Independent Auditor’s Report

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

My opinion

In my opinion, the consolidated financial statements of Noble Development Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

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<tr>
<th>Key audit matters</th>
<th>How my audit addressed the key audit matters</th>
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<tbody>
<tr>
<td>Valuation of inventory</td>
<td>I evaluated management’s assessment of the value of inventories by:</td>
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<td>• understanding and challenging the future marketing and selling plans and the sources of information management used to determine the net realisable value of the inventories</td>
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<td>• comparing the net realisable value assessed by management with other reliable sources of information, and comparing the results to the inventories book value</td>
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<td>• visiting the project sites to assess the condition of the slow-moving inventories</td>
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<td>• considering the historical and after-period-ended sales data of the projects with slow-moving inventories in order to use the data as a part in considering the net realisable value from sales and loss that could occur.</td>
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<td>Based on the above procedures, I found assessment method of the value of inventories to be appropriate.</td>
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Refer to Note 2.7 ‘Accounting policies for inventories’ and Note 11 ‘Inventories (net)’. The Group’s inventories comprises land, houses and condominiums for sale and others.

In the consolidated and separate financial statements, the Company recorded an allowance for inventories for impaired condominium units for sale. Management calculated the estimated loss by comparing the net realisable value of the inventory with its book value. Management assessed that the allowance amount was appropriate, and so believes no more allowance for impaired inventories is needed.

The Company did not record an allowance for slow-moving houses for sale, because management assessed that the houses can still be sold with no loss. Management made this assessment by comparing the net realisable value of the houses with their book value.

I focussed on the valuation of inventory because of the judgments made by management in assessing the appropriate level of allowance for inventories. Judgment was used by management when considering the marketing plans and the selling period, and when comparing net realisable value and book value.
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<th>Valuation of investment property</th>
<th>How my audit addressed the key audit matters</th>
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<tr>
<td>Refer to Note 2.10 ‘Accounting policies for investment property’ and Note 18 ‘Investment properties’.</td>
<td>I performed the procedures in relation to assessment of the value of the investment property by:</td>
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<td>As at 31 December 2019, the Group recorded the fair value of investment property at Baht 899.27 million in the consolidated financial statements and at Baht 216.30 million in the separate financial statements. It also recognised a net gain from fair value adjustments on investment property of Baht 8.60 million in the consolidated statement of comprehensive income and Baht 16.50 million in the separate statement of comprehensive income.</td>
<td>• reading appraisal report and discussing with the valuer the method used to gather the market data used for in comparative analysis to determine the appropriate price</td>
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<td>The valuations of the Group’s investment property were carried out by an independent professional valuer who was engaged by the Group after their qualifications and expertise were assessed. The valuation is determined using the ‘market approach’. This approach involves a comparative analysis of the available market data on identical or comparable property in the same or nearby locations. The valuer takes into account other relevant information, including legal rights, the individual nature of each property, utilisation, economic outlook and industry forecasts.</td>
<td>• understanding the valuation processes and techniques used by the valuer to assess if they are consistent with industry practice</td>
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<td>I focussed on the valuation of investment property because of the magnitude of the change in the value of the investment property and because the valuation model depends on judgment. Valuer’s judgment is used to determine the valuation of the market price of the property and the appropriateness and reliability of market data.</td>
<td>• evaluating the reasonableness of the valuation method used for the investment property, which is the market approach by comparing the value of the Group’s property with the selling price of identical or comparable properties in the same or nearby locations.</td>
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<td>I also evaluated the competence, capabilities and objectivity of the valuer.</td>
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<td>Based on the above procedures, I found the assessment of the investment property’s value to be appropriate.</td>
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Other information

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

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

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

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

Responsibilities of Management for the consolidated and separate financial statements

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

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

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

Auditor’s responsibilities for the audit of the consolidated and separate financial statements

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

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

• Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company’s internal control.
• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

• Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Krit Chatchavalwong
Certified Public Accountant (Thailand) No. 5016
Bangkok
27 February 2020