

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION OF CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors and Shareholders of Preecha Group Public Company Limited

I have reviewed the consolidated statement of financial position of Preecha Group Public Company Limited and its subsidiaries as at 30 June 2017, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements and I have also reviewed the separate statement of financial position of Preecha Group Public Company Limited as at 30 June 2017, and the related separate statements of comprehensive income for the three-month and six-month periods then ended, changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements. The management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Chompoonuch Saetae

Certified Public Accountant

Registration Number 8382

PV Audit Co., Ltd.

Bangkok, 10 August 2017

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION OF CERTIFIED PUBLIC ACCOUNTANT
FOR THE SECOND QUARTER ENDED 30 JUNE 2017

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
ASSETS					
Current assets					
	Cash and cash equivalents	61,591	79,286	56,321	73,025
5	Current investments	54,666	54,413	54,666	54,413
4	Trade and other receivables	2,446	1,873	2,338	1,797
6	Cost of property development	281,186	284,694	265,819	269,327
	Other current assets	2,018	1,633	1,699	1,270
	Total current assets	<u>401,907</u>	<u>421,899</u>	<u>380,843</u>	<u>399,832</u>
Non-current assets					
	Restricted bank deposits	955	955	955	955
4, 7	Investments in subsidiaries	-	-	131,278	131,278
	Land held for development	30,000	30,000	30,000	30,000
8	Investment properties	146,421	151,182	143,841	148,500
	Building and equipment	2,578	2,916	2,578	2,916
	Intangible assets	102	74	102	74
	Deferred tax assets	6,536	6,536	6,471	6,471
4	Other non-current assets	7,497	7,101	7,488	7,095
	Total non-current assets	<u>194,089</u>	<u>198,764</u>	<u>322,713</u>	<u>327,289</u>
	Total assets	<u><u>595,996</u></u>	<u><u>620,663</u></u>	<u><u>703,556</u></u>	<u><u>727,121</u></u>

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		Thousands Baht				
		Consolidated financial statements		Separate financial statements		
		30 June 2017	31 December 2016	30 June 2017	31 December 2016	
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"	
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
	Trade and other payables	4	8,986	9,906	12,730	13,711
	Current portion of liabilities	10	10,378	10,361	10,378	10,361
	Short-term loans from related parties	4	-	-	120,417	120,917
	Estimate project cost		2,163	5,777	1,925	5,277
	Provision	13	5,466	5,466	5,466	5,466
	Other current liabilities	4	4,558	700	7,378	3,838
	Total current liabilities		31,551	32,210	158,294	159,570
Non-current liabilities						
	Long-term loans from financial institutions	9	37,402	42,374	37,402	42,374
	Long-term liability under finance lease		75	296	75	296
	Employee benefit obligations		1,939	1,843	1,759	1,671
	Other non-current liabilities		2,267	1,582	2,267	1,582
	Total non-current liabilities		41,683	46,095	41,503	45,923
	Total liabilities		73,234	78,305	199,797	205,493
SHAREHOLDERS' EQUITY						
Share capital						
Authorized share capital						
	336,000,000 ordinary shares, Baht 1 par value		336,000	336,000	336,000	336,000
Issued and paid-up share capital						
	336,000,000 ordinary shares, fully paid-up		336,000	336,000	336,000	336,000
	Premium on share capital		88,751	88,751	88,751	88,751
Retained earnings						
	Appropriated - legal reserve		13,287	13,287	13,287	13,287
	Unappropriated		84,724	104,320	65,721	83,590
	Total shareholders' equity		522,762	542,358	503,759	521,628
	Total liabilities and shareholders' equity		595,996	620,663	703,556	727,121

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

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2017

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenue from sales and services	5,643	15,491	5,643	15,491
Cost of sales and services	(4,383)	(11,576)	(4,383)	(11,576)
Gross profit	1,260	3,915	1,260	3,915
Other income	378	227	396	456
Selling expenses	(1,757)	(1,494)	(1,757)	(1,490)
Administrative expenses	(10,200)	(12,360)	(9,261)	(11,033)
Finance costs	(657)	(801)	(657)	(1,217)
Loss before income tax	(10,976)	(10,513)	(10,019)	(9,369)
Tax income	-	415	-	410
Loss for the period	(10,976)	(10,098)	(10,019)	(8,959)
Other comprehensive income (loss):				
Items that will be reclassified to profit or loss				
Gain on remeasuring available-for-sale investments	-	1	-	1
Other comprehensive income for the period - net of tax	-	1	-	1
Total comprehensive loss	(10,976)	(10,097)	(10,019)	(8,958)
Loss per share				
Basic loss per share (Baht)	(0.03)	(0.03)	(0.03)	(0.03)
Weighted average number of ordinary shares (shares)	336,000,000	336,000,000	336,000,000	336,000,000

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

"Unaudited"

"Reviewed"

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Note		2017	2016	2017	2016
	Revenue from sales and services	16,628	26,332	16,628	26,332
	Cost of sales and services	(12,695)	(19,413)	(12,695)	(19,413)
	Gross profit	3,933	6,919	3,933	6,919
	Other income	836	483	859	948
	Selling expenses	(2,885)	(2,955)	(2,885)	(2,946)
	Administrative expenses	(20,138)	(23,834)	(18,434)	(21,295)
	Finance costs	(1,342)	(1,651)	(1,342)	(2,486)
	Loss before income tax	(19,596)	(21,038)	(17,869)	(18,860)
	Tax income	-	426	-	419
	Loss for the period	(19,596)	(20,612)	(17,869)	(18,441)
Other comprehensive income (loss):					
Items that will never be reclassified to profit or loss					
	Defined benefit plan actuarial loss	-	(289)	-	(289)
	Income tax relating to defined benefit plan actuarial loss	-	58	-	58
		-	(231)	-	(231)
Items that will be reclassified to profit or loss					
	Gain on remeasuring available-for-sale investments	-	1	-	1
	Other comprehensive loss for the period - net of tax	-	(230)	-	(230)
	Total comprehensive loss	(19,596)	(20,842)	(17,869)	(18,671)
Loss per share					
	Basic loss per share (Baht)	(0.06)	(0.06)	(0.05)	(0.05)
	Weighted average number of ordinary shares (shares)	336,000,000	336,000,000	336,000,000	336,000,000

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

" Unaudited "

" Reviewed "

	Thousands Baht					Total
	Consolidated financial statements					
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of shareholders' equity	
			Appropriated	Unappropriated	Other comprehensive income	
				Available-for-sale investments		
Balance as at 1 January 2017	336,000	88,751	13,287	104,320	-	542,358
Changes in shareholders' equity:						
Loss for the period	-	-	-	(19,596)	-	(19,596)
Ending balance as at 30 June 2017	336,000	88,751	13,287	84,724	-	522,762
Balance as at 1 January 2016	336,000	88,751	13,287	130,014	585	568,637
Changes in shareholders' equity:						
Loss for the period	-	-	-	(20,612)	-	(20,612)
Other comprehensive loss	-	-	-	(231)	1	(230)
Ending balance as at 30 June 2016	336,000	88,751	13,287	109,171	586	547,795

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

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

" Unaudited "

" Reviewed "

	Thousands Baht					Total
	Separate financial statements					
	Share capital issued and paid-up	Premium on share capital	Retained earnings		Other components of shareholders' equity Other comprehensive income Available-for-sale investments	
			Appropriated	Unappropriated		
Balance as at 1 January 2017	336,000	88,751	13,287	83,590	-	521,628
Changes in shareholders' equity:						
Loss for the period	-	-	-	(17,869)	-	(17,869)
Ending balance as at 30 June 2017	336,000	88,751	13,287	65,721	-	503,759
Balance as at 1 January 2016	336,000	88,751	13,287	110,591	585	549,214
Changes in shareholders' equity:						
Loss for the period	-	-	-	(18,441)	-	(18,441)
Other comprehensive loss	-	-	-	(231)	1	(230)
Ending balance as at 30 June 2016	336,000	88,751	13,287	91,919	586	530,543

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

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities:				
Loss before income tax	(19,596)	(21,038)	(17,869)	(18,860)
Adjustments to reconcile loss before income tax to net cash provided by				
(used in) operating activities				
Depreciation and amortization	5,472	5,771	5,369	5,410
Interest income	(402)	(440)	(389)	(425)
Interest expenses	1,342	1,651	1,342	2,486
Doubtful accounts	-	93	-	-
Gain on disposal of assets	(90)	-	(90)	-
Provision for compensation from litigation and claims	-	2,000	-	2,000
Employee benefit obligations	96	141	88	97
Loss from operating activities before changes in operating assets				
and liabilities	(13,178)	(11,822)	(11,549)	(9,292)
Changes in operating assets (increase) decrease				
Restricted bank deposits	-	2,253	-	2,253
Trade and other receivables	(459)	311	(427)	114
Cost of property development	3,508	(4,308)	3,508	(4,308)
Other current assets	(386)	(516)	(429)	(355)
Other non-current assets	(103)	(9,674)	(99)	(9,671)
Changes in operating liabilities increase (decrease)				
Trade and other payables	(679)	(6,626)	(739)	(6,163)
Estimate project cost	(3,613)	205	(3,352)	205
Other current liabilities	3,858	1,432	3,539	882
Other non-current liabilities	685	(255)	685	(255)
Cash used in operations	(10,367)	(29,000)	(8,863)	(26,590)
Interest received	288	440	275	331
Income tax paid	(293)	(649)	(293)	(418)
Net cash used in operating activities	(10,372)	(29,209)	(8,881)	(26,677)

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

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities:				
Increase in current investments	(253)	(2,616)	(253)	(2,616)
Purchases of investment properties	(266)	-	(266)	-
Purchases of equipment	(86)	(94)	(86)	(94)
Purchases of intangible assets	(48)	-	(48)	-
Proceeds from sales of assets	90	-	90	-
Net cash used in investing activities	(563)	(2,710)	(563)	(2,710)
Cash flows from financing activities:				
Repayments of short-term loans from related parties	-	-	(500)	(1,000)
Repayment of loans from financial institutions	(4,965)	(4,958)	(4,965)	(4,958)
Repayment of liability under finance lease	(211)	(202)	(211)	(202)
Interest paid	(1,584)	(1,651)	(1,584)	(1,946)
Net cash used in financing activities	(6,760)	(6,811)	(7,260)	(8,106)
Net decrease in cash and cash equivalents	(17,695)	(38,730)	(16,704)	(37,493)
Cash and cash equivalents at the beginning of period	79,286	76,810	73,025	69,129
Cash and cash equivalents at the end of period	61,591	38,080	56,321	31,636