

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Preecha Group Public Company Limited

I have reviewed the consolidated statement of financial position of Preecha Group Public Company Limited and its subsidiaries as at 30 June 2019, 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 2019, 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, 6 August 2019

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2019

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"
Note		"Reviewed"	"Audited"	"Reviewed"	"Audited"
ASSETS					
Current assets					
	Cash and cash equivalents	49,722	54,880	39,786	43,463
	Current investments	96,111	95,636	96,111	95,636
4	Other receivables	4,279	5,443	2,899	4,017
4	Short-term loans to related party	-	-	50	-
5	Cost of property development	210,939	218,849	202,875	210,785
	Other current assets	828	1,422	658	1,222
	Total current assets	<u>361,879</u>	<u>376,230</u>	<u>342,379</u>	<u>355,123</u>
Non-current assets					
	Restricted bank deposits	955	955	955	955
4, 6	Investments in subsidiaries	-	-	128,423	128,423
	Land held for development	30,000	30,000	30,000	30,000
7	Investment properties	127,216	132,371	125,065	130,117
	Building and equipment	1,296	1,590	1,296	1,590
	Intangible assets	35	53	35	53
	Deferred tax assets	195	195	195	195
4	Other non-current assets	5,325	7,355	5,313	7,339
	Total non-current assets	<u>165,022</u>	<u>172,519</u>	<u>291,282</u>	<u>298,672</u>
	Total assets	<u><u>526,901</u></u>	<u><u>548,749</u></u>	<u><u>633,661</u></u>	<u><u>653,795</u></u>

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

PREECHA GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

		Thousands Baht				
		Consolidated financial statements		Separate financial statements		
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	
		"Unaudited"	"Unaudited"	"Unaudited"	"Unaudited"	
		"Reviewed"	"Audited"	"Reviewed"	"Audited"	
Note						
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
	Trade and other payables	4	10,767	11,911	13,630	14,165
	Current portion of liabilities	8	9,968	9,961	9,968	9,961
	Short-term loans from related parties	4	-	-	126,517	127,417
	Income tax payable		7	698	-	-
	Estimate project cost		1,964	1,895	1,852	1,767
	Provision	10	17,831	20,223	17,068	19,460
	Other current liabilities	4	6,420	5,563	8,162	7,484
	Total current liabilities		46,957	50,251	177,197	180,254
Non-current liabilities						
	Long-term loans from financial institutions	8	17,479	22,465	17,479	22,465
	Employee benefit obligations		1,554	1,376	1,188	977
	Other non-current liabilities		2,392	2,849	2,392	2,849
	Total non-current liabilities		21,425	26,690	21,059	26,291
	Total liabilities		68,382	76,941	198,256	206,545
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 (deficit)						
	Appropriated - legal reserve		13,287	13,287	13,287	13,287
	Unappropriated (deficit)		20,481	33,770	(2,633)	9,212
	Total shareholders' equity		458,519	471,808	435,405	447,250
	Total liabilities and shareholders' equity		526,901	548,749	633,661	653,795

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 2019

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue from sales and services	7,970	20,354	7,970	6,404
Cost of sales and services	(4,817)	(9,592)	(4,817)	(4,271)
Gross profit	3,153	10,762	3,153	2,133
Other income	393	316	518	430
Distribution costs	(1,019)	(1,980)	(1,019)	(967)
Administrative expenses	(10,192)	(10,548)	(9,347)	(9,461)
Finance costs	(381)	(518)	(381)	(518)
Loss before income tax	(8,046)	(1,968)	(7,076)	(8,383)
Tax income (expense)	39	(1,419)	-	-
Loss for the period	(8,007)	(3,387)	(7,076)	(8,383)
Other comprehensive income (loss):				
Components of other comprehensive income that will not be reclassified to profit or loss				
Defined benefit plan actuarial gain	58	-	-	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	(12)	-	-	-
Other comprehensive income for the period - net of tax	46	-	-	-
Total comprehensive loss for the period	(7,961)	(3,387)	(7,076)	(8,383)
Loss per share				
Basic loss per share (Baht)	(0.02)	(0.01)	(0.02)	(0.02)
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 2019

"Unaudited"

"Reviewed"

		Thousands Baht			
		Consolidated financial statements		Separate financial statements	
Note		2019	2018	2019	2018
	Revenue from sales and services	26,266	34,801	26,266	20,851
	Cost of sales and services	(17,618)	(20,515)	(17,618)	(15,194)
	Gross profit	8,648	14,286	8,648	5,657
	Other income	1,916	668	1,741	905
	Distribution costs	(2,531)	(3,044)	(2,531)	(2,031)
	Administrative expenses	(20,581)	(20,431)	(18,911)	(18,575)
	Finance costs	(792)	(1,065)	(792)	(1,065)
	Loss before income tax	(13,340)	(9,586)	(11,845)	(15,109)
	Tax income (expense)	5	(1,419)	-	-
	Loss for the period	(13,335)	(11,005)	(11,845)	(15,109)
	Other comprehensive income (loss):				
	Components of other comprehensive income that will not be reclassified to profit or loss				
	Defined benefit plan actuarial gain	58	-	-	-
	Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	(12)	-	-	-
	Other comprehensive income for the period - net of tax	46	-	-	-
	Total comprehensive loss for the period	(13,289)	(11,005)	(11,845)	(15,109)
	Loss per share				
	Basic loss per share (Baht)	(0.04)	(0.03)	(0.04)	(0.04)
	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 2019

" Unaudited "

" Reviewed "

	Thousands Baht				
	Consolidated financial statements				
	Issued and paid-up	Premium on	Retained earnings		
	share capital	share capital	Appropriated	Unappropriated	Total
Beginning balance as at 1 January 2019	336,000	88,751	13,287	33,770	471,808
Changes in shareholders' equity:					
Loss for the period	-	-	-	(13,335)	(13,335)
Other comprehensive income for the period	-	-	-	46	46
Ending balance as at 30 June 2019	336,000	88,751	13,287	20,481	458,519
Beginning balance as at 1 January 2018	336,000	88,751	13,287	63,148	501,186
Changes in shareholders' equity:					
Loss for the period	-	-	-	(11,005)	(11,005)
Ending balance as at 30 June 2018	336,000	88,751	13,287	52,143	490,181

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 2019

" Unaudited "

" Reviewed "

	Thousands Baht				
	Separate financial statements				
	Issued and paid-up share capital	Premium on share capital	Retained earnings (deficit)		Total
		Appropriated	Unappropriated		
Beginning balance as at 1 January 2019	336,000	88,751	13,287	9,212	447,250
Changes in shareholders' equity:					
Loss for the period	-	-	-	(11,845)	(11,845)
Ending balance as at 30 June 2019	336,000	88,751	13,287	(2,633)	435,405
Beginning balance as at 1 January 2018	336,000	88,751	13,287	41,460	479,498
Changes in shareholders' equity:					
Loss for the period	-	-	-	(15,109)	(15,109)
Ending balance as at 30 June 2018	336,000	88,751	13,287	26,351	464,389

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 2019

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities:				
Loss before income tax	(13,340)	(9,586)	(11,845)	(15,109)
Adjustments to reconcile loss before income tax to net cash provided by (used in) operating activities				
Bad debt and doubtful debt	997	-	981	-
Depreciation and amortization	5,572	5,479	5,470	5,369
Loss on disposal and written-off assets	-	1	-	1
Interest income	(644)	(504)	(619)	(485)
Interest expenses	792	1,065	792	1,065
Income from written-off liabilities	(1,196)	-	(736)	-
Employee benefit obligations	236	87	211	79
Loss from operating activities before changes in operating assets and liabilities	(7,583)	(3,458)	(5,746)	(9,080)
Changes in operating assets (increase) decrease				
Other receivables	1,058	(1,870)	1,028	(451)
Short-term loans to related parties	-	-	(50)	-
Cost of property development	7,910	10,062	7,910	4,807
Other current assets	(375)	(266)	(405)	(332)
Other non-current assets	29	18	24	(10)
Changes in operating liabilities increase (decrease)				
Trade and other payables	81	974	230	(769)
Estimate project cost	69	(261)	85	(272)
Provisions	(2,392)	-	(2,392)	-
Other current liabilities	857	1,950	678	1,649
Other non-current liabilities	(357)	55	(357)	55
Cash generated from (used in) operations	(703)	7,204	1,005	(4,403)
Interest received	621	505	596	487
Income tax paid	(1,173)	(797)	(475)	(400)
Proceeds from income tax refund	2,476	1,940	2,476	1,940
Net cash provided by (used in) operating activities	1,221	8,852	3,602	(2,376)

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 2019

"Unaudited"

"Reviewed"

	Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities:				
Increase in current investments	(475)	(283)	(475)	(283)
Purchases of equipment	(105)	(52)	(105)	(52)
Net cash used in investing activities	(580)	(335)	(580)	(335)
Cash flows from financing activities:				
Repayments of short-term loans from related parties	-	-	(900)	(900)
Repayment of loans from financial institutions	(4,979)	(4,971)	(4,979)	(4,971)
Repayment of liability under finance lease	-	(221)	-	(221)
Interest paid	(820)	(1,094)	(820)	(1,094)
Net cash used in financing activities	(5,799)	(6,286)	(6,699)	(7,186)
Net increase (decrease) in cash and cash equivalents	(5,158)	2,231	(3,677)	(9,897)
Cash and cash equivalents at the beginning of period	54,880	78,431	43,463	67,503
Cash and cash equivalents at the end of period	49,722	80,662	39,786	57,606