clubhouse	(84,846,146.69)	(4,045,434.87)	628,231.54	10,335,489.97	(77,927,860.05)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(6,727,561.30)	(867,003.67)	-	78,759.37	(7,515,805.60)
Machinery and equipment	(2,456,211.93)	(147,745.61)	-	-	(2,603,957.54)
Office equipment	(13,232,325.41)	(2,673,575.48)	-	-	(15,905,900.89)
Office equipment - under finance lease					
agreement	(962,209.37)	-	-	-	(962,209.37)
Furniture and fixtures	(12,570,774.06)	(1,226,857.47)	-	-	(13,797,631.53)
Vehicles	(16,998,833.46)	(1,447,203.50)	-	-	(18,446,036.96)
Total	(191,920,966.51)	(10,407,820.60)	628,231.54	10,414,249.34	(191,286,306.23)
Net	109,901,989.21				87,404,285.17
<b>Less Allowance for declining value</b>					
- building clubhouse	(3,203,609.07)	-	1,449,006.39	-	(1,754,602.68)
Total	(3,203,609.07)	-	1,449,006.39	-	(1,754,602.68)
Property, plant and equipment - net	106,698,380.14				85,649,682.49

Separate Financial Statements (In Baht)					
	Balance as at December 31, 2017	Additions	Deduction	Transfer in (out)	Balance as at December 31, 2018
<b>At cost</b>					
Land - office	660,000.00	-	-	-	660,000.00
- clubhouse	62,860,365.55	-	-	(2,209,508.37)	60,650,857.18
Building - office	10,203,302.00	-	-	-	10,203,302.00
- clubhouse	112,304,579.01	-	-	(2,726,255.33)	109,578,323.68
Sample house and sale office building	43,923,622.24	-	-	-	43,923,622.24
Building improvement	12,018,286.51	-	-	-	12,018,286.51
Machinery and equipment	2,744,960.50	117,768.70	-	-	2,862,729.20
Office equipment	15,647,760.13	2,003,658.06	-	-	17,651,418.19
Office equipment - under finance lease agreement	2,503,800.00	-	-	-	2,503,800.00
Furniture and fixtures	15,409,038.59	504,542.50	-	-	15,913,581.09
Vehicles	24,458,035.63	1,759,000.00	(360,000.00)	-	25,857,035.63
Total	302,733,750.16	4,384,969.26	(360,000.00)	(4,935,763.70)	301,822,955.72
<b>Less Accumulated depreciation</b>					
Building - office	(10,203,301.02)	-	-	-	(10,203,301.02)
- clubhouse	(82,472,841.66)	(4,866,350.07)	-	2,493,045.04	(84,846,146.69)
Sample house and sale office building	(43,923,603.27)	-	-	-	(43,923,603.27)
Building improvement	(5,859,444.80)	(868,116.50)	-	-	(6,727,561.30)
Machinery and equipment	(2,278,530.44)	(177,681.49)	-	-	(2,456,211.93)
Office equipment	(10,483,239.43)	(2,749,085.98)	-	-	(13,232,325.41)
Office equipment - under finance lease agreement	(962,209.37)	-	-	-	(962,209.37)
Furniture and fixtures	(10,543,730.52)	(2,027,043.54)	-	-	(12,570,774.06)
Vehicles	(15,584,604.89)	(1,724,228.57)	310,000.00	-	(16,998,833.46)
Total	(182,311,505.40)	(12,412,506.15)	310,000.00	2,493,045.04	(191,920,966.51)
Net	120,422,244.76				109,901,989.21
<b>Less Allowance for declining value</b>					
- building clubhouse	(2,688,933.99)	(2,403,609.07)	1,888,933.99	-	(3,203,609.07)
Total	(2,688,933.99)	(2,403,609.07)	1,888,933.99	-	(3,203,609.07)
Property, plant and equipment - net	117,733,310.77				106,698,380.14

In Baht		
	2019	2018
Depreciation for the year	10,407,820.60	12,412,506.15



As at December 31, 2019 and 2018, land, building and sale office's building including land and some of the clubhouse building in the total amount of Baht 100.52 million, net book value amount of Baht 37.53 million and Baht 41.53 million, respectively, are mortgaged as collateral against the overdrafts and loans from two commercial banks in the total amount of Baht 25 million, as discussed in note 17.

During the year 2019 and 2018, the Company had transferred the land and clubhouse building to the housing estate juristic person at cost Baht 25,184,805.68 (Book value of Baht 14,770,556.34) and Baht 4,935,763.70, (Book value of Baht 2,442,718.66), respectively.

The fixed assets had been fully depreciated but still in use, as follows:

Transaction assets	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Building - office	10,203,302.00	10,203,302.00	10,203,302.00	10,203,302.00
Building - clubhouse	9,624,108.07	9,624,108.07	9,624,108.07	9,624,108.07
Sample house and sale office building	20,763,000.01	20,763,000.01	20,763,000.01	20,763,000.01
Machinery and equipment	3,296,924.97	3,156,598.75	2,244,981.46	2,104,655.24
Office equipment	12,133,276.37	13,878,943.88	11,175,265.20	7,250,613.07
Furniture and fixtures	10,871,227.53	9,686,889.43	10,871,227.53	9,686,889.43
Vehicles	16,551,369.23	16,551,369.23	16,254,359.23	16,245,369.23
Total	83,443,208.18	83,864,211.37	81,136,243.50	75,877,937.05

## 16. INTANGIBLE ASSETS

Intangible assets consist of the following :

	In Baht			
	Consolidated Financial Statements			
	Balance as at December 31, 2018	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2019
<u>At cost</u>				
Software licenses	12,031,883.15	653,430.85	-	12,685,314.00
Total	12,031,883.15	653,430.85	-	12,685,314.00
<u>Less</u> Accumulated amortization	(7,267,683.78)	(764,724.93)	-	(8,032,408.71)
Intangible assets - net	4,764,199.37			4,652,905.29

	In Baht			
	Consolidated Financial Statements			
	Balance as at December 31, 2017	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2018
<u>At cost</u>				
Software licenses	11,951,108.85	80,774.30	-	12,031,883.15
Total	11,951,108.85	80,774.30	-	12,031,883.15
<u>Less</u> Accumulated amortization	(6,199,527.27)	(1,068,156.51)	-	(7,267,683.78)
Intangible assets - net	5,751,581.58			4,764,199.37

	In Baht	
	Consolidated Financial Statements	
	2019	2018
Amortization for the year	764,724.93	1,068,156.51

	In Baht			
	Separate Financial Statements			
	Balance as at December 31, 2018	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2019
<b>At cost</b>				
Software licenses	12,031,883.15	523,930.85	-	12,555,814.00
Total	12,031,883.15	523,930.85	-	12,555,814.00
<b>Less</b> Accumulated amortization	(7,267,683.78)	(760,550.69)	-	(8,028,234.47)
Intangible assets - net	4,764,199.37			4,527,579.53

	In Baht			
	Separate Financial Statements			
	Balance as at December 31, 2017	Additions (Transfer in)	Deduction (Transfer out)	Balance as at December 31, 2018
<b>At cost</b>				
Software licenses	11,951,108.85	80,774.30	-	12,031,883.15
Total	11,951,108.85	80,774.30	-	12,031,883.15
<b>Less</b> Accumulated amortization	(6,199,527.27)	(1,068,156.51)	-	(7,267,683.78)
Intangible assets - net	5,751,581.58			4,764,199.37

	In Baht	
	Separate Financial Statements	
	2019	2018
Amortization for the year	760,550.69	1,068,156.51

## 17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM THE FINANCIAL INSTITUTIONS

This account consist of :-

	In Baht	
	Consolidated/Separate Financial Statements	
	2019	2018
Bank overdrafts from the financial institutions	43,599,108.27	37,255,899.85
Short-term loans from the financial institutions	263,271,200.00	419,168,891.00
Total	306,870,308.27	456,424,790.85

Credit line (Million Baht)			Rate	Due Date	Guarantee
As at December 31, 2019	As at December 31, 2018				
Bank Overdraft					
The parent company					
- The first bank	25.00	25.00	MOR per annum	At call	- By the mortgage of the Company's land and the clubhouse building.
- The second bank	20.00	20.00	MOR less 1% per annum	At call	- By the mortgage of the project's land.
- The third bank	15.00	15.00	MOR less 0.50% per annum	At call	- By the mortgage of the director's relatives land.
- The fourth bank	5.00	5.00	MOR per annum	1 year (revised annually)	- By the mortgage of the project's land.
Total Credit line	65.00	65.00			
Short-term loans					
The parent company					
- The first bank	-	35.00	MLR per annum	Dec 27, 2019	- By the mortgage of the director's land and construction thereon.
- The second bank	10.43	10.43	MLR less 0.50% per annum	Apr 30, 2020	- By the mortgage of the project's land and construction thereon and construction in the future.
- The third bank	25.00	25.00	MLR less 1.62% per annum	Feb 28, 2020	- By the mortgage of the Company's land.
- The fourth bank	87.84	120.00	MLR less 0.25% per annum	Jun 22, 2020	- By the mortgage of the director's relatives land.
- The fifth bank	90.00	90.00	MLR per annum	Jan 7, 2020 and Apr 10, 2020	- By the mortgage of the project's land and construction thereon and construction in the future.
- The sixth bank	50.00	50.00	MLR per annum	Apr 26, 2020	- By the mortgage of the Company's land
- The seventh bank	-	50.00	10% per annum	Jun 15, 2020	- By the mortgage of the project's land and construction thereon and construction in the future.
- The eighth bank	-	55.59	MLR less 1.00% per annum	Mar 25, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
- The ninth bank	-	33.15	MLR per annum	May 4, 2019	- By the mortgage of the project's land and construction thereon and construction in the future.
	263.27	469.17			
Total Credit line	328.27	534.17			

Under the terms of the agreements, the Company shall strictly comply with the conditions of agreements.

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) to maintain debt-to-equity ratio is not over than 1.5:1, (4) not to pay dividend except the lender assess the payment not affect to ability of repayment loan, (5) not to decrease registered capital and (6) to grant beneficiary of the asset protection insurance to the lender, etc.

**18. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLE**

This account consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Trade accounts	74,045,013.08	53,013,624.13	72,846,434.33	53,013,624.13
Other payable	2,723,922.23	2,992,448.40	2,721,420.87	2,992,448.40
Withholding tax	2,338,138.83	915,929.30	2,338,138.83	909,929.30
Other	1,642,193.36	2,191,728.75	1,642,193.36	2,191,728.75
Total	80,749,267.50	59,113,730.58	79,548,187.39	59,107,730.58

**19. LONG-TERM LOANS FROM THE FINANCIAL INSTITUTIONS**

This account consists of :

	In Baht	
	Consolidated/Separate Financial Statements	
	2019	2018
Long-term loans from local banks		
The first bank	449,087,426.20	451,370,183.00
The second bank	162,852,161.17	91,666,785.93
The third bank	8,217,582.81	-
The fourth bank	1,960,000.00	14,680,000.00
Total	622,117,170.18	557,716,968.93
<u>Less</u> Current portion due within one year	(273,073,114.78)	(395,424,412.59)
Long-term loans from the financial institutions - net	349,044,055.40	162,292,556.34

Movements in the long-term loans account during the year ended December 31, 2019 and 2018 are summarized below.

	In Baht	
	Consolidated/Separate Financial Statements	
	2019	2018
Balance forward as at January 1,	557,716,968.93	1,025,700,933.75
Add: Additional borrowings during the year	332,575,346.26	534,529,832.08
Less: Repayment during the year	(268,175,145.01)	(1,002,513,796.90)
Balance as at December 31,	622,117,170.18	557,716,968.93

Credit line (Million Baht)		Interest rate	Guarantee
As at December 31, 2019	As at December 31, 2018		

### Long-term loans

Parent company

#### The first bank

- The first credit line	264.00	264.00	MLR less 0.50% per annum	By the mortgage of some of the project's land and construction thereon. and the land of relatives of director
- The second credit line	-	278.48	MLR less 0.50% per annum	
- The third credit line	-	260.00	MLR less 0.50% per annum	
- The fourth credit line	-	278.50	MLR less 0.50% per annum	
- The fifth credit line	145.00	145.00	MLR less 0.50% per annum	
- The sixth credit line	313.40	313.40	MLR less 0.50% per annum	
- The seventh credit line	272.00	-	MLR less 0.50% per annum	
	994.40	1,539.38		

Credit line (Million Baht)		Interest rate	Guarantee
As at December 31, 2019	As at December 31, 2018		

#### The second bank

- The first credit line	80.00	80.00	MLR plus 0.50% per annum	By the mortgage of some of the project's land and construction thereon and investment property. And by the land of relatives of director.
- The second credit line	-	144.68	MLR plus 0.50% per annum	
- The third credit line	-	83.00	MLR plus 0.50% per annum	
- The fourth credit line	-	20.40	MLR per annum	
- The fifth credit line	-	144.45	MLR per annum	
- The sixth credit line	353.00	-	MLR less 1.90% per annum	
- The seventh credit line	53.00	-	MLR less 1.90% per annum	
- The eight credit line	160.00	-	MLR less 1.90% per annum	
	646.00	472.53		

#### The third bank

- The first credit line	38.00	38.00	MLR per annum	By the mortgage of some of the project's land and construction thereon
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#### The fourth bank

- The first credit line	58.50	-	MLR less 0.25% per annum	By the mortgage of some of the project's land and construction thereon
	1,736.90	2,049.91		

As at December 31, 2019 and 2018, the Company has the credit limits that have not been withdrawn amounting to Baht 294.99 million and Baht 234.10 million, respectively.

**Local bank No. 1****Credit loan No. 1**

The Company has to repay all loans within 1 year from the first drawdown date (December 23, 2014). Subsequently, on December 24, 2015, the Company has issued an extension letter of all loans repayment to December 23, 2016. Later on December 23, 2016, the Company has issued an extension letter of all loans repayment to December 23, 2019. Later on December 23, 2019, the Company has issued an extension letter of all loans repayment to December 23, 2021

As at December 31, 2019, the Company has classified such liabilities under the long-term loans from financial institutions due within one year.

**Credit loan No. 2**

The Company has to repay all loans within 4 years from the date of first drawdown (September 5, 2016)

As at December 31, 2019, the Company has repaid the loans in the full amount.

**Credit loan No. 3**

The Company has to repay all loans within 4 years from the date of first drawdown (January 12, 2017).

As at December 31, 2019, the Company has repaid the loans in the full amount.

**Credit loan No. 4**

The Company has to repay all loans within 4 years from the date of first drawdown (February 28, 2017).

As at December 31, 2019, the Company has repaid the loans in the full amount.

**Credit loan No. 5**

The Company has to repay all loans within 2 years from the date of first drawdown (February 28, 2018). Later on February 28, 2019, the Company has issued an extension letter of all loans repayment to February 28, 2021

As at December 31, 2019, the Company has classified such liabilities under the long-term loans from financial institutions due within one year.

**Credit loan No. 6**

The Company has to repay all loans within 3 years from the date of first drawdown (October 16, 2018). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Credit loan No. 7**

The Company has to repay all loans within 4 years from the date of first drawdown (June 14, 2019). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Local bank No. 2****Credit loan No. 1**

The Company has to repay all loans within 96 months. The first installment will be started within 1 month from the agreement signing date (May 15, 2014).

As at December 31, 2019, the Company has classified some portion of liabilities under the long-term loans from financial institutions due within one year.

**Credit loan No. 2**

The Company has to repay all loans within 48 months. The first installment will be started within 1 month from the agreement signing date (December 23, 2014). In 2015, the Company has fully repaid the loan. On August 7, 2015, the Company has entered into a new loan agreement, which has to be repaid all loans within 66 months from the agreement date.

As at December 31, 2019, the Company has repaid the loans in the full amount.

**Credit loan No. 3**

The Company has to repay all loans within 48 months. The first installment will be started at the end of May 2017.

As at December 31, 2019, the Company has repaid the loans in the full amount.

**Credit loan No. 4**

The Company has to repay all loans within 24 months. The first installment will be started within 1 month from the agreement signing date (February 15, 2018).

As at December 31, 2019, the Company has repaid the loans in the full amount.

**Credit loan No. 5**

The Company has to repay all loans within 24 months. The first installment will be started within 1 month from the agreement signing date (April 9, 2018).

As at December 31, 2019, the Company has repaid the loans in the full amount.

**Credit loan No. 6**

The Company has to repay all loans within 72 months. The first installment will be started within 18 month from the agreement signing date (June 10, 2019). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Credit loan No. 7**

The Company has to repay all loans within 60 months. The first installment will be started within July 2019. However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Credit loan No. 8**

The Company has to repay all loans within 60 months. The first installment will be started within 18 month from the agreement signing date (September 25, 2019). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

**Local bank No. 3****Credit loan No. 1**

The Company has to repay all loans within 3 years from the date of first drawdown (March 10, 2017). However, the Company does not estimate the amount of loan expected to be paid within one year to be classified as current liabilities in the statement of financial position for this loan portion.

As at December 31, 2019, the Company has classified some portion of liabilities under the long-term loans from financial institutions due within one year.

**Local bank No. 4****Credit loan No. 1**

The Company has to repay all loans within 4 years from the agreement signing date (July 24, 2019).

As at December 31, 2019, the Company has classified some portion of liabilities under the long-term loans from financial institutions due within one year.

**Compliance with other conditions**

In addition, the Company has to comply with the terms and conditions as specified in the loan agreement, such as (1) not to sell, dispose, transfer, give rent, pledge, or mortgage the Company's loan collaterals, (2) not to commit any obligation that would result in letting other persons have control or rights in the Company's assets, (3) to maintain debt-to-equity ratio, (4) not to pay dividend except the lender assess the payment not affect the ability of loan repayment, (5) not to decrease registered capital and (6) to grant beneficiary of the asset protection from the insurance to policy the lender, etc.



## 20. SHORT-TERM LOAN FROM OTHER COMPANY

As at December 31, 2019, the Company has credit line of short-term loan from a company amounted Baht 50.00 million. The repayment of principal is due within June 2019, carries the interest rate 10% per annum. It has been guaranteed by land with existing buildings and continuing in the future on the project land of the company.

The change of short-term loan from other company for the year ended December 31, 2019 is described as follows:

	In Baht
	Consolidated/Separate Financial Statements
Balance as at December 31, 2018	48,161,777.52
Add: Additional loan during the period	-
<u>Less:</u> Loan repayment	(48,161,777.52)
Balance as at December 31, 2019	-

	In Baht
	Consolidated/Separate Financial Statements
Balance as at December 31, 2017	162,125,422.40
Add: Additional loan during the period	50,000,000.00
<u>Less:</u> Loan repayment	(163,963,644.88)
Balance as at December 31, 2018	48,161,777.52

## 21. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations consists of :

### The statements of financial position

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Defined benefit obligations, beginning of the years	55,789,238.00	38,008,941.00	54,111,667.00	36,904,041.00
<u>Plus</u> Current service costs and interest	5,868,892.00	17,780,297.00	5,612,100.00	17,207,626.00
<u>Less</u> Employee benefit obligations paid during the year	-	-	-	-
<u>Less</u> Actuarial loss from post-employee benefit	3,271,843.73	-	3,497,909.64	-
Defined benefit obligations, ending of the years	64,929,973.73	55,789,238.00	63,221,676.64	54,111,667.00

## Expense recognized in the statements of comprehensive income

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
<b>Recognized in profit (loss)</b>				
Current service costs	4,583,040.00	16,622,645.00	4,367,528.00	16,085,882.00
Interest on obligation	1,285,852.00	1,157,652.00	1,244,572.00	1,121,744.00
Total	5,868,892.00	17,780,297.00	5,612,100.00	17,207,626.00
Current service costs				
Cost of service	100,085.00	268,362.00	-	-
Selling expenses	1,547,573.00	3,788,591.00	1,547,573.00	3,788,591.00
Administrative expenses	1,605,307.00	8,888,628.00	1,489,880.00	8,620,227.00
Management benefit expenses	1,330,075.00	3,677,064.00	1,330,075.00	3,677,064.00
Finance costs	1,285,852.00	1,157,652.00	1,244,572.00	1,121,744.00
Total	5,868,892.00	17,780,297.00	5,612,100.00	17,207,626.00
<b>Recognized in other comprehensive income</b>				
Actuarial loss from post-employee benefit	3,271,843.73	-	3,497,909.64	-
Total	3,271,843.73	-	3,497,909.64	-
Total	9,140,735.73	17,780,297.00	9,110,009.64	17,207,626.00

Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2019 arise from

	In Baht	
	For the year ended December 31, 2019	
	Consolidated Financial Statements	Separate Financial Statements
Recognize in other comprehensive income		
Improvement from experience	(4,047,273.00)	(3,500,548.00)
Population assumption	(759,782.00)	(853,500.00)
Financial assumption	8,078,898.73	7,851,957.64
Total	3,271,843.73	3,497,909.64

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

For the years ended December 31, 2019 and 2018.

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

### Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 and 2018 are summarized below:

	Million Baht			
	2019			
	Consolidated Financial Statements		Separate Financial Statements	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discount rate	(4.18)	4.76	(3.98)	4.53
Salary increase rate	4.59	(4.12)	4.35	(3.91)
Employee turnover rate	(4.39)	1.11	(4.16)	1.04

	Million Baht			
	2018			
	Consolidated Financial Statements		Separate Financial Statements	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discount rate	(4.08)	4.66	(3.93)	4.48
Salary increase rate	5.11	(4.55)	4.92	(4.39)
Employee turnover rate	(4.28)	1.12	(4.12)	1.07

As at December 31, 2019 and 2018, the Company did not have any amount to be paid to the employees retiring in one year's time.

During the year 2019, long-term interest rate has significantly reduced that affected the discount rate assumed by the actuarial would be 2.30% to 1.40 %. The Company and its subsidiaries have considered to record the increase of employee benefit obligations in the amount of Baht 3.27 million (the Company : Baht 3.50 million) and to recognize the past service costs in other comprehensive income at the same amount. For the sensitivity analysis data above, it may have some changes as stated. However, the Company and its subsidiaries are in the process of reassessing the employee benefits by the actuarial.

## 22. PROVISION FOR COMPENSATION FOR HOUSING ESTATE JURISTIC PERSONS

	In Baht	
	Consolidated/Separate Financial Statements	
	2019	2018
Beginning balance as at January 1,	19,527,351.90	16,255,358.69
<u>Add</u> increase during the year	1,702,616.41	3,271,993.21
<u>Less</u> decrease during the year	(4,704,334.80)	-
Ending balance as at December 31,	16,525,633.51	19,527,351.90

## 23. LIABILITIES FROM PURCHASING THE REAL ESTATE PROJECT

The Company had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated December 16, 2004, and its subsidiary had an obligation under the contract to buy and sell land of a real estate project with a company under the buy and sale agreement dated March 3, 2014. The contract to buy and to sell land requires the Company has to pay for the land, including the debt burden owing to the existing customers of the project.

Liabilities from purchasing the real estate project consists of:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Beginning balance as at January 1,	42,740,740.00	32,146,940.00	39,198,150.00	28,604,350.00
Add increase during the year	-	15,843,800.00	-	15,843,800.00
Less decrease from payment during the year	-	(5,250,000.00)	-	(5,250,000.00)
Ending balance as at December 31,	42,740,740.00	42,740,740.00	39,198,150.00	39,198,150.00

**24. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES**

24.1 Deferred tax assets and deferred tax liabilities as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Deferred tax assets	16,496,382.57	15,368,525.59	16,496,382.57	15,368,525.59
Deferred tax liabilities	(1,851,286.04)	(1,273,385.20)	(3,572,858.60)	(2,994,957.76)
Net	14,645,096.53	14,095,140.39	12,923,523.97	12,373,567.83

24.2 Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2019 and 2018 are summarized as follows:

	In Baht			
	Consolidated Financial Statements			
	Balance as at Dec. 31, 18	Revenue (expenses) during the year		Balance as at Dec. 31, 19
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for doubtful other receivable	-	196,000.00	-	196,000.00
Allowance for declining value-clubhouse	640,721.81	(289,801.27)	-	350,920.54
Provisions for employee benefits	10,822,333.40	1,122,420.00	699,581.93	12,644,335.33
Provisions for compensation for housing estate juristic persons	3,905,470.38	(600,343.68)	-	3,305,126.70
Total	15,368,525.59	428,275.05	699,581.93	16,496,382.57
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade investments	(15,945.47)	(769.73)	-	(16,715.20)
Property development costs and inventories	(1,257,439.73)	(577,131.11)	-	(1,834,570.84)
Total	(1,273,385.20)	(577,900.84)	-	(1,851,286.04)
Net	14,095,140.39	(149,625.79)	699,581.93	14,645,096.53

## In Baht

		Consolidated Financial Statements		
		Revenue (expenses) during the year		Balance as at Dec. 31, 18
		In profit or loss	In other comprehensive income	
	Balance as at Dec. 31, 17			
Deferred tax assets:				
Allowance for doubtful other receivable	-	-	-	-
Allowance for declining value-clubhouse	537,786.80	102,935.01	-	640,721.81
Provisions for employee benefits	7,380,808.20	3,441,525.20	-	10,822,333.40
Provisions for compensation for housing estate juristic persons	3,251,071.75	654,398.63	-	3,905,470.38
Total	11,169,666.75	4,198,858.84	-	15,368,525.59
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade investments	(15,277.10)	(668.37)	-	(15,945.47)
Property development costs and inventories	(6,218,528.06)	4,961,088.33	-	(1,257,439.73)
Total	(6,233,805.16)	4,960,419.96	-	(1,273,385.20)
Net	4,935,861.59	9,159,278.80	-	14,095,140.39

## In Baht

		Separate Financial Statements		
		Revenue (expenses) during the year		Balance as at Dec. 31, 19
		In profit or loss	In other comprehensive income	
Balance as at Dec. 31, 18				
Deferred tax assets:				
Allowance for doubtful other receivable	-	196,000.00	-	196,000.00
Allowance for declining value-clubhouse	640,721.81	(289,801.27)	-	350,920.54
Provisions for employee benefits	10,822,333.40	1,122,420.00	699,581.93	12,644,335.33
Provisions for compensation for housing estate juristic persons	3,905,470.38	(600,343.68)	-	3,305,126.70
Total	15,368,525.59	428,275.05	699,581.93	16,496,382.57
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade investments	(15,945.47)	(999.47)	-	(16,944.94)
Property development costs and inventories	(2,979,012.29)	(576,901.37)	-	(3,555,913.66)
Total	(2,994,957.76)	(577,900.84)	-	(3,572,858.60)
Net	12,373,567.83	(149,625.79)	699,581.93	12,923,523.97

	In Baht			
	Separate Financial Statements			
	Balance as at Dec. 31, 17	Revenue (expenses) during the year		Balance as at Dec. 31, 18
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for doubtful other receivable	-	-	-	-
Allowance for declining value-clubhouse	537,786.80	102,935.01	-	640,721.81
Provisions for employee benefits	7,380,808.20	3,441,525.20	-	10,822,333.40
Provisions for compensation for housing estate juristic persons	3,251,071.75	654,398.63	-	3,905,470.38
Total	11,169,666.75	4,198,858.84	-	15,368,525.59
Deferred tax liabilities:				
Unrealized gain on remeasuring held for trade investments	(15,277.10)	(668.37)	-	(15,945.47)
Property development costs and inventories	(7,940,100.62)	4,961,088.33	-	(2,979,012.29)
Total	(7,955,377.72)	4,960,419.96	-	(2,994,957.76)
Net	3,214,289.03	9,159,278.80	-	12,373,567.83

### 24.3 Tax expense (income)

#### 24.3.1 Major components of tax expense (income)

For the years ended December 31, 2019 and 2018 consisted of:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	6,629,471.01	26,955,532.63	6,521,062.24	26,955,532.63
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	149,625.79	(9,159,278.80)	149,625.79	(9,159,278.80)
Total	6,779,096.80	17,796,253.83	6,670,688.03	17,796,253.83
Recognized in other comprehensive income				
Actuarial gain (loss) from post-employee benefit	(699,581.93)	-	(699,581.93)	-



24.3.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2019 and 2018 which are summarized as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Accounting profit (loss) for the year	28,025,017.00	114,096,947.04	28,458,704.77	116,961,064.96
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	5,605,003.40	22,819,389.41	5,691,740.95	23,392,212.99
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,174,093.40	(5,023,135.58)	978,947.08	(5,595,959.16)
Tax effect of income that are not deductible in determining tax profit:	-	-	-	-
Total reconciliation items	1,174,093.40	(5,023,135.58)	978,947.08	(5,595,959.16)
Total tax expense (income)	6,779,096.80	17,796,253.83	6,670,688.03	17,796,253.83

24.3.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate  
For the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated Financial Statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	28,025,017.00		114,096,947.04	
Tax expense (income) at the applicable tax rate	5,605,003.40	20.00	22,819,389.41	20.00
Reconciliation items	1,174,093.40	4.19	(5,023,135.58)	(4.40)
Tax expense (income) at the average effective tax rate	6,779,096.80	24.19	17,796,253.83	15.60

	Separate Financial Statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	28,458,704.77		116,961,064.96	
Tax expense (income) at the applicable tax rate	5,691,740.95	20.00	23,392,212.99	20.00
Reconciliation items	978,947.08	3.44	(5,595,959.16)	(4.78)
Tax expense (income) at the average effective tax rate	6,670,688.03	23.44	17,796,253.83	15.22

As at December 31, 2019 and 2018, a subsidiary has the accumulated tax losses less than 5 years at the amount of Baht 3.35 million and Baht 5.03 million, respectively, which the such subsidiary did not record such deferred tax assets from losses above as there is no policy to use such losses in the tax calculation for the year.

## **25. LEGAL RESERVE**

Under the provision of the Public Limited Companies Act B.E.2535, the Company must appropriate the reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

A subsidiary had appropriated its legal reserve as reserve fund of which the reserve reaches 10% of the authorized share capital.

According to the resolution on the Board of Directors Meeting No. 1/2020 held on February 28, 2020 the Company had appropriated its legal reserve in the amount of Baht 1.21 million of annual net income in 2019.

According to the resolution on the Board of Directors Meeting No. 1/2019 held on February 27, 2019 the Company had appropriated its legal reserve in the amount of Baht 5.00 million of annual net income in 2018.

## **26. DIVIDEND**

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

## **27. CAPITAL MANAGEMENT**

The primary objective of the Company and its subsidiaries' capital management are to ensure that it has an appropriate financial structure and preserve the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2019 and 2018, the Group's debt-to-equity ratio was 0.60 : 1 and 0.65 : 1, respectively and the Company's was 0.60 : 1 and 0.64 : 1, respectively.

## **28. PROVIDENT FUND**

The Company and its subsidiaries established a contributory registered provident fund covering all permanent employees in accordance with the provident Fund Act B.E.2530.

Under the provident fund plan, employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company and its subsidiaries appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530.

The Company and its subsidiaries's contribution for the years ended December 31, 2019 and 2018 amounted to Baht 3,963,052.35 and Baht 4,982,356.17, respectively.

The Company's contributions for the years ended December 31, 2019 and 2018 amounted to Baht 3,890,289.25 and Baht 4,643,557.79, respectively.

## 29. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Changes in inventories (increase) decrease	139,697,662.43	174,608,354.07	139,771,356.35	174,608,354.07
Changes in property development costs				
(increase) decrease	(292,302,579.91)	491,909,990.03	(292,302,579.91)	491,909,990.03
Changes in land held for development				
(increase) decrease	280,904,918.86	(160,460,996.10)	280,904,918.86	(160,460,996.10)
Interest capitalization	31,915,387.30	53,472,927.37	31,915,387.30	53,472,927.37
Utilities and construction in progress	475,349,704.24	411,104,827.34	475,349,704.24	411,104,827.34
Employee benefit expenses	122,550,329.59	150,058,909.25	116,055,346.70	142,428,912.47
Depreciation and amortization expenses	21,046,855.44	23,642,941.28	20,937,920.50	23,618,272.08

## 30. FINANCE COSTS

Finance costs consists of :

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Interest paid and payable to				
- Financial institutions	58,746,235.23	90,943,567.88	58,746,235.23	90,943,567.88
- Related parties	13,337,006.83	16,029,141.07	13,165,924.66	15,419,893.15
Employee benefit obligations	1,285,852.00	1,157,652.00	1,244,572.00	1,121,744.00
Fee for obtaining loans from				
financial institutions	862,848.00	3,932,759.00	862,848.00	3,932,759.00
Finance lease interest	-	71,747.12	-	71,747.12
Total	74,231,942.06	112,134,867.07	74,019,579.89	111,489,711.15
<u>Less</u> capitalized as part of property				
development costs	(31,915,387.30)	(53,472,927.37)	(31,915,387.30)	(53,472,927.37)
Net	42,316,554.76	58,661,939.70	42,104,192.59	58,016,783.78

**31. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing profit (loss) for the period by weighted average number of ordinary shares that are issued and paid during the period after adjusting the number of ordinary shares to reflect the impact of the stock dividend. The prior period's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest year reported.

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
Profit for the year	(Baht)	21,245,920.20	96,300,693.21	21,788,016.74	99,164,811.13
Weighted average number of ordinary shares	(Shares)	1,245,283,691	1,245,283,691	1,245,283,691	1,245,283,691
Basic earning per share	(Baht per share)	0.017	0.077	0.017	0.080

**32. SEGMENT INFORMATION**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The business operation of the Company and its subsidiaries mainly involve real estate, contractor and property management services, which has main geographical operation in Thailand. Segment performance is considered by revenue and profit in each unit, and is also measured based on the group operating profit or loss, on a basis consistent with used to measure operating profit or loss in the financial statement. The Company and its subsidiaries information for the years ended December 31, 2019 and 2018 by segments are as follow.

For the year ended December 31, 2019 (In Baht)										
	Real Estate		Rental and services	Contractor	Property manager services	Wellness services	Total	Elimination		Consolidated
	Low - rise segment	High - rise segment						DR.	CR.	
Revenues										
Sales	1,084,214,988.00	127,354,876.00	-	-	-	-	1,211,569,864.00	-	-	1,211,569,864.00
Rental income and service	-	-	15,129,440.04	-	7,402,050.00	50,766.38	22,582,256.42	(2,560,000.00)	-	20,022,256.42
Other income	20,923,386.58	291,348.48	19,057.88	438,746.30	11,645.65	5,901.94	21,690,086.83	(447,498.50)	-	21,242,588.33
Total revenues	1,105,138,374.58	127,646,224.48	15,148,497.92	438,746.30	7,413,695.65	56,668.32	1,255,842,207.25			1,252,834,708.75
Expenses										
Cost of sales	738,188,422.87	81,315,152.09	-	-	-	-	819,503,574.96	-	-	819,503,574.96
Cost for rent and service	-	-	17,076,141.39	-	3,628,933.24	249,189.29	20,954,263.92	-	-	20,954,263.92
Selling expenses	127,611,135.70	13,907,169.75	-	-	-	-	141,518,305.45	-	-	141,518,305.45
Administrative expenses	126,451,896.18	33,437,429.72	4,443,322.82	292,662.53	2,815,123.00	1,122,315.48	168,562,749.73	-	(2,985,286.17)	165,577,463.56
Management benefit expenses	30,941,574.10	3,573,828.59	424,126.41	-	-	-	34,939,529.10	-	-	34,939,529.10
Finance cost	37,874,707.78	28,400.00	4,201,084.81	28,828.77	205,745.73	-	42,338,767.09	-	(22,212.33)	42,316,554.76
Total expenses	1,061,067,736.63	132,261,980.15	26,144,675.43	321,491.30	6,649,801.97	1,371,504.77	1,227,817,190.25			1,224,809,691.75
Income (loss) by segments	44,070,637.95	(4,615,755.67)	(10,996,177.51)	117,255.00	763,893.68	(1,314,836.45)	28,025,017.00			28,025,017.00
Tax expenses (income)										6,779,096.80
Profit gain (loss) for the year										21,245,920.20

For the year ended December 31, 2019 (In Baht)									
	Real Estate		Rental and services	Contractor	Property manager services	Wellness services	Total	Elimination	
	Low - rise segment	High - rise segment						DR.	CR.
Other comprehensive income									Consolidated
Item that will not be reclassified to profit or loss									
Actuarial loss from post-employee benefit, net of income tax									(2,572,261.80)
Items that maybe classified subsequently to profit or loss									-
Total comprehensive income for the year									18,673,658.40
As at December 31, 2019									
Inventories	77,513,551.71	94,469,154.11	-	-	-	73,693.92	172,056,399.74		172,056,399.74
Property development costs	1,883,726,014.33	6,290,470.00	-	-	-	-	1,890,016,484.33		1,890,016,484.33
Investment property	-	-	192,201,288.11	-	-	-	192,201,288.11		192,201,288.11
Property, plant and equipment	84,986,815.14	314,701.18	348,166.17	133.00	25,869.50	8,471,662.23	94,147,347.22		94,147,347.22

[illegible]



For the year ended December 31, 2018 (In Baht)									
	Real Estate		Rental and services	Contractor	Property manager services	Wellness services	Total	Elimination	
	Low - rise segment	High - rise segment						DR.	CR.
Other comprehensive income									
Item that will not be reclassified to profit or loss									
Actuarial loss from post-employee benefit, net of income tax									-
Items that may be classified subsequently to profit or loss									-
Total comprehensive income for the year									96,300,693.21
As at December 31, 2018									
Inventories	138,591,938.15	173,162,124.02	-	-	-	-	311,754,062.17		311,754,062.17
Property development costs	1,589,944,455.42	7,769,449.00	-	-	-	-	1,597,713,904.42		1,597,713,904.42
Investment property	-	-	194,085,729.74	-	-	-	194,085,729.74		194,085,729.74
Property, plant and equipment	105,606,344.57	552,283.40	539,752.17	133.00	6,585.15	-	106,705,098.29		106,705,098.29

### 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Consolidated Financial Statements			
	Balance As at January 1, 2019	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2019
Bank overdrafts and short - term loans				
from the financial institutions	456,424,790.85	(149,554,482.58)	-	306,870,308.27
Short-term loan from other company	48,161,777.52	(48,161,777.52)	-	-
Short-term loan from related parties	230,000,000.00	(11,000,000.00)	-	219,000,000.00
Short-term loan from the director	3,000,000.00	(500,000.00)	-	2,500,000.00
Long-term loans from the financial institutions	557,716,968.93	64,400,201.25	-	622,117,170.18
Liabilities under the finance lease agreement	1,070.00	(1,070.00)	-	-
Total	1,295,304,607.30	(144,817,128.85)	-	1,150,487,478.45

	Consolidated Financial Statements			
	Balance As at January 1, 2018	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2018
Bank overdrafts and short - term loans				
from the financial institutions	404,185,123.84	52,239,667.01	-	456,424,790.85
Short-term loan from other company	162,125,422.40	(113,963,644.88)	-	48,161,777.52
Short-term loan from related parties	276,000,000.00	(46,000,000.00)	-	230,000,000.00
Short-term loan from the director	16,900,000.00	(13,900,000.00)	-	3,000,000.00
Long-term loans from the financial institutions	1,025,700,933.75	(467,983,964.82)	-	557,716,968.93
Liabilities under the finance lease agreement	835,313.28	(834,243.28)	-	1,070.00
Total	1,885,746,793.27	(590,442,185.97)	-	1,295,304,607.30

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

Separate Financial Statements				
	Balance As at January 1, 2019	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2019
Bank overdrafts and short - term loans				
from the financial institutions	456,424,790.85	(149,554,482.58)	-	306,870,308.27
Short-term loan from other company	48,161,777.52	(48,161,777.52)	-	-
Short-term loan from related parties	229,000,000.00	(10,000,000.00)	-	219,000,000.00
Short-term loan from the director	-	-	-	-
Long-term loans from the financial institutions	557,716,968.93	64,400,201.25	-	622,117,170.18
Liabilities under the finance lease agreement	1,070.00	(1,070.00)	-	-
Total	1,291,304,607.30	143,317,128.85	-	1,147,987,478.45

Separate Financial Statements				
	Balance As at January 1, 2018	Cash flows Increase (decrease) *	Non-cash transaction Increase	Balance As at December 31, 2018
Bank overdrafts and short - term loans				
from the financial institutions	404,185,123.84	52,239,667.01	-	456,424,790.85
Short-term loan from other company	162,125,422.40	(113,963,644.88)	-	48,161,777.52
Short-term loan from related parties	276,000,000.00	(47,000,000.00)	-	229,000,000.00
Short-term loan from the director	16,900,000.00	(16,900,000.00)	-	-
Long-term loans from the financial institutions	1,025,700,933.75	(467,983,964.82)	-	557,716,968.93
Liabilities under the finance lease agreement	835,313.28	(834,243.28)	-	1,070.00
Total	1,885,746,793.27	(594,442,185.97)	-	1,291,304,607.30

\* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

### 34. COMMITMENT AND CONTINGENT LIABILITIES

34.1 The Company has entered into lease for the commercial buildings, sale office building, land and other services.

As at December 31, 2019, the Company is obligated to pay the rent and service as follows:

<u>Payable within:</u>	<u>Million Baht</u>
1 year	2.60
2 to 3 years	1.40

34.2 As at December 31, 2019, the Company has a commitment of a building construction agreement with the value to be paid in the future of Baht 9.07 million.

34.3 As at December 31, 2019, the Company and its subsidiaries had contingent liabilities from letters of guarantees issued by three banks to government agency and third parties, are as follows:

	Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
- Guarantee for electricity, water and others	8.03	7.63
- Guarantee fund for maintenance to public utilities	182.38	182.38

34.4 As at December 31, 2019, the Company had contingent liabilities to a bank from the guarantee on the customer's loan amounting to Baht 0.65 million and gasoline amounting to Baht 0.20 million (see note 13).

#### 34.5 Lawsuit

34.5.1 As at December 31, 2019, the Company has lawsuit on the civil case of Pattaya court black court case No.Por.564/2560 with the juristic person of Bayview Resort "plaintiff". The plaintiff sued the Company on the servitude charges related to the road passage and utilities to the land of the plaintiff.

On October 30, 2018, the court scheduled the hearing. The court ruled to dismiss the case on the plaintiff in all matter in case red case No. 1435/2561. The case is pending the plaintiff's appeal.

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

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

On November 26, 2019, the court scheduled the judgment ruling of the Appeal Court Part 2. The Appeal Court Part 2 ruled back that both land plots are on the main road with electrical pole and laundry house in accordance with the dispute map. The court ruled for the company to register its servitude to the plaintiff. If not complying, the court ruling supersedes the company's intention. The Company must not act or cause disturbance to the use of the disputed way and laundry house for the benefit of the residents in the plaintiff's condominium. The period for petition request and filing petition is within January 24, 2020.

Presently, it is under the process of exercising the right to request an appeal.

34.5.2 As at December 31, 2019, the Company has a lawsuit on the civil case of Pattaya court black case No. Por.411/2561 with a juristic person Bayview Resort “defendant”. The Company sued the defendant on expulsion charges claiming damage with the cost Baht 0.61 million. The case is under witness investigation.

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

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

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

## **35. FINANCIAL INSTRUMENTS**

### **35.1 Accounting policies**

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 5.

### **35.2 Financial risk management for financial instruments**

The Company and its subsidiaries manage their financial risk that may arise in the financial assets and financial liabilities in normal course of business by using generally internal management and control system and the Company and its subsidiaries do not hold or issue any derivative instruments. The significant financial assets and financial liabilities of the Company and its subsidiaries comprise cash and cash equivalents, bank overdrafts and short-term loans from the financial institutions, trade account receivable and payable, include notes receivable and notes payable, loans, liabilities under the finance lease agreement.

### **35.3 Interest Rate Risk**

The Company and its subsidiaries have the significant interest rate risks in relation to deposit at the financial institutions, bank overdrafts and short-term loans from the financial institutions, long-term loans from the financial institutions, loan from the director and short-term loan from the related parties and companies. Interest rate risk arises from the interest rate changes, which cause damage to the Company and its subsidiaries in the current period and in the future.

As at December 2019 and 2018, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

## In Baht

Consolidated Financial Statements				
As at December 31, 2019				
	Floating interest rate	Fixed interest rate	Interest - free	Total
<b>Financial assets</b>				
Cash and cash equivalents	20,957,566.62	-	6,252,389.67	27,209,956.29
Short-term investments	-	370,996.81	583,241.70	954,238.51
Trade account receivable	-	-	72,225.00	72,225.00
Deposit pledged as collateral	-	13,820,850.90	-	13,820,850.90
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans				
from the financial institutions	43,599,108.27	263,271,200.00	-	306,870,308.27
Trade notes payable	-	-	31,102,831.43	31,102,831.43
Trade accounts payable and other payable	-	-	80,749,267.50	80,749,267.50
Payable to related parties	-	-	37,698,592.56	37,698,592.56
Accrued expenses	-	-	18,915,558.16	18,915,558.16
Long-term loans from financial institutions	622,117,170.18	-	-	622,117,170.18
Short-term loan from related parties	-	219,000,000.00	-	219,000,000.00
Short-term loan from director	-	2,500,000.00	-	2,500,000.00

## In Baht

Consolidated Financial Statements				
As at December 31, 2018				
	Floating interest rate	Fixed interest rate	Interest - free	Total
<b>Financial assets</b>				
Cash and cash equivalents	7,086,142.12	-	22,132,559.50	29,218,701.62
Short-term investments	-	367,578.54	578,244.36	945,822.90
Trade account receivable	-	-	-	-
Deposit pledged as collateral	-	9,241,903.52	-	9,241,903.52
<b>Financial liabilities</b>				
Bank overdrafts and short-term loans				
from the financial institutions	37,255,899.85	419,168,891.00	-	456,424,790.85
Trade notes payable	-	-	24,301,426.51	24,301,426.51
Trade accounts payable and other payable	-	-	59,113,730.58	59,113,730.58
Payable to related parties	-	-	39,738,055.52	39,738,055.52
Accrued expenses	-	-	36,348,984.21	36,348,984.21
Long-term loans from financial institutions	557,716,968.93	-	-	557,716,968.93
Short-term loan from other company	-	48,161,777.52	-	48,161,777.52
Short-term loan from related parties	-	230,000,000.00	-	230,000,000.00
Short-term loan from director	-	3,000,000.00	-	3,000,000.00

## In Baht

Consolidated Financial Statements			
As at December 31, 2019			
Floating interest rate	Fixed interest rate	Interest - free	Total

**Financial assets**

Cash and cash equivalents	13,246,330.23	-	5,948,296.31	19,194,626.54
Short-term investments	-	129,175.73	583,241.70	712,417.43
Deposit pledged as collateral	-	13,820,850.90	-	13,820,850.90

**Financial liabilities**

Bank overdrafts and short-term loans				
from the financial institutions	43,599,108.27	263,271,200.00	-	306,870,308.27
Trade notes payable	-	-	31,102,831.43	31,102,831.43
Trade accounts payable and other payable	-	-	79,548,187.39	79,548,187.39
Payable to related parties	-	-	37,797,083.55	37,797,083.55
Accrued expenses	-	-	16,484,703.54	16,484,703.54
Long-term loans from financial institutions	622,117,170.18	-	-	622,117,170.18
Short-term loan from related parties	-	219,000,000.00	-	219,000,000.00

## In Baht

Consolidated Financial Statements			
As at December 31, 2018			
Floating interest rate	Fixed interest rate	Interest - free	Total

**Financial assets**

Cash and cash equivalents	5,306,159.06	-	21,316,921.06	26,623,080.12
Short-term investments	-	127,909.42	578,244.36	706,153.78
Deposit pledged as collateral	-	9,241,903.52	-	9,241,903.52

**Financial liabilities**

Bank overdrafts and short-term loans				
from the financial institutions	37,255,899.85	419,168,891.00	-	456,424,790.85
Trade notes payable	-	-	24,301,426.51	24,301,426.51
Trade accounts payable and other payable	-	-	59,107,730.58	59,107,730.58
Payable to related parties	-	-	41,355,320.57	41,355,320.57
Accrued expenses	-	-	35,371,981.40	35,371,981.40
Liabilities under the finance lease agreement	-	1,070.00	-	1,070.00
Long-term loans from financial institutions	557,716,968.93	-	-	557,716,968.93
Short-term loan from other company	-	48,161,777.52	-	48,161,777.52
Short-term loan from related parties	-	229,000,000.00	-	229,000,000.00



### 35.4 Foreign currency risk

As at December 31, 2019 and 2018, the Company has no exchange rate risk since it has no trade accounts receivable and accounts payable in foreign currency outstanding on the statement of financial position. The Company did not enter into forward contracts for hedging against exchange rate risk.

### 35.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

### 35.6 Fair value of financial instruments

The Company uses the market approach to measure and disclosure their assets and liabilities that are required to be measured or disclosure at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

#### Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Use of inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (e.g. derived from prices).

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

As at December 31, 2019 and 2018, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

Net book value (Baht)	In Baht				
	Consolidated/Separate Financial Statements				
	Fair value (Baht)				
	Level 1	Level 2	Level 3	Total	
As at December 31, 2019					
Assets measured at fair value					
Current investments					
Open fund	498,517.00	-	583,241.70	-	583,241.70
Total	498,517.00	-	583,241.70	-	583,241.70
As at December 31, 2018					
Assets measured at fair value					
Current investments					
Open fund	498,517.00	-	578,244.36	-	578,244.36
Total	498,517.00	-	578,244.36	-	578,244.36

During the current period, there were no transfers within the fair value hierarchy.

**Valuation techniques and inputs to level 2**

The fair value of investments in open fund that are not listed on the Stock Exchange of Thailand has been determined by using the net assets value per unit as announced by the fund manager.

As at December 31, 2019 and 2018, the financial assets and liabilities that are not measured at fair value (fair value disclosure) represented by the fair value hierarchy are as follows :

In Baht				
Net book value (Baht)	Consolidated/Separate Financial Statements			
	Fair value (Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
<b>Assets disclosed at fair value</b>				
Investment property	192,201,288.11	-	-	201,600,000.00
				201,600,000.00
As at December 31, 2018				
<b>Assets disclosed at fair value</b>				
Investment property	194,085,729.74	-	-	206,520,000.00
				206,520,000.00

**Valuation techniques and inputs to level 3**

The fair value of investment property is calculated by using the cost approach in determining the asset value. Land is used to compare with the market price and the replacement cost approach is used for building.

**36. RECLASSIFICATION**

Certain amounts in financial statements for the year 2018 have been reclassified to conform to the current year's presentation and classification, with no effect on previously reported net income or shareholder' equity.

	In Baht	
	Consolidated Financial Statements	
	As reclassified	As previously reported
<b>THE STATEMENTS OF FINANCIAL POSITION</b>		
CURRENT ASSETS		
Other current assets	12,796,538.47	11,816,538.47
NON-CURRENT ASSETS		
Other non-current assets	3,031,905.36	4,011,905.36
CURRENT LIABILITIES		
Current portion of liabilities under the finance lease agreement	-	1,070.00
Other current liabilities	3,005,960.45	3,004,890.45
<b>THE STATEMENTS OF COMPREHENSIVE INCOME</b>		
EXPENSES		
Cost of sales	1,195,145,383.50	1,161,053,504.71
Selling expenses	175,592,053.77	209,683,932.56

	In Baht	
	Separate Financial Statements	
	As reclassified	As previously reported
<b>THE STATEMENTS OF FINANCIAL POSITION</b>		
CURRENT ASSETS		
Other current assets	12,840,906.48	11,860,906.48
NON-CURRENT ASSETS		
Other non-current assets	3,031,905.36	4,011,905.36
CURRENT LIABILITIES		
Current portion of liabilities under the finance lease agreement	-	1,070.00
Other current liabilities	2,915,333.10	2,914,263.10
<b>THE STATEMENTS OF COMPREHENSIVE INCOME</b>		
EXPENSES		
Cost of sales	1,195,145,383.50	1,161,053,504.71
Selling expenses	175,592,053.77	209,683,932.56

### 37. AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by Company's directors on February 28, 2020.





YOUR HOME  
**OUR HEART**



## General Information



### Company Name : N.C. Housing Public Company Limited

Business Type	: Property Development
Head Office Location	: 1/765 Moo 17, Soi Amporn , Phaholyothin Rd. Km.26, Tambol Kookhot, Lumlookka District, Pathumtani 12130
Registration No.	: 0107546000385 (Old No.40854600039)
Home Page	: <a href="http://www.ncgroup.co.th">www.ncgroup.co.th</a>
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5080
Authorized Share Capital	: THB 1,245,284,305
Paid-Up Share Capital	: THB 1,245,283,691
Registrar	: The Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 66(0) 2009-9000 Fax. 66(0) 2009-9991
Auditor	: Mr. Peradate Pongsathiansak Auditor license 4752 or Miss Wannisa Ngambuathong Auditor license 6838 or Mr. Pod Assavasantichai Auditor license 4891 or Mr. Suwat Maneekanoksakul auditor license 8134 Dharmniti Auditing Company Limited 178 Soi Permsap (Prachachuen 20), Prachachuen Rd., Bang sue, Bangkok 10800 Tel. 66(0) 2555-0600 Fax. 66(0) 2555-0664
Consultants to Internal Audit	: ANS Business Consultants Company Limited 100/72, 22 <sup>nd</sup> Floor, 100/2 Vongvanij B Building, Rama 9 Rd, Huaykwang, Bangkok 10310 Tel. 66(0) 2645-0109 Fax. 66(0) 2645-0101



### **Subsidiaries Company Name : N.C.Property Management Company Limited (NCPM)**

Business Type	: Full service for Project Management
Head Office Location	: 1/765 Moo 17, Soi Amporn, Phaholyothin Rd. Km.26, Tambol Kookhot, Lumlookka District, Pathumtani 12130
Registration No.	: 0105541019582 (Old No. (4) 337/2541)
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5089
Authorized Share Capital	: THB 85,000,000
Paid-Up Share Capital	: THB 85,000,000
Auditor	: Mr. Peradate Pongsathiansak Auditor license 4752 178 Soi Permsap (Prachachuen 20), Prachachuen Rd., Bang sue, Bangkok 10800 Tel. 66(0) 2555-0600 Fax. 66(0) 2555-0664

**Subsidiaries Company Name : Siri Arun Wellness Company Limited (Siri Arun)  
(NCPM' S Subsidiary)**

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Business Type	: Intermediate care and Wellness and Related business
Head Office Location	: 1/765 Moo 17, Soi Amporn, Phaholyothin Rd. Km.26, Tambol Kookhot, Lumlookka District, Pathumtani 12130
Registration No.	: 0135562018607
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5089
Authorized Share Capital	: THB 25,000,000
Paid-Up Share Capital	: THB 25,000,000
Auditor	: Miss Nithinee Kittikhunaphong Auditor license 8843 178 Soi Permsap (Prachachuen 20), Prachachuen Rd., Bang sue, Bangkok 10800 Tel. 66(0) 2555-0600 Fax. 66(0) 2555-0664

**Subsidiaries Company Name : Quality Living Management Company Limited (QLM)**

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Business Type	: Full service for Community Management for Housing Projects, Condominiums and Club House
Head Office Location	: 1/765 Moo 17, Soi Amporn , Phaholyothin Rd. Km.26, Tambol Kookhot, Lumlookka District, Pathumtani 12130
Registration No.	: 0105541019582 (Old No. (4) 337/2541)
Telephone No.	: 66 (0) 2993-5080-7
Fax No.	: 66 (0) 2993-5089
Authorized Share Capital	: THB 1,000,000
Paid-Up Share Capital	: THB 1,000,000
Auditor	: Mr. Peradate Pongsathiansak Auditor license 4752 Dharmniti Auditing Company Limited 178 Soi Permsap (Prachachuen 20), Prachachuen Rd., Bang sue, Bangkok 10800 Tel. 66(0) 2555-0600 Fax. 66(0) 2555-0664



**N.C. Housing Public Company Limited**

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