



รายงานประจำปี
บริษัท บ้านร็อกการ์เด้น จำกัด(มหาชน)

2014

ANNUAL REPORT
BAAN ROCK GARDEN
PUBLIC COMPANY LIMITED

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General Information

Company Name	:	Baan Rock Garden Public Company Limited ("BROCK" or "The Company")
Type of Business	:	Real estate development, particularly townhouses, single detached houses and commercial buildings for sales
Head Office	:	601 Soi Ramkhamhaeng 39, Pracha-utit Rd. Wang Thonglang, Wang Thonglang, Bangkok 10310
Registration Number	:	PCL – 0107548000200
Homepage	:	http://www.rockgarden.co.th
Telephone	:	662-934-7000
Fax	:	662-934-7186

Other References

The Securities Underwriter	:	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
Homepage	:	http://www.tsd.co.th
Telephone	:	662-229-2800
Fax	:	662-359-1259
The Auditor	:	Ms.Wanraya Puttasatien Certified Public Accountant (Thailand) No. 4387 S.K. Accountant Services Company Limited 128/150-153 Phayatai Plaza Building, 14 th Floor, Phayatai Road, Thungphayatai, Ratchatavee, Bangkok 10400 Thailand
Telephone	:	662-214-6464 , 662-214-6465-70
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Message from the Board of Directors

The global economy in 2014 saw a positive trend due to the economic recovery of the U.S. reflected by its continually improved industrial indices, service sector and work employment. The economic recoveries in Eurozone countries are still fragile due to domestic, structural problems. Asia and China economies have been expanding at declining rates due to persistent investment contraction and excessive productions in some industries. Consumption is expanding at a slow rate but in a good position. Exports has been expanding constantly in line with the U.S. economy.

Thailand's 2014 economic expansion was lower than estimated, following the administration of the National Council for Peace and Order (NCPO) and its new team of government, resulting in economy-driving public sector's investment expenditures being lower than expected in terms of investment plan reviews, project transparency audits, labor shortage in construction industry, household expenditures lower than normal for a further period of time due to household debts remaining at high levels, and intervention measures of the public sector being unable to provide the agricultural sector with compensation of income prone to be low along agricultural product prices. There have been limited investment recoveries in some industries such as telecommunication, communications, wholesaling and retailing that have had expansion plans to accommodate new demands of neighboring countries following their joining with the ASEAN Community. Moreover, other business sectors mostly have delayed their investments due to the immature recovery of demands. Electronics, automobile, machinery and petrochemical equipment export expansions were lower than expected due to the slow recovery of overseas demands. Tourism recovered slower than expected but faster when compared with other economic sectors, making it become the key driver for the 2015 economy.

Real estate business in 2014, following the political situation improvement and economic recovery initiation, was back, with a little expansion and a trend of relatively limited recovery in moderate purchasing power group and above due to household debt obligations remaining at high levels, whereas financial institutions are still careful in granting residential loans. There have been some signals of declining in the quality of residential loans, and business operators have been waiting to assess the economic recovery continuity before launching and selling new projects.

Despite the economic uptrend with some impact from prior year, whether it be market competitions, household debts, rising cost of living, purchasing power rising not in line with the exponential soaring of house and land prices, we did better than in prior year because we strategically offered more consumer incentives. We currently remain committed to adjusting our marketing and sales strategies and developing products to serve customer demands. We will also keep our profitability near that of prior year and focus on personnel development to ensure operational effectiveness in tune with current market competitive climate. In 2015, we will still follow the continuing plans from 2014, which will be executed in a careful and sensible manner to ensure good corporate image and that our products and services meet customer demands.

Nevertheless, on behalf of Baan Rock Garden, PCL., board of directors and executive directors, we would like to express our deepest gratitude to our shareholders, customers, counterparties, staffs, financial institutions and relevant parties for their generous supports. The company continues to operate its operations with good governance and the best interest of all stakeholders.



(Mr. Virat Chinrapinporn)

Chairman of the Board

Baan Rock Garden Public Company Limited

Report of the Chairman of the Audit Committee

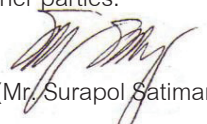
To Shareholders

At the Annual General Meeting of the Shareholders on 3 April 2014, one independent director, namely, Mr. Preecha Jenthanavijit, who was the member of the Audit Committee retired by rotation. The Meeting passed the resolution to re-elect him as the independent director and the member of the Audit Committee. Hence, the Audit Committee comprises 3 members who are not the Company's management or employees and have qualifications as specified by securities and exchange laws. The Meeting passed the resolution to re-elect all 3 retired directors to serve as the independent directors and the members of the Audit Committee for another term.

In 2014, the Audit Committee held 4 meetings to carry out duties and responsibilities in compliance with regulations of the Stock Exchange of Thailand and as assigned by the Board of Directors of the Company. The Audit Committee supervised business operation in line with specified scopes and goals as the following summaries.

1. Reviewed and examined transactions that may result in conflict of interest to ensure that the undertaking of such transactions were transparent and complied with policy and procedures on inter-company transactions.
2. Reviewed appropriateness of internal control system and reported internal audit result monitoring by inviting independent internal auditors and related management departments for explanation in order to make them realize about importance of internal control system.
3. Reviewed internal audit plan and operating results of independent internal auditors to enhance efficiency and effectiveness of internal audit operations.
4. Reviewed quarterly and annual financial statements, provided opinions and comments to ensure that financial statements fairly presented operating results and financial position of The Company as required by generally accepted accounting principles, and disclosed sufficient information.
5. Selected and proposed appointment of external auditor for 2013 as well as determined remuneration for external auditor to Board of Directors in order to propose to shareholders' meeting for consideration and approval.
6. Reviewed that the Company complied with Securities and Exchange Commission Act, regulations and rules of Stock Exchange of Thailand, and other laws related to the business of the Company.

The Audit Committee would like to summarize about the governance of the Company for 2013 that the Audit Committee had duly adhered to the independence on conducting the duties and providing opinions and comments that were useful to the Company, all shareholders, and other stakeholders. The Audit Committee had received excellent cooperation from related persons, managements, and other parties.

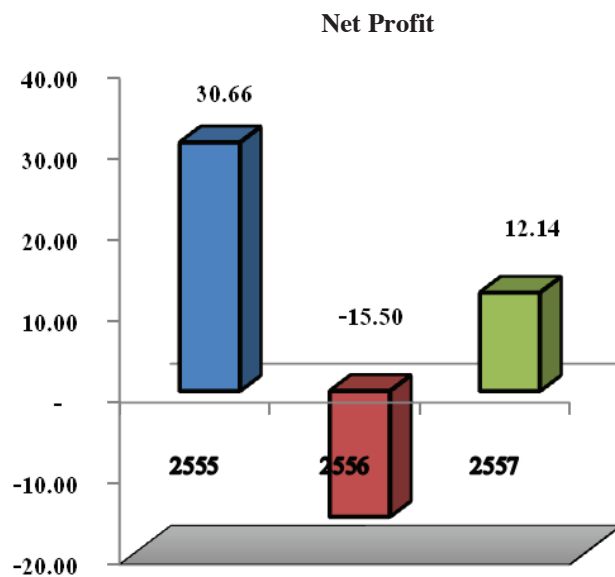
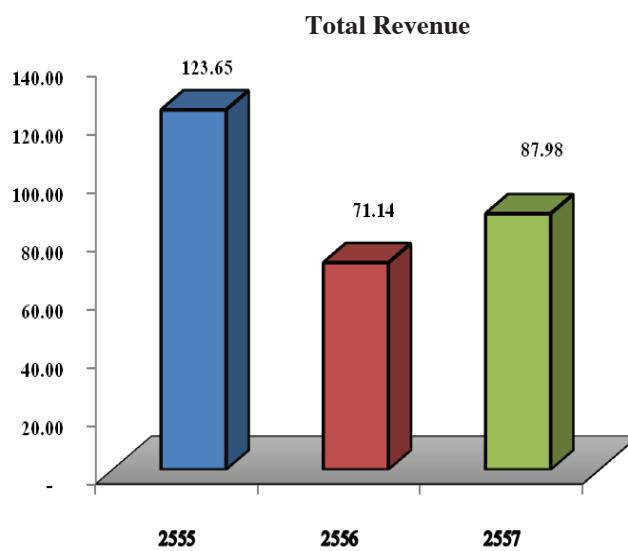
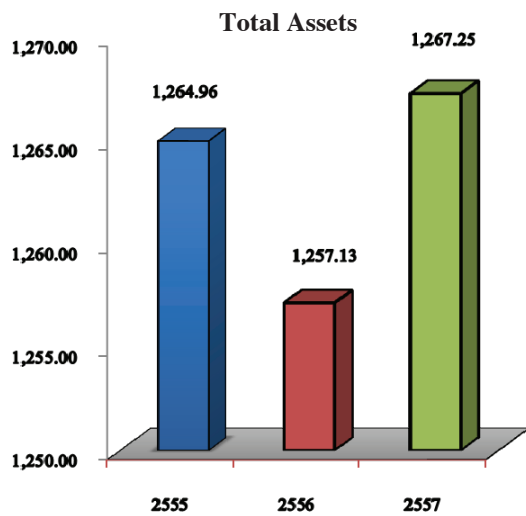

(Mr. Surapol Satimanon)

Chairman of the Audit Committee

27 February 2014

Summary Financial Information

(Unit : Million Bath)



Summary Financial Information (Continued)

	Consolidated		Unit : Baht
	2014	2013	Change %
Total Revenue	87,982,010	71,135,422	0.24
Revenue from Sales	81,560,000	63,831,650	27.77
Cost of sales	43,712,756	31,730,547	37.76
Gross Profit	37,847,244	32,101,103	17.90
Net Profit (loss)	12,135,963	(15,501,645)	178.29
Total Assets	1,267,252,789	1,257,134,219	0.80
Total Liabilities	36,219,246	38,236,638	(5.28)
Total Shareholders' Equity	1,231,033,543	1,218,897,580	0.99
Issued and paid up share capital	1,024,999,930	1,024,999,930	-
Per share data (Baht)			
Net profit	0.01	(0.02)	150
Dividend	-	-	-
Book Value	1.20	1.19	0.84
Finance Ratio			
Profit Margin	46.40%	50.29%	(7.74)
Net Profit Margin	13.79%	(21.79%)	163.29
Return on Equity	0.99%	(1.26%)	178.57
Return on Asset	0.96%	(1.23%)	178.05
Debt to Equity Ratio	0.03	0.03	-

Nature of Business

Company Background and Significant Developments

Baan Rock Garden Public Company Limited, (“Company” or “BROCK”), was formerly known as Chucheeep South Group, Co., Ltd. The Company was established on February 5, 1990, by the Silaprarat family, who had extensive experiences in land trading in Bangkok and other major cities of Thailand, such as Chiang Mai, as well as coastal provinces like Rayong and Phuket. They also conducted business on trading of allocated vacant land in Soi Vatcharapol, Bangkok, known as the “Agricultural Garden” project.

Since the Silaprarat family has spot the increasing opportunity of the property development, they have decided to enter the real estate development business by using the same executive team from the Rock Garden Group, Co., Ltd.. This has demonstrated the capabilities and the extensive experiences in real estate and resort business.

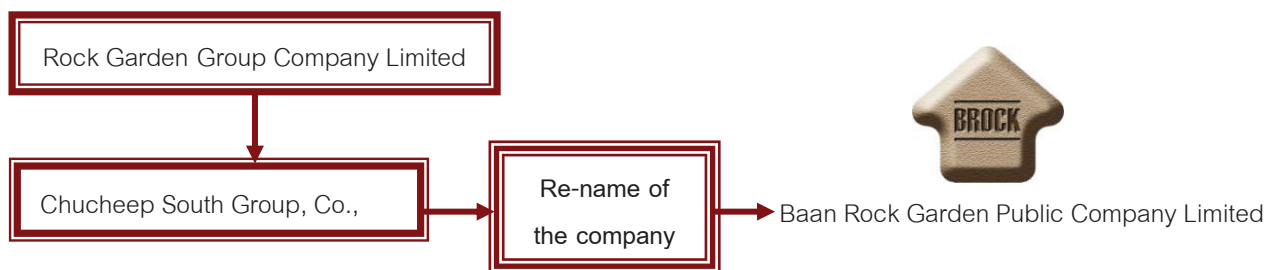


Chart: Re-organizational structure of the company

Following the corporate restructuring and the transfer of executives from Rock Garden Group Company Limited, the Company has since concentrated on operating in the real estate business. BROCK’s primary objective is to efficiently utilize all the land in its possession in Bangkok and Phuket. The Company also continuously seeks to acquire allocated land with high potential for profitable development projects.

The Company fully outsources its project design, project construction and project marketing in order to effectively control its expenses, and to promote the performance of the executive and management team.

The following information illustrated key developments of the Company during the past 5 years:

January 2008	There were 10 phases in Baan Rock Garden Bypass 6 Project. The Company started Phase 1 of the project in the area around 23-2-42.2 rai. The Company would gradually developed Baan Rock Garden Bypass 6 Project for all 10 phases.
June 2008	The Company received apportion permission for Baan Rock Garden Airport Phase 2 Project. The project area was around 17-3-14 rai. This project encompassed 2-storey duplexes and 2-storey detached houses.
October 2008	The Company started the development of Baan Rock Garden Airport Phase 3 Project. The project area was around 40-2-42.6 rai. This project encompassed 2-storey duplexes and 2-storey detached houses.
January 2009	The Company launched the Baan Rock Garden Bypass 6 Phase 1 Project of 49 units. The project encompassed 2-storey detached houses and the project area was around 23 – 2 – 42.2 rai.
February 2009	The Company started the construction of the Baan Rock Airport Phase 2 Project of 137 units. The project encompassed 102 units of duplex houses and 35 units of 2-storey detached houses. The project area was 17 – 3 – 14 rai.
March 2009	The Company started the development project of Baan Rock Garden Bypass 6 Phase 2 by readjusting the land. The project area was 27 – 3 – 11.2 rai.
May 2009	The Company developed the utilities of Baan Rock Garden Bypass 6 Phase 2 Project.
June 2009	The Company completely developed the utilities of the Baan Rock Airport Phase 3 Project.
January 2010	The company already set drainage water systems and constructed roads in Baan Rock Garden By-pass 6 phase 10.
October 2010	The company improved the surrounding landscapes of Baan Rock Garden By-pass 6 Phase 2 in order to keep the construction on a project plan.
January 2011	The Company supported the establishment of Baan Rock Garden Airport Juristic Person by residents of Baan Rock Garden Airport Phase 1 Project.
October 2011	The Company employed The Coach Sales And Marketing Co., Ltd., as a project sales agent of Baan Rock Garden Airport Project; and also terminated the sale agreement with S M Properties Management Co., Ltd., on the same month.
November 2011	The Company transferred ownership rights on facilities and public parks in Baan Rock Garden Airport Phase 1 Project to Baan Rock Garden Airport Juristic Person.

January 2012	The Company rebranded Ban Rock Airport Project. Advertising teams were employed to design advertising media i.e. billboard, cutout, brochure, etc. The company therefore was able to compete with competitors.
March 2012	The Company renovated landscape of road to Ban Rock Airport Project.
May 2012	The Company hired Agency For Real Estate Affaris Co., Ltd., to conduct a feasibility Study of Baan Rock Airport Phase 3 Project.
October 2012	The Company relocated the sale office to the entrance to the side street of the Project.
May 2013	The company has increased its capital stocks from 1,000,000,000 Baht (one billion baht) to 1,025,000,000 (one thousand and twenty-five million baht) with paid capital of 1,024,999,930 (one thousand and twenty-four million, nine hundred and ninety-nine thousand, nine hundred and ninety-three baht).
October 2014	The Company employed Nuzen Co., Ltd., design planning, architecture and landscape architecture of Baan Rock Garden Bypass 6 Phase 2 up to modern. The company therefore was able to compete with competitors.

Overview of Company's Business

Baan Rock Garden Public Company Limited conducts its business in real estate sector, with focus on the development of single-attached houses, townhouses and commercial building. The Company primarily develops its real estate under the project title "Baan Rock Garden" in Bangkok and other major provinces that have displayed rapid economy growth and potential for further growth, such as Phuket , Samuthprakarn and Rayong. The Company's current projects comprise the following:

1. "Rock Garden Home 1" and "Rock Garden Home 2" projects. Both projects comprise 2-storey townhouses and 4.5-storey commercial buildings that the Company acquired from ROCK GROUP, the Company's associate company, in September 2003. They were the remaining 91 available units of the projects that ROCK GROUP hadn't previously sold.

2. "Baan Rock Garden Meng-Jai" project. This project was the Company's first development project, which was introduced to the market in February 2004. The project comprises 63 units of 3-storey semi-home-office townhouses, located on Pracha-utit Road, Bangkok.

3. "Baan Rock Garden Bypass" project. The Company's second development project is a large project, primarily located in the vicinity of Phuket Bypass Road, which is the province's major district. The project is divided into 6 development phases.

3.1) "Baan Rock Garden Bypass 1." The project consists of 91 units of single-storey townhouses.

3.2) "Baan Rock Garden Bypass 2." The project comprises 84 units of single-storey townhouses and 15 units of 2.5-storey commercial building.

3.3) “Baan Rock Garden Bypass 3.” The project includes the total of 90 units of duplex houses, single-storey detached houses, 2-storey detached houses and home offices.

3.4) “Baan Rock Garden Bypass 4.” The project consists of 82 total units of duplex houses, single-storey detached houses, 2-storey detached houses and home offices.

3.5) “Baan Rock Garden Bypass 5.” The project is made up of 94 total units of duplex houses and 2-storey detached houses.

3.6) “Baan Rock Garden Bypass 6.” The project is divided into 10 development phases. The project is made up of 580 total units of 2-storey detached houses.

3.6.1) “Baan Rock Garden Bypass 6 Phase 1.” The project is made up of 49 total units of 2-storey detached houses.

4. “Baan Rock Garden Airport” Project. The project is located on Onnuch-Ladkrabang highway, Amphur Bangsolthong, Samuthprakarn province. Currently, the first phase has been opened for sales.

4.1) “Baan Rock Garden Airport, Phase 1.” The project consists of 129 units of 2-storey townhouses and 2-storey duplexes.

4.2) “Baan Rock Garden Airport, Phase 2.” The project comprises 137 units of 2-storey detached houses and 2-storey duplexes.

5. The Company entered into a joint venture with a group of Swedish investors and a group of Thai investors, in the proportion of 50:50. A development project will be developed under the umbrella of this joint venture on 500 rai of land in Tambol Pa Klog, Amphur Talang, Phuket. The project is made up of a beach hotel, a villa, a condominium and a yacht marina.

Future Projects

“Baan Rock Garden Airport Project”

The Company has launched 2 projects of Baan Rock Garden Airport, namely, Baan Rock Garden Airport Phase 1, This project is a 2-storey townhouses is 117 units and 2-storey semi-detached houses is 12 units, And Baan Rock Garden Airport Phase 2, This project is a 2-storey semi-detached houses is 102 units and 2-storey detached houses is 35 units, and for the year 2014 the Company closed the sale of Project Baan Rock Garden Airport Phase 1.

For the year 2015 the Company accelerate the sale of Project Baan Rock Garden Airport Phase 2, and the Company recognized incomes from Baan Rock Garden Airport Phase 2 i.e. 2-storey semi-detached houses, 2-storey detached houses. The Company completely developed the utilities of the Baan Rock Airport Phase 3 Project areas of 40- 2 – 4.6 rai. The company is studying the possibility of both. Market competition. Exploring the needs of customers. And get begin manage plan develop other, respectively.

“Baan Rock Garden Bypass Phase 6 Project”

The company has already completed 5 projects in Phuket which are the Baan Rock Garden Bypass 1 project, Baan Rock Garden Bypass 2 project, Baan Rock Garden Bypass 3 project, Baan Rock Garden Bypass 4 project and Baan Rock Garden Bypass 5 project. These projects with total areas of 57-1-81.3 rai (from the end of 2004 to 2007) are located on the bypass road in Phuket.

After the completion of the abovementioned projects, the company has started their future property development projects. These future projects include the Baan Rock Garden Bypass Phase 6 project with the areas on the bypass road of 235-1-18.5 rai (after deducting the areas of 25-1-25 rai where the electric poles are located, as such, the company has turned that into a public park). This project is located in a good location which is considered to be the main location in Phuket with its growth potential as it is located along the bypass road and close to the Central Festival Department Store and Tesco Lotus. The company's objective is to continue its property development whereby the project shall offer 2 storey detached houses with plot of land. The Baan Rock Garden Bypass 6 project has 10 phases with total 580 units. In 2009, the Company launched Baan Rock Garden Bypass 6 Phase 1 Project comprising 49 units (23-2-42.2 rai) and realized incomes on March 2010. The Company continued to develop facilities of Baan Rock Garden Bypass 6 Phase 1 and Phase 10 Project. Sources of capital were from operating cash flow and / or loans from financial institutions.

For in year 2015 a company recognized incomes Baan Rock Garden Bypass 6/1 by suppose will can close the sale has in this year , and manage plan the development builds project Baan Rock Garden Bypass 6/2 continuously.

“Joint investment project with the foreign investors”

The company has established the joint venture under the name of Yamoo Property Development Co., Ltd. whereby the joint investment between the Swedish investors and the Thais is at 50:50. There are 4 directors at this joint venture, comprising of Mr. Virat Chinprapinporn, Mrs. Naowanit Silaprarat and 2 Swedish investors. The authorized persons which are either Mr. Virat Chinprapinporn or Mrs. Naowanit Silaprarat shall sign with one of Swedish investors. The objective of this joint venture is to build the hotel that is near the sea, weekend houses, condominium, and yacht dock. This project has the areas more than 500 rai and is located at Amphur Thalang, Phuket.

“Baan Rock Garden Project at Soi Watcharaphon”

The company has the plot of land of 3-2-68.9 rai at Soi Watcharaphon whereby the company has planned to start its development project after the road construction linking Nimitmai Road and Rattanakosin Sompote Road via outer ring has completed. This new road shall pass at the front of the project. This project is to construct the commercial building which is the future project of the company. The appraisal value of this plot of land has increased as partial plot of lands in the area have been under acquisition so that the road can be expanded and this can be the intersection between the new road from Phaholyothin Road and Rattanakosin Sompote Road. As such, this has made the company's plot of land to be close to the

abovementioned road. Besides the progress on the new road construction, the government has already paid for the land acquisition and shall start constructing the link from Rattanakosin Sompote Road to Phaholyothin Road.

“Baan Rock Garden Baan Pae Project”

This project has the area of 104 rai which is located on the Sukhumvit Road and close to the community. This plot of land is located along the hill side and close to the sea which makes it suitable for developing the residential areas. The company shall construct the commercial building, detached houses and hill side detached houses whereby this shall be the highlight of this project. The target customers of the company are the local who may want to own the weekend houses and the foreigners who are looking for houses. With the potential of Tumboon Baan Pae which is the most popular tourist attraction in Rayong, there are a lot of tourists visiting Tamboon Baan Pae each year. One of the popular tourist destinations is Koh Samet. Of that number, several tourists are looking for houses. As for the progress of this project, it is on the process of studying the project structure.

Market and Competition Analysis

Competition and marketing conditions

Overall Economic Environment in 2014 and Trends in 2015

The residential markets in the first half of 2014 were affected by the political problems and the constantly declining economic environment of prior year. Following the administration of the National Council for Peace and Order (NCPO) and its new team of government, importance has been attached to infrastructure development to support continuing growth of economic activities in the country and accommodate the ASEAN Economic Community implementation. Accordingly communication infrastructure investments have been pushed forward to link more central, regional and neighbouring country routes. However, there are a number of factors that affect the overall residential markets i.e. stability of Thai economic recovery, rising cost of living, and household debts.

In past 2014, economic recovery developed in a slow pace for real estate market in Bangkok. We expeditiously marketed in a constant manner, offered various forms of special discounts, gave more consumer incentives, held monthly activities at our sales offices, and gave gifts to our project visitors to stimulate consumer purchase decisions for our strategically-located Rock Garden Airport and real estate in Phuket. We will press on with our continuing real estate development under the name of Rock Garden Bypass. We foresee that Phuket is a critical tourism province visited by working people coming from other areas and foreigners coming to Phuket for recreational and business purposes that keep the residential demands in Phuket high.

The real estate trend in 2015 would be supported by the following factors:

1. Public construction investment projects, including existing construction projects mostly in need of continued investments, and small investment projects distributed to nationwide provinces such as Mass Rapid Transit, Inter-City Motorway, Don Muang Airport Passenger Terminal and Runway Renovation, Development of 5 Special Border Economic Zones, etc. The public sector attached importance to making domestic real estate an ASEAN hub, encouraging domestic investments from foreign investors. This would result in borderline residential projects being sought-after, for they are advantageous in terms of communication, and in real estate expansion into such main cities as Phuket, Khon Kaen, Chiang Rai, Ubon Ratchathani, Udon Thani, Rayong, etc.
2. Bank of Thailand (BOT) has resolved to have its policy interest rate maintained at 2.0 percent per annum, at which level leniency is adequately given and the seemingly-continuing economic uptrend is appropriately secured. The policy interest rate decrease would result in declining of money market interest rates and, consequently, increase in economic activities and more consumer demands and investments.

3. Residential loan expansion rate this year would be comparable to that of the past year, reflected by the number of finished residences, better purchasing power adjustment of some parts of households, and telecommunication network advancement. To grasp market shares, banks will continue to strategically join hands with real estate developers to offer consumers persuasive interest campaigns and waived fees in order to access consumers truly having residential needs, in spite of loan consideration in a careful direction amidst household debt problems.

Real estate market would be affected by the following negative factors:

1. Household debt problems from prior year are still problems. Despite the increase in household debt proportion at a declining pace, it doesn't indicate that all households are equally facing a severe debt accumulation problem. This is because most relatively low and uncertain income households are bound to face with the problems of debts incurred mainly to solve their cost of living problems, handle emergencies, and solve informal debt problems, which isn't the force that pushes the household debts upwards in next period. The moving up is presumably caused by middle- and high come levels accessible to financial facilities without income and risk limitations. Loan increase would be from house, personal and business loans. The short-term impact of the household debt's moving up would be limited. It is anticipated that in the middle and long terms the household debts, if remaining increasing, would affect the savings of households.
2. Purchasing power rose not in line with the exponential soaring of house and land prices because of the slow pace of the economy recovery, agricultural product downturn, high levels of household debts, more cautious consumer spending, and stringent financial institution loan granting.
3. Construction material price soaring uptrend, including higher labor demands, due to public construction investment projects, could impact production cost management.

The Company's market

Baan Rock Garden, PLC is focusing on developing and selling housing and land to customer group with average income, with price ranging from Bt. 1.49 million Baht to 4 million Baht. The Company has a policy to standardize the quality of all its projects, under the brand "Baan Rock Garden," in order to build confidence in its products among all the customers. The Company's strategy to sustain and to expand its market share is as followed:

- 1) selecting convenient locations, by building projects in the vicinity of town centers and shopping malls.
- 2) Setting appropriate pricing for every project by considering general consumer behavior and purchasing power of people in the area, so they could make prompt decision upon acknowledging the prices.

- 3) Presenting all housing with standardized quality, built with high-quality and durable materials.
- 4) Constructing and transferring all houses in timely manner, which is the Company's most outstanding strength that has built its trustworthy image among the consumers.
- 5) Maintaining excellent relationship with customers through post-sales services, such as maintenance of the house structure, painting and ceiling, as well as setting up water and electricity system. The Company employs its own construction team specifically to offer such services.
- 6) Expanding the projects to other provinces with high potential.

1. Product Strategy

The Company consider to develop the project in the area which has a chance in the economic great. According to The Company has set a policy to fully outsource its project development team, in order to help the Company to effectively control its expenses and to develop projects that meet the needs and objectives by hired professionals. As a result, the Company's projects are designed to appear modern and architecturally unique. The houses are designed to be spacious and airy, yet sufficiently functional, with openings for sunlight to reach the interior to emphasize the energy conservation concept. Furthermore, the Company also contracts external resources for all project constructions, by employing appropriate and effective selection process. It also sets the specifications of the suitable construction materials that the contractors must use for the projects. The construction will be thoroughly monitored and inspected by the Company's Project Construction Department, until the constructed unit is delivered to the Company, in order to ensure that the constructions are performed effectively in every step up until the rights transfer to the customers.

2. Pricing Strategy

The Company sets its product prices by employing the cost-plus-margin method. However, in the final stage of pricing, the Company also takes into consideration the market demand and competition conditions at the time. The performance of real estate industry largely depends on 1) interest rates; 2) consumer's purchasing power; and 3) the country's economic growth rate.

Distribution channel

The company has greatly emphasized on sales persons at the sales office as their distribution channel to provide service to the retail customers who have walked in. Such sales persons at the sales office are the marketing officers whereby these positions have been outsourced. The company has hired 1 team of external parties to be responsible for the projects in Bangkok and another team to respond for the projects in Phuket. These marketing officers have great knowledge and expertise in the real estate market of those areas for a long time.

As for the marketing promotion, the marketing department of the company has worked with the marketing officers to arrange the promotion and several forms of advertisements e.g. billboards, medias on the minibus, booths displayed in many places in order to reach to the buyers and find the buyers for the company. These 2 marketing teams sale in the project.

Impacts on environment

The Company has faced no conflict regarding environment handling in the past 3 years, as the Company has put high priority in managing the environmental impact. The Company has set strict policy on environment treatment, by setting up systematic and standardized public utilities, especially water treatment system, including each project's central water treatment facility. Moreover, the Company has always followed up on its policy to minimize impacts on environments and its policy to regularly inspect the conditions of project surroundings.

Corporate Governance

Rights of Shareholders

The Company has given the importance on the equal right of all shareholders for example we regularly inform the shareholders of the progress of the business operation. All shareholders earn the equal right to question and express their views as well as advices on the Company's business operation on the company's website at www.rockgarden.co.th.

In the Annual General Meeting of Shareholder, with the important of the voting rights of the shareholders, the company has sent shareholders the invitation letter and the meeting document 14 days before the commencement of the meeting whereby these letters shall be sent by Thailand Securities Depository Co., Ltd., the company's registrar. Moreover, the company has published the invitation letter and the meeting documents on the company's website at www.rockgarden.co.th approximately 30 days before the commencement of the meeting in order for the shareholders to study in advance. The annual report has also been published on the company's website approximately 14 days before the commencement of the meeting.

The shareholders have the opportunity to ask any questions on each agenda by contacting Miss Jantamat Harnkimhunt, secretary of the company, via her E-mail address: jantamat@rockgarden.co.th, or reaching her at 02 – 9347000 ext. 216 at least 3 days before the commencement of the meeting whereby this should not be more than 7 days. Moreover, the shareholders could raise questions or express their opinions on any agenda during the meeting. The questions raised and the answers including the suggestions shall be recorded in the minute whereby this shall be published on the company's website at www.rockgarden.co.th in the form of video clip approximately 14 days after the commencement of the meeting. The company shall announce this information to the shareholders either directly or through the Stock Exchange of Thailand.

Equal Treatments of Shareholders

To protect the fundamental rights of shareholders, the Company has made it its policy to support and value equal and indiscriminate treatments toward them, especially minority shareholders whose rights have been violated and should be compensated. As a result, the Company has resolved to adopt the following measures:

1. When arranging the Annual General Meeting of Shareholder, the shareholders are given the opportunity to propose additional agendas via the company's website, www.rockgarden.co.th, or they could contact investor relations unit at 02-9347000 ext. 216 or fax at 02-9347186 for more information regarding the rules and procedures in proposing additional agenda. The company has also announced this information to the shareholders through the Stock Exchange of Thailand.

2. At shareholders' meetings, each agenda item will be strictly followed in the order published in the invitation letters. No additional agenda item shall be added without advance notice to the shareholders. The measure is to ensure that the shareholders have enough time to study relevant information before making decisions.
3. The Company proposes the names of all of its independent directors as an option for proxies. A shareholder may choose to be represented by any one of them. The proxy forms are also in line with the forms recommended by the Commerce Ministry, with the formats that allow the shareholders to dictate the direction of his votes. The measure is to encourage the shareholders to exercise their rights to attend the meetings and vote on each agenda item.
4. The Company promotes the use of voting tickets for all agenda items by printing them separately for each major issue. The shareholders can therefore vote as they deem appropriate. The voting tickets will be kept in the meeting rooms so that they may be counted and added to the votes cast in advance in the proxy forms before announcing the result of the voting in the meeting room.

Rights of Stakeholders

The Company valued the rights of all stakeholders such as the employees and executive of the Company and its subsidiaries, as well as outsiders such as trading partners, the public sector and related agencies to ensure a long-term success. The details are as follows:

- **Employees** : The Company has treated its employees fairly and paid them appropriately. Moreover, the company has offered various kinds of fringe benefits. These include the uniforms to all employees whereby the patterns shall be changed every 2 years, accident insurance for employees with operations risk, annual check-up, provident fund, accommodation with facilities for employees who work in provincial areas.

For the human resource development, the company has trained several employees in order to enhance their knowledge and capability. The trainings include the use of some computer software, joint –seminar with the Stock Exchange of Thailand, Finance and Accounting training, etc.
- **Trading partners** : In purchasing goods and services from its trading partners, the Company has complied with trading terms and fulfilled its contractual obligations with integrity and transparency.
- **Creditors** : The Company has taken good care of and acted responsibly toward its customers. It has produced quality and standard products, maintained their confidentiality and set up a unit exclusively to deal with them. The company has also listened to recommendations and opinions provided by its customers. As such, the customer relations unit has been established in order to provide the after sales service to the company's customers.

- **Competitors** : The Company has competed within the frame word of good competition and avoided any dishonest strategy aimed at destroying them.
- **Communities** : The Company acts responsibly toward the environment of communities and the society by complying with any environmental law in order to avoid impacts towards the company, its community and any relating parties. The company has also paid great attention to the current environmental situation. Therefore, the company has regularly organized the activities to stop global warming annually.

Regarding the stakeholders' contributions, the stakeholders can file the complaints; give any clue on the misbehavior of the company's employees or behaviors that could bring a disgrace to the company by sending the letter to the Managing Director at 601 Soi Ramkhamhange 39, Prachauthit Road, Wangtonglang District, Bangkok 10310. After received the letter, the company shall consider only the complaint letter or suggestion made by the stakeholders who have provided their name, contact address, telephone number and E-mail address (if any) and have relation with the company. This information shall be kept confidential.

If the company has conducted the inspection and found some evident, the company shall proceed according to the laws and relevant rules and regulation, including report to the Board for justice and transparency so that all departments have been informed.

Disclosure and Transparency

Aware of the importance of adequate, accurate, inclusive, timely and transparent disclosure, the Company publishes its important information including financial and non-financial data on the website of the Stock Exchange of Thailand (SET) and of the Security and Exchange Commission (SEC) according to the criteria laid down by the SET and SEC.

Moreover, the company has established the investor relations unit (Tel: 02-9347000 ext. 216 or E-mail address: pornyamon@rockgarden.co.th , janjira@rockgarden.co.th as a communication channel for the shareholders, investors and persons who are interested to learn more about the company can make inquiries regarding the company. The information that has been made public and informed to stakeholders is made available at the Company's website at www.rockgarden.co.th and updates are made regularly to ensure users can have convenient access to timely news and information in their best interests.

Corporate Governance

The Company gives the corporate governance of the Stock Exchange of Thailand a high priority as it is considered a vital system to the processes and structures of leadership and control. The corporate governance also facilitates responsibility for one's position through transparency and enhances corporate competitiveness as a mean to preserving capital and adding value to the Shareholder's equity in the long term. The corporate governance is a code of business ethics that protects various interested parties and society in the entirety. The principles of good corporate governance, which are:

Policies on Corporate Governance

With the understanding of the importance of Policies on Corporate Governance, the Company's Board of Directors has set the policies focusing on the transparency of business operation, investigation and disclosure of information to the public and shareholders on a regular basis. We also give the attention to the internal control and auditing system including the effort to closely manage and control and the risks by taking into consideration the ethics of fair business operation to the customers, shareholders and stakeholders. The structure of the Executive Board is as follows:

Management Committee	3 persons
Non-management Committee	1 persons
Independent Committee	3 persons

The Board of Director has been elected by the company whereby each director shall have the term of 2 years. In order to enhance the management efficiency, the check and balance has been clearly put in place. As such, no employee shall have solely authority to sign or make decision. Moreover, a clear line of authority and segregation of function have been established. The structure of the management has been written in the annual report in order to be accordance with the good corporate governance of the Stock Exchange of Thailand. For more detail, please see "Management".

Leadership and Vision

The board has actively participated in determining the policies, objectives, business plans and budgets of the Company, as well as supervised the management to ensure the business has been implements in line with the laid-down plans and budgets in an efficient and effective manner.

Training and Development for Directors and the Management

It is a company's policy to encourage all members of the Board to undertake some training courses from Thai Institute of Directors (IOD) which are relating to their positions and responsibilities in order to enhance their knowledge and capability to efficiently govern the company. For the directors who have just been elected, each director shall be informed of the information of the company, rules and regulations, business model of the company, which is relevant to their duties. Moreover, various trainings shall be provided to such directors in order to continually enhance their knowledge. The training information shall be published on 56-1 and the annual report. For more details, please see "Directors' profile"

The Board's remunerations

Although the company has not yet had the Remuneration Sub-committee, the company has an appropriate process to determine the remunerations. The Company has set a transparent policy to compensate all the Directors with remunerations and other benefits that are fair for their responsibilities and contributions. The Chairman of the Board authorized the remunerations to be paid to the Directors in 2014 to be no greater than 1.5 million Baht, to be same from the 2013 remuneration by determining from the remuneration generally paid in the same industry.

- The meeting allowance for the Board and the Audit Committee 15,000 baht/ meeting

The remunerations of the management shall be accordance to the policy set by the Board whereby this shall be linked to the operation results of the company and the performance of each management. The performance evaluation shall be conducted according to the chain of command and the remunerations are in the form of salary.

Conflicts of Interests

The Company has the policy to eliminate the conflicts of interest by allowing the audit committee to consider and approve the transactions. The audit committee will bring all issues to the Board of Directors' meeting for consideration where the stakeholders of the particular issue will be required not to vote for justice and best company's benefit purposes. The Company always operates the business according to the rules of the Stock Exchange of Thailand, and discloses details, value, contracts and other necessities in the annual report and Form 56-1. For the usage of inside information, the Company's policy indicates that the management must follow Section 59 of Stock & Stock Market Act, B.E.1992 and are not allowed to use inside information for personal benefits

Business Ethics

The Company's Board of Directors and management promote the employee's honesty and responsibility to the stakeholders, shareholders and all parties concerned. This is important in order to build an organizational culture with social responsibility. The Company has required that the executive board conform the Best Code of Practices based on SET's guidelines.

Corporate Social Responsibility

Baan Rock Garden Public Company Limited is committed to code of conduct, good governance and social responsibilities.

The Company therefore emphasizes on “Corporate Social Responsibility”, as its main policy, together with business operation. The Company supported non-profit organizations and launched projects and activities benefiting the public.



Community

Baan Rock Garden Public Company Limited, with the collaboration of Wang Thong Lang Police Station, donated gifts as prizes and gifts for children on the Child Day annually held at sport arena of Wang Thong Lang Police Station.

Education

Baan Rock Garden PCL has recognized problems of visual impaired youth and children. To promote their learning, the Company grants scholarships, sport equipment and teaching materials to teachers and students of Thammik Wittaya School, Khaoyoi District, Petchaburi Province.



Environment

Baan Rock Garden PCL, with the collaboration of Marine Fisheries Research and Development Center, held marine ecotourism activities at Samet Island, Rayong Province. The public activities covered collecting garbage under the sea and releasing clown fish. The Company aims to promote marine tourism and conservation tourism, and reducing garbage and promoting sustainable tourism.

Volunteer Spirit

- **Blessing to His Majesty the King**

To express the royalty to His Majesty the King, this activity is a part of the celebrations in honor of His Majesty the King's birthday anniversary and the Father's Day.

- **Energy Saving and Resource Reservation Campaign**

The Company promoted staff awareness on energy saving and resource reservation starting from internal initiatives such as reuse, reduction, recycle. The Company also encouraged staff behaviors on energy saving i.e. water energy or electricity energy by turning off after use.

- **Management and Staff Participation in Social Sharing Activities**

Participation in Social Sharing Activities is part of the Company's corporate social responsibility policy. The management and staff participated in donation money, computer equipment, books, clothing, electrical equipment, and the use of good condition to The Mirror Foundation, Child Protection Foundation, World Vision Foundation of Thailand, etc.



Shareholder's Structure and Management

Baan Rock Garden Public Company Limited is the listed company in the Stock Exchange of Thailand with the details of the authorized capital as follows:

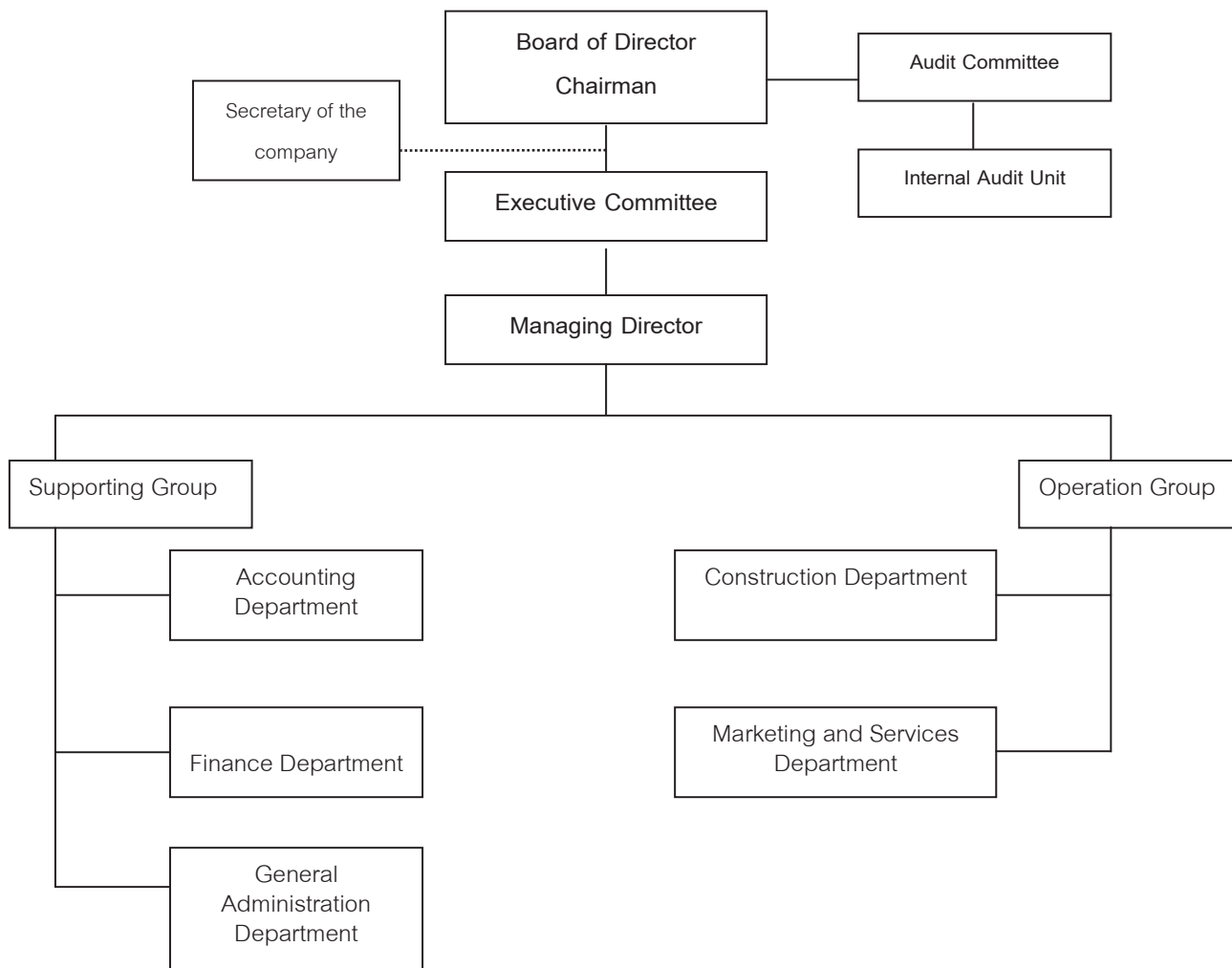
Items	No. of shares (Shares)	Amount (Baht)
Authorized capital	1,025,000,000	1,025,000,000
Paid-up capital	1,024,999,930	1,024,999,930

As of the book closing date on 18 March 2014, the lists of 10 major shareholders are as follows:

No.	Name of the person/ company	No. of shares (shares)	% of total shares
1	Mr.Virat Chinprapinporn	215,371,052	21.01%
2	Mrs.Nongnoi Silaparat	118,467,091	11.56%
3	Mr.Sompong Chonkadeedamrongkul	87,569,650	8.54%
4	Mrs.Naowanij Silaparat	83,719,950	8.17%
5	Mrs.Naowaratlalit Kasetuwan	83,252,293	8.12%
6	Mrs.Naowanart Jamornmarn	82,579,893	8.06%
7	Ms.Naowarui Silaparat	82,000,000	8%
8	Ms.Naowarat Suthamjariya	82,000,000	8%
9	Mr.Pittaya Rungwatanasopon	14,092,500	1.37%
10	Mr.Pongphat Chonkadeedamrongkul	10,250,000	1%
Total holding shares		859,302,429	83.83%
Total all stock		1,024,999,930	

Management

Corporate Structure of Baan Rock Garden Public Company Limited



Management Structure

The Company's management structure consists of 3 committees, namely the Board of Directors, the Executive Committee and the Audit Committee.

A) The Board of Directors

The Board of Directors comprise of the following 6 directors:

No.	Board Members	Positions
1.	Mr. Virat Chinprapinporn	Chairman of the Board
2.	Mr. Surapol Satimanont	Director / Independent and Chairman of Audit Committee
3.	Mr. Wanchai Mekasut	Director / Independent and Audit Committee
4.	Mr. Preecha Jenthanavijit	Director / Independent and Audit Committee
5.	Mrs. Naowanit Silaprarat	Director and Managing Director
6.	Mrs. Naowarat Suthamjariya	Director

Ms.Nattaya Sukkhang is Corporate Secretary to the Board of Director until 16 December 2014 and Ms.Jantamat Hankimhunt has been appointed replacement for since 17 December 2014.

The total number of Board Meetings and the number of Board Meetings each Director attended during the years 2013 and 2014

No.	Board Members	2013	2014
		Number of Meetings attended / total number	Number of Meetings attended / total number
1.	Mr. Virat Chinprapinporn	4/3	4/4
2.	Mr. Surapol Satimanont	4/4	4/4
3.	Mr. Wanchai Mekasut	4/4	4/4
4.	Mr. Preecha Jenthanavijit	4/4	4/4
5.	Mrs. Naowanit Silaprarat	4/4	4/3
6.	Mrs. Naowarat Suthamjariya	4/4	4/4

Scope of Authority and Responsibilities of the Board of Directors

1. The Board of Directors is responsible for ensuring that the activities of the Company conform to the objectives and rules of the Company, resolutions of the Shareholder meetings, as long as they abide by the law. The Board of Directors must also ensure that the Company's business conduct strictly follows the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.
2. The Board of Directors establishes the Company's targets, directions, policies, operational plans and annual budgets, as well as reviews and evaluates the Company's performances. The Board of Directors sets the schedules and formats for performance reporting that the Company must follow.
3. The Board of Directors may appoint a number of Directors and/or Executives, as appropriate, to form an Executive Committee and assign them to manage the Company on their behalf. The Board of Directors will appoint one among the Executive Committee to be the Chief Executive Officer. The Board of Directors may only empower the Executive Committee to manage the Company within their scope of authority and responsibilities, as stated by the law, and they must clearly specify the scope of authority and responsibilities of the Executive Committee.
4. The Directors may not initiate a business that directly competes with the Company. They also may not become partners in any ordinary partnerships, general partners in any limited partnerships, or directors of any companies that pose direct competition to the Company.
5. The Board of Directors must review the adequacy and appropriateness of the Company's internal control system and risk management procedures.
6. The Board of Directors must ensure that the Company's operation receive sufficient audition from the internal Auditor and external Certified Accountant.

7. The Board of Directors is responsible for the review and approval of the Company's periodical and annual financial statements, as well as ensuring that the financial statements are produced in accordance to the general accounting standard.
8. The Board of Directors must equally protect the benefits and rights of all Shareholders, Major and others. They must also ensure that the Company's information are disclosed to the Shareholders in accurate, complete, proper and transparent manner.

To exercise their authority in the following Company's affairs, the Board of Directors must first receive the approval from the Board Meeting through the majority voting of attending Directors, and also from the Shareholder Meeting with the approval resolution produced by at least 75% of attending Shareholders with voices.

- (a) Sale or transfer of the entire or the significant portion of the Company's business to other parties.
- (b) Acquisition or transfer of other public or private company's business to become part of the Company's.
- (c) Amendments to the Company's Memorandum of Association or Articles of Association.
- (d) Increase or decrease of the Company's capitals, or issuance of debentures.
- (e) Corporate merger or dissolution.

Secretary of the Board

The secretary of the Board is responsible for providing advice on laws and other rules and regulations to the Board in order for the Board to operate according to good corporate governance including coordinating with the Board and organizing the Board meeting to be in accordance with the rules and regulations of the company.

Authorized Directors

The Authorized Directors comprise

No.	Board Members	Positions
1.	Mr. Virat Chinprapinporn	Chairman of the Board
2.	Mrs. Naowanit Silaprarat	Director and Managing Director
3.	Mrs. Naowarat Suthamjariya	Director
4.	Mr. Preecha Jenthanavijit	Director / Independent and Audit Committee

Any two of the above may sign along with the Company's seal affixed.

B) The Executive Committee

The Executive Committee comprises the following 3 executive members:

No.	Executive Members	Position
1.	Mr. Virat Chinprapinporn	Chief Executive Officer
2.	Mrs. Naowanit Silaprarat	Director and Managing Director
3.	Mr. Phisitsak Premprichayan	Department Head of Corporate Accounting
Ms. Waraporn Thanrin is the Department Head of Corporate Accounting until 31 October 2014 and Mr. Phisitsak Premprichayan has been appointed replacement for since 13 November 2014.		

Scope of Authority and Responsibilities of the Executive Committee

1. The Executive Committee is responsible for the consideration of the annual budget allocation, proposed by the management team, before taking it to the Board of Directors for approval. The responsibilities also include the urgent review and approval of the amendments and the additions to the annual expense budget in the events of no scheduled Board Meeting. The executive decisions must, however, be informed to the Board of Directors in the soonest Board Meeting.
2. The Executive Committee is responsible for the consideration of the Company's policies, directions, strategies and management structure. The Executives must also set the guidelines for the operations that correspond to the circumstances of economy and market competition, as reported by the management team, before proposing them to the Board of Directors for approval.
3. The Executive Committee must ensure that the Company effectively operates in accordance with the policies and operational guidelines.
4. The Executive Committee has the authority to appoint the Managing Director, and to discharge personnel below the position of the Managing Director from their positions.
5. The Executive Committee is responsible for the allocation of gratuity, after the approval from the Board of Directors, to the employees, workers or anyone who act on the Company's best interest.
6. The Executive Committee is authorized, following the approval from the Board, to endorse the Company's financial transactions, such as account opening, loans, pledges, mortgages, as well as land trading and registration of land ownership, providing the transactions are in line with the Company's objective, and performed to promote the Company's benefits.
7. The Executive Committee is responsible for carrying out any other assignments the Board of Directors entrusts it with. Nevertheless, the empowerment of the Board of Directors to the Executive Committee must be within the legal scope of authority and responsibilities of the Executive Committee.

The Executive Committee is not authorized to conduct any of the following affairs, or related matters, without first proposing to the Audit Committee for its opinion, and proposing to the Board of Directors and / or the Shareholder Meeting for approval: (a) connected transactions; (b) trading transactions of

Company's significant assets; and / or (c) transactions that involve parties who have potential conflicts of interest with the Company and its subsidiaries, (if any).

Furthermore, in conducting the connected transactions or trading transactions of Company's significant assets, as defined in the regulations of the Stock Exchange of Thailand, as well as the above transactions involving other listed companies, the Executive Committee must first obtain approval from the Shareholders in a Shareholder Meeting, or by any other mean possible, according to the regulations of the Stock Exchange of Thailand.

C) The Audit Committee

The Audit Committee is an independent party elected to join the Board of the Directors, with responsibilities to examine the financial information proposed to Shareholders and other related parties, to investigate the internal control system, to conduct internal audit processes, and to communicate with the Company's external auditor.

The Audit Committee consists of the following 3 Directors

No.	Executive Members	Position
1.	Mr. Surapol Satimanont	Director / Independent and Chairman of Audit Committee
2.	Mr. Wanchai Mekasut	Director / Independent and Audit Committee
3.	Mr. Preecha Jenthanavijit	Director / Independent and Audit Committee
Ms.Waraporn Thanrin is the Department Head of Corporate Accounting, is the Secretary to the Audit Committee until 31 October 2014 and Mr.Phisitsak Premprichayan has been appointed replacement for since 13 November 2014.		

The total number of Audit Committee Meetings and the number of Committee Meetings each Member of the Committee attended during the years 2013 and 2014

No.	Board Members	2013	2014
		Number of Meetings attended / total number	Number of Meetings attended / total number
1.	Mr. Surapol Satimanont	4/4	4/4
2.	Mr. Wanchai Mekasut	4/4	4/4
3.	Mr. Preecha Jenthanavijit	4/4	4/4

Scope of Authority and Responsibilities of the Audit Committee

1. The Audit Committee is responsible for investigating, in concert with the Company's external auditor, whether the Company's financial reports are accurately produced, with adequate disclosure. The Committee may voice its opinion to the Auditor, as well as review and investigate any transactions it sees fit.

2. The Audit Committee is responsible for investigating, in concert with the Company's external auditor and internal auditor, whether the Company's internal control and internal audit processes are appropriately in place and effectively performed.
3. The Audit Committee is to determine the scope of the investigation and the audit plans for the external auditor and internal auditor that are in accord, when investigating the financial transactions.
4. The Audit Committee is responsible for the selection and proposal of the Company's auditor and his compensation to the Board of Directors. The decision for appointment must come from the Shareholder Meeting.
5. The Audit Committee must consider the disclosure of corporate information regarding to related-party transactions or transactions inducing conflicts of interest with all due accuracy and completeness.
6. The Audit Committee is responsible for investigating whether the activities of the Company conform to all laws pertaining to securities and the stock exchange, the regulations of the Stock Exchange of Thailand, and the laws relevant to the Company's business.
7. The Audit Committee is responsible for other matters assigned to it by the Board of Directors and agreed by the Audit Committee itself. Examples include the reviews of financial management and risk management policies, the reviews of the Company's operation in accordance with the executive business ethics and the review, in concert with the Company's executive, of significant transactions that, as enforced by the laws, must be presented to the public, such as the executive reports and analyses.
8. The Audit Committee must organize a report on the activities of the Audit Committee, signed by the Chairman of the Audit Committee, which must be included in the Company's Annual Report. The contents of the report include the following:
 - (a) The Committee's opinions on the process of producing and information disclosure in the Company's financial reports, as to whether it is accurate, complete and reliable.
 - (b) The Committee's opinions on the adequacy of the Company's internal control system.
 - (c) The Committee's rationale for its confidence, such that it's appropriate to continue to appoint the current Company's auditor for another period.
 - (d) The Committee's opinions on the conformance of the Company's operations to all laws pertaining to securities and the stock exchange, the regulations of the Stock Exchange of Thailand, and the laws relevant to the Company's business.
 - (e) Any other matters that the Committee considers appropriate to inform the Shareholders and general investors, which do not exceed the scope of authority and responsibilities of the Committee assigned by the Board of Directors.

Nomination of Directors and Committee Members and remuneration setting

A) The Board of Directors

The Company does not set up a Nomination Committee for the purpose of Board Member selection. Nevertheless, the Company has established guidelines and criteria for such selection process. The Board of Directors will determine qualified persons to become its members, based on their abilities, experiences, vision and reliability. The Company's Articles of Association state that one third of the Director positions must become vacant each year in the annual Shareholder General Meeting. In order to re-elect the Directors, whose terms have expired, the proposal must be approved in the Shareholder Meeting. The Articles also state the guidelines for the Shareholder Meeting to nominate the Company's Directors.

Selection criteria of The Board of Directors as followed:

1. Each Shareholder has one vote for each share.
2. Each Shareholder may exercise all his votes, as determined in (1), to elect one nominee or more to become Director(s). However, each Shareholder may only exercise equal vote for each nominee, if he wishes to elect more than one nominee.
3. The nominees who receive most votes, in order, will be elected to the Director positions. The number of the elected Directors is equal to the number of the vacant positions. In the event that the number of nominees receiving sufficient votes to be elected is more than the number of vacant position, due to equal exercised votes, the Chairman of the Board is granted the decisive vote.

In the event of Director positions becoming vacant due to other reasons than the expiry of the their term of office, the Board of Directors is to appoint persons with proper qualities and no prohibited characteristics, as mandated by the Public Companies Act, to fill the vacant positions for the remaining of the term, unless the remaining period of the term is shorter than 2 months. The resolution to appoint the replacing Directors for the remaining term, must come from at least 75% of votes from the remaining Directors.

B) The Audit Committee

The Board of Directors is responsible for nominating at least 3 Directors to join the Audit Committee. The Committee members will be selected from the Company's Independent Directors with appropriate qualities, as guided by the laws pertaining to securities and stock exchanges, including the announcement, rules and regulations of the Stock Exchange of Thailand, mandating the qualities and scope of authority of the Audit Committee. In addition, at least one of the Audit Committee members must have background in accounting and finance.

In addition, the Audit Committee is appointed by the resolution from the Shareholder Meeting, with 2-year term. The Committee's member whose term of office has ended may be reinstated.

Selection criteria of Independent Director

An Independent Director must possess the following qualities:

- 1) An Independent Director holds of no more than 5% of the total voicing shares of companies, proprietary companies, subsidiary companies, associated companies or juristic persons with potential conflicts of interest.
- 2) An Independent Director is not an employee, an advisor regularly receiving salary, or an executive of companies, proprietary companies, subsidiary companies, associated companies or juristic persons with potential conflicts of interest.
- 3) An Independent Director is not, by blood or by law, a parent, a spouse, a sibling, a child or a spouse of a child of the an Executive, a Major Shareholder, a person with authority of control, or a person who may become an Executive or may gain authority of control, of the Company or the subsidiaries.
- 4) An Independent Director has no business relationship to companies, proprietary companies, subsidiary companies, associated companies or juristic persons with potential conflicts of interest, in such manner that may prevent him from freely exercising his judgment. He also does not possess any other characteristics that limit his freedom of opinion on the Company's operation.

Setting up remuneration for Directors and Members of the Audit Committee

The Company has set a transparent policy to compensate all the Directors with remunerations and other benefits that are fair for their responsibilities and contributions. The Chairman of the Board authorized the remunerations to be paid to the Directors in 2014 to be no greater than 1.5 million Baht, to be same the 2013 remuneration by determining from the remuneration generally paid in the same industry.

A) Directors' remunerations as followed.

Board Members	Positions	Remunerations (Baht per year)	
		2013	2014
Mr. Virat Chinprapinporn	Chairman of the Board	45,000	60,000
Mr. Surapol Satimanont	Director / Independent and Chairman of Audit Committee	60,000	60,000
Mr. Wanchai Mekasut	Director / Independent and Audit Committee	60,000	60,000
Mr. Preecha Jenthanavijit	Director / Independent and Audit Committee	60,000	60,000
Mrs. Naowanit Silaprarat	Director and Managing Director	60,000	45,000
Mrs. Naowarat Suthamjariya	Director	60,000	60,000

B) The Audit Committee as followed.

Board Members	Positions	Remunerations (Baht per year)	
		2013	2014
Mr. Surapol Satimanont	Director / Independent and Chairman of Audit Committee	60,000	60,000
Mr. Wanchai Mekasut	Director / Independent and Audit Committee	60,000	60,000
Mr. Preecha Jenthanavijit	Director / Independent and Audit Committee	60,000	60,000

Note: The Directors and the Members of the Audit Committee were paid 15,000 Baht for every meeting they attended.

C) Remunerations to management, managing officers, and staff

Monetary remunerations

The company has set the criteria on the remunerations which include salary, living expenses, wages, allowances, provident fund and bonus. The company has compared its remuneration structure with those of the companies in the same industry and has developed the key performance indicators so that the remunerations can be fair and transparent including being good incentives.

Non-monetary remunerations

The company has placed great emphasis on the human resource of the company. As such, the company has developed and encouraged the bond and good attitude of the staff toward the company. The company has offered the staff the accident insurance for those with operational risks, medical care (annual check up), provident fund, accommodation and public utility for those who work in the provincial areas.

D) Policy on dividend payment

The Company and its subsidiaries follow a policy that limits the rate of annual dividend payment to many more 30% of the Company's net profit. Less corporate income tax. The consideration factors for dividend payment must include the Company's performance and financial position, its liquidity, expansion plan and other factors relevant to the Company's management. The dividend payment must be approved by the resolution of the shareholder's meeting, as appropriately agreed by the Board of Directors.

Profile of Executive Directors and Management Team

Name - Last name : Mr. Virat Chinprapinporn
Age : 55 Years
Position : President Director / Authorized signatory
% of Shareholding : 21.01 %
Relationship : Husband of Mrs.Naowanit Silaprarat
Education : M.B.A. in Marketing of City University, USA
 Director Accreditation Program DCP 40/2004
 by Thai Institute Of Directors (IOD)



Position in other listed companies : 1 , **Position in non - listed companies** : 11

Working Experience :
 2011 – Present Director Nicena Property Co.,Ltd.
 2007 – Present Director Yamu Property Development Co.,Ltd.
 2003 – Present Director Ratchada Power Plus Co.,Ltd.
 2003 – Present Director Car 2 Buy Co.,Ltd.
 2002 – Present President & Chief Executive Office
 Ratchthani Leasing Plc.
 1994 – Present Director Kuylin Pang-nga Co.,Ltd.
 1993 – Present Director Chaleamcheep Co.,Ltd
 1993 – Present Director Aom Noi Hattasat Co.,Ltd.
 1992 – Present Director Phowatchara Co.,Ltd.
 1990 – Present President Baan Rock Garden Plc.
 1989 – Present Director Chucheeep Housing Land Co.,Ltd.
 1987 – Present Director City Wood Co.,Ltd.
 1987 – Present Director City and Associate Co.,Ltd.

Name - Last name : Mr. Surapon Satimanont

Age : 54 Years

Position : Director / Independent /
Chairman of Audit Committee

% of Shareholding : 0.8 %

Relationship : No

Education : - M.B.A. of Webster University, U.S.A
-Master of Law , Howard University, U.S.A
-Master of Law , Southern Methodist University , U.S.A
-Director Accreditation Program DCP 40/2004
by Thai Institute Of Directors (IOD)
- Anti-Corruption for Executive 2014
For Directors and Executives in the Thanachart Group.



Position in other listed companies : 3 , Position in non - listed companies : 7

Working Experience :

- 2014 – Present Advisory Board
Ministry of Information and Communications Technology.
- 2014 – Present Director Erawan Insurance Plc.
- 2009 – Present Sub-Committee on Law and contracts
State Railway of Thailand.
- 2007 – Present Director / Audit Committee 2S Metal Plc.
- 2002 – Present Director / Audit Committee Ratchthani Leasing Plc.
- 1990 – Present Director / Chairman of Audit Committee
Baan Rock Garden Plc.
- 2012 – 2014 Director S And Mamon Co.,Ltd.
- 2011 – 2014 Director N.U.I. International Co.,Ltd.
- 2011 – 2014 Director TranSun Co., Ltd.
- 2011 – 2014 Director Fha Sai Haadngam Co., Ltd.
- 2008 – 2011 Executive Vice President
Export – Import Bank of Thailand

Name - Last name : Mr. Wanchai Mekasut
 Age : 60 Years
 Position : Director / Independent /
 Audit Committee
 % of Shareholding : No
 Relationship : No
 Education : Bachelor of Business Administration, Assumption
 Director Accreditation Program DAP 97/2009
 by Thai Institute Of Directors (IOD)



Position in other listed companies : No , Position in non - listed companies : 2
 Working Experience : 2009 – Present Audit Committee Baan Rock Garden Plc.
 1999 – Present Authorized signatory Executive Vice President
 Khaoyoi Furnitech Co.,Ltd.
 1994 – Present Director and authorized signatory & Executive
 Vice President Furni Thai Co.,Ltd



Name - Last name : Mr. Preecha Jenthanavijit

Age : 53 Years

Position : Director / Independent /
Audit Committee /
Authorized signatory

% of Shareholding : No

Relationship : No

Education : Bachelor of Law Ramkhamhaeng University Barrister at Law
Director Accreditation Program DAP 40/2005
by Thai Institute Of Directors (IOD)

Position in other listed companies : No , Position in non - listed companies : 1


Working Experience : 2011 – Present Audit Committee Baan Rock Garden Plc.
1990 – Present Director Baan Rock Garden Plc.

Name - Last name : Mrs. Naowanij Sillaprarat
Age : 54 Years
Position : Director / Managing Director /
 Authorized signatory
% of Shareholding : 8.17 %
Relationship : Wife of Mr.Virat Chinprapinporn
Education : Bachelor of Economics University of the Thai Chamber of Commerce
 Bachelor of Law Kasem Bundit University
 Master of Faculty of Political Science Ramkhamhaeng University
 Director Accreditation Program DCP 54/2005
 by Thai Institute Of Directors (IOD)



Position in other listed companies : No , **Position in non - listed companies** : 10

Working Experience : 2007 – Present Director Yamu Property Development Co.,Ltd
 1997 – Present Director RG Star Club Co.,Ltd
 1991 – Present Director Rock garden Beach Co.,Ltd
 1991 – Present Director Kuylin Pang-nga Co.,Ltd
 1990 – Present Director and authorized signatory & Managing Director
 Baan Rock Garden Plc.
 1990 – Present Director Phukao Huachang Pang-nga Co.,Ltd
 1990 – Present Director C & CN Group Co.,Ltd
 1989 – Present Director Chuccheep Northern Group Co.,Ltd
 1989 – Present Director CS Real Estate Co.,Ltd
 1988 – Present Director Chuccheep Housing Land Co.,Ltd
 1987 – Present Director Rock Garden Group Co.,Ltd

Name - Last name	:	Mrs. Naowarat Suthamjariya		
Age	:	52 Years		
Position	:	Director / Authorized signatory		
% of Shareholding	:	8%		
Relationship	:	Sister of Mrs. Naowanit Silaprarat		
Education	:	Master of Business Administration in International Business, Schiller International University UK Master of International Management in Hotel and Tourism Management, Schiller International University UK Director Accreditation Program DAP 40/2005 by Thai Institute Of Directors (IOD)		
Position in other listed companies	:	No , Position in non - listed companies	: 4	
Working Experience	:	1997 – Present Director Rock Garden Club Co.,Ltd. 1990 – Present Director Baan Rock Garden Plc. 1990 – Present Director C & CN Group Co.,Ltd 1987 – Present Director Rock Garden Group Co.,Ltd. 1980 – Present Director Navathep Co.,Ltd		

Name - Last name : Mr.Phisitsak Premprichayan
Age : 39 Years
Position : Department Head of Corporate Accounting
% of Shareholding : No
Relationship : No
Education : Mater Of MBA (Business Law)
Ramkhamhaeng University
Bachelor of Management Administration (Account)
Ramkhamhaeng University

Position in other listed companies : No , Position in non - listed companies : No

Working Experience : 11/2014 – Present Department Head of Corporate Accounting
Baan Rock Garden Plc.
2007 – Present Senior Internal Audit
Baan Rock Garden Plc.

Name - Last name : Miss Sittima Chanjirapong
Age : 53 Years
Position : Department Head of Corporate Finance
% of Shareholding : No
Relationship : No
Education : Bachelor of Faculty of Business Administration
Ramkhamhaeng University

Position in other listed companies : No , Position in non - listed companies : No.

Working Experience : 2007 – Present Department Head of Corporate Finance
Baan Rock Garden Plc.
2005 – 2007 Purchasing Manager Baan Rock Garden Plc.
2004 – 2005 Purchasing Manager Baan Rock Garden Co.,Ltd
2000 – 2003 Finance Manager Rock Garden Group Co.,Ltd

Name - Last name : Miss Jantamat Hankimhunt
 Age : 47 Years
 Position : Department Head of Corporate Marketing & Service
 % of Shareholding : No
 Relationship : No
 Education : Bachelor of Economics Ramkhamhaeng University

Position in other listed companies : No , Position in non - listed companies : No

Working Experience	:	12/2014 – Present	Department Head of Corporate Marketing & Service Baan Rock Garden Plc.
		2011 – 2013	Department Head of Corporate Administration & Marketing Baan Rock Garden Plc.
		2008 – 2010	Assistant Corporate Accounting & Administration Chaba Cabana Beach Resort Co.,Ltd
		2006 – 2008	Department Head of Marketing & Service Baan Rock Garden Plc.
		1996 – 2006	Acting: Corporate Document M I S Compute Tech Mico Sytem Co.,Ltd

Present Projects

Table Existing Projects: BROCK's Current Real Estate (Houses and Land) Projects

1) Samuthpra-karn

Projects	Locations	Property Types	Project Start Date	Opening Date	Investment Value (Bt. million)	Progress		Price Range (Bt.million)	Project Size (Rai)	Project Total		Remaining Units (As of Dec. 31, 2014)		Sold Units (As of Dec. 31, 2014)			
						Investment Paid	% Completion			Units	Sales Value (Bt. mil.)	Units	Sales Value (Bt. mil.)	Units	Sales Value (Bt. mil.)	Units	Sales Value (Bt. mil.)
Baan Rock Garden Airport Phase 1	Onnuch-Ladkabang Road Amphur Bangsolthong	2-storey townhouses	Jun. 2007	Aug. 2007	136.44	136.44	100.00	1.57-1.84 1.80-2.63	11-3-60.7	117	227.19	-	-	117	196.31	-	-
		12								-		-	12	30.88	-	-	
		129								=		=	129	227.19	-	-	
Baan Rock Garden Airport Phase 2	Samuthprakarn	2-storey duplexes	Jun.2007	Mar. 2008	213.60	213.60	100.00	2.35-2.6 3.25-3.6	17-3-14	102	394.31	59	153.40	40	103.40	3	8.55
		35								19		68.40	15	56.71	1	3.85	
		137								78		221.80	55	160.11	4	12.40	
Total									29-2-74.70	266	621.50	78	221.80	184	387.30	4	12.40

2) Phuket

Projects	Locations	Property Types	Project Start Date	Opening Date	Investment Value (Bt. million)	Progress		Price Range (Bt. mil.)	Project Size (Rai)	Project Total		Remaining Units (As of Dec. 31, 2014)		Sold Units (As of Dec. 31, 2014)	
						Investment Paid	% Completion			Units	Sales Value (Bt.mil.)	Units	Sales Value (Bt. mil.)	Units	Sales Value (Bt.mil.)
Baan Rock Garden Bypass 3	Phuket Bypass Road. (Baan Tung-Ka – Baan Sapum Road) near Chalermpr akiat Road)	Duplexes	Mar. 2005	Nov. 2005	102.00	102.00	100.00	1.49-3.2	14-1-56.7	54	180.32	-	-	54	84.60
		1-storey houses								9		-	-	9	22.14
		2-storey houses								17		-	-	17	46.03
		2.5-storey home office								10		-	-	10	27.55
		Total								90	180.32	-	-	90	180.32
Baan Rock Garden Bypass 4***	Phuket Bypass Road) near Chalermpr akiat Road)	Duplexes	May. 2005	Jul. 2006	93.94	93.94	100.00	1.49-3.2	11-2-38.3	52	166.89	-	-	52	84.70
		1-storey houses								6		-	-	6	14.86
		2-storey houses								9		-	-	9	26.23
		2.5-storey home office								15		1	2.90	14	38.20
		Total								82	163.99	1	2.90	81	-
Baan Rock Garden Bypass 6	Amphur Muang Phuket	2-storey detached	Aug. 2008	Aug. 2009	175.28	171.77	98.00	4.29-5.20	29-2-10.22	49	221.85	5	22.10	39	175.75
		Total								49	221.85	5	22.10	39	175.75
Total									55-2-5.22	221	569.06	6	25.00	210	520.06

*** Baan Rock Garden Bypass 4 home office value 1 unit is located at the office of Baan Rock Garden Plc., Phuket

Revenue Structure

The records highlight the Company's revenues, classified by project development, from 2012 to 2014 as follows:

Table: Revenue Structure of BROCK and Subsidiaries, Classified by Project Development

Revenue Types	Generating Projects	2012		2013		2014	
		Total		Total		Total	
		Revenues (Bt. mil.)	%	Revenues (Bt. mil.)	%	Revenues (Bt.mil.)	%
1 Revenues from development projects							
1.1 Sales of semi-detached houses, detached houses , 2 storey houses and home office building (4 unit in 2012 and 2 unit in 2013)	Baan Rock Garden Bypass 3	10.79	8.73	5.40	7.71	-	-
1.2 Sales of semi-detached houses, detached houses, 2 storey houses and home office building (5 units in 2012)	Baan Rock Garden Bypass 4	13.50	10.92	-	-	-	-
1.3 Sales of 2 storey houses (14 units in 2012, 4 units in 2013 and 7 Units in 2014)	Baan Rock Garden Bypass 6	61.42	49.67	23.10	32.98	31.34	35.62
1.4 Sales of town houses and semi-detached houses (3 units in 2012, 3 units in 2013 and 3 units in 2014)	Baan Rock Garden Airport 1	5.51	4.46	7.63	10.89	8.02	9.12
1.5 Sales of semi-detached houses and 2 storey houses (9 units in 2012, 9 units in 2013 and 13 units in 2014)	Baan Rock Garden Airport 2	27.22	22.01	27.70	39.55	42.20	47.96
2. Other Revenues		5.21	4.21	6.21	8.87	6.42	7.30
Total Revenues		123.65	100.00	70.04	100.00	87.98	100.00

Risk Factors

1. Business operation risks

1.1 Risk of Declining Economy

Overall, the real estate business sector in 2014 might not look bright due to continuing risk factors from prior year i.e. the political situations that have remained a pressuring force upon the real estate market. In early 2014, the political situations became more violent resulting in a direct impact on real estate purchases being deferred in Bangkok, whereas specific factors in real estate business are awaiting ahead, such as the uptrend of costs of operations in 2014 which affected real estate development anticipated to be more challenging in terms of implementing marketing strategies to maintain residential price levels. Contributory factors on business costs include land prices, labor costs, and increase of energy prices.

Moreover, there have been problems of excessive supplies in the real estate market, because real estate developers have been accelerating the launch of their new projects. During the period where the real estate market was supported by growth factors, project sales were aggressively closed, which was instrumental to pushing land prices and business operating costs, and then residential prices, upwards. This caused consumer purchase power to decline. Coupled with the economy facing more risks posed by several factors, financial institutions are cautious and make it tougher for consumers to get a loan.

1.2 Risks from dependence on contractors and construction labors

The Company does not own a subsidiary contractor; therefore, it has to hire contractors, along with labors. This poses some risks as the contractors may fail to complete the projects in time for the Company's delivery to the customers. To avert such risks, the Company has adopted an open auction, based on the project blueprint – (B.O.Q.) - for its contractor selection process. The Company's Project Construction Department will set a benchmark prices, then organize an open auction where interested contractors can equally participate. The Project Construction Department will then review all the submitted proposals for details of labor and material costs in order to determine which contractors offer the most cost effective proposal. The Company always requires that selected contractor sign work agreement with the Company, with the condition that the Company can fine the contractor in case of construction delay, and also claim for any damages caused by the contractor. In addition, the contractor must provide certain amount of deposits as guarantee of the work quality. Should the contractor abandons the unfinished project, the Company will take that amount of deposit, combined with the unpaid balance of the contract amount, to select new a contractor to continue the construction of the project to completion.

Furthermore, the Company generally minimizes the risk of dependence on any individual contractors by dividing the construction work among a number of contractors. To ensure the quality of contractors' construction as required. The work schedules were allocated more effectively to support

contractors' liquidity, so that they can all meet the requirement, which will enable the Company to deliver the house to the consumer as planned.

1.3 Risks from joint venture

By the resolution from the Shareholder's General Meeting, held on April 6th, 2007, the Company was authorized to take possession of all assets and liabilities of Navathep, Co., Ltd., (Navathep), a subsidiary in which the Company held 100% shares, and to liquidate Navathep's account. The decision was made to aid the Company's expansion and to improve management effectiveness. The transfers of assets and liabilities from Navathep took place on June 29th, 2007, at the book value. The assets included a 500-rai vacant coastal land in Amphur Talang, Phuket, on which the Company planned to develop a yacht marina, along with a condominium, a luxurious beach hotel and a resort. The Company planned to develop the project on this land under a joint venture with a group of foreign investors. On June 2nd, 2007, the Company purchased 50% of common shares of Yamu Property Development, Co., Ltd., which amounted to Bt. 1.0 million, in order to participate in the joint venture with a group of Swedish investors.

As a result of this joint venture, the Company bore the risk of losing the opportunity to develop its own project on this 500-rai piece of coastal land. However, the land is the Company's property, with no debt obligation. As such, the Company was not bound by any obligation, even in the case that the intended project couldn't be developed.

1.4 Risk from change in rules, regulations or laws related to real estate business

The possible risks that may occur include limitation of area usage for some types of buildings, height limitation area, setback distance, including dispute with owners of adjacent lands, complaint during construction or land expropriation for public utility construction. The risks cover from changed laws, notifications and regulations after the company has land ownerships and is requesting for approval of related authorities. However, the Company has planned to reduce such risks. Before a project development, legal limitations and regulations of related authorities which may affect the project will be checked. However, these laws have no retrospective effects, thus the Company's current projects will continue to progress as planned. Moreover, the "Baan Rock Garden Bypass 6" project, which comprises of 10 phases, that the Company started to develop in 2007 on Phuket Bypass Road, is expected to generate sufficient income for the Company for the next 3 – 5 years. The project has already been permitted to be built by Phuket's local authority. In addition, the Company also plans to develop "Baan Rock Garden Airport, Phase 3" in Samut Prakarn province, near the Suvarnabhumi Airport, as a continuation from the "Baan Rock Garden Airport, Phase 1-2," which is currently in the process of document submission for approval by the authority. The Company plans to develop all these new projects by taking all the new laws into consideration, as well as regularly studying real estate market conditions. The Company believes it will be able to expand its operations in compliance with all the laws and regulations.

2. Production and project construction risk

2.1 Risk from price fluctuation of construction materials

With new real estate supply by developers as well as high oil prices, construction material prices rose, adversely affecting construction project costs. Nevertheless, the company has made contracts with contractors regarding all construction materials, covering foundation – roof materials, irons and toilet ware, of the projects such as Baan Rock Garden By-pass 3 project - Baan Rock Garden By-pass 6 phase 1, Baan Rock Garden Airport phase 1 - phase 2, including forthcoming projects which are Baan Rock Garden By-pass 6 phase 2-10 and Baan Rock Garden Airport phase 3, including other projects in Bangkok and up-countries. These material costs were included in employment contracts in advance. Hence, the company is able to reduce its risks from any increase in construction material prices or uncertain conditions of construction materials. The company is able to manage such risks at a certain level and forecast expenses in advance. The company then adjusts costs in a timely manner so such changes will not affect its profit.

3. Financial risks

3.1 Risks associated with the Company's cash flow

Since 2003, the Company has relied on its major shareholders and/or related company to provide a financial support. Some of these funds were charged interests, while the others were not. This was to follow the conservative financial management policy of the Company in the early days of its real estate development business. However, for the Company's future development projects, namely "Baan Rock Garden Airport, Phase 2" and "Baan Rock Garden Airport, Phase 3," with combined investment of Bt. 800 million and "Baan Rock Garden Bypass 6" with the project value of over 2,400 million Baht, and the investment in venture capital organization for develop land bank 500 Rai in Phuket which is using a lot of fund. The Company may bear the risks of cash flow, as it is likely to require external loans from financial institutions. This means the Company may create liabilities that charges interests in the future.

Nevertheless, the Company already takes into account the current financial structure and cash flow from operation that must be reserved for the necessary liabilities. The Company also has good relationship with a number of financial institutions that the Company currently contacts for the credits to its consumers. Additionally, the Company also owns many assets that may be used as collaterals, such as undeveloped land. As such, the Company should be able to minimize the impacts to its liquidity and cost of funds, and it should be able to expand in the future.

4. Management risks

4.1 Risks from Company's directors taking executive positions

The Company is currently under the management of the Silaprarat family, with Mr. Virat Chinprapinporn, an associate to the family, as the President, and Mrs. Naowanit Silaprarat as the Managing Director. The Company bears a certain level of risk, as both persons are, jointly, authorized Directors with authority to execute all of the Company's financial and legal transactions. In order to promote an adequate balance of authority, the Company operates under the following guidelines:

1. The Company appointed Audit Committee, comprising of 3 Independent Directors, to monitor its business conduct.

2. The Executive Board and the Managing Director have no authority over connected transactions, acquisition or sale of the Company's important assets, and any transactions that may be a potential for conflict of interest involving the Company and its subsidiaries. If such transactions are necessary, they must be proposed for approval to the Company's Board of Directors or, (as appropriate), in the Shareholders Meeting.

3. The Company has established an Internal Audit Unit, comprising external individuals provided with appropriate rights to monitor the Company's operation. They report directly to the Audit Committee. The Internal Audit Unit conducts a review, with the Audit Committee, of the Company's operation every quarter, ensuring that it has effective and comprehensive internal control system and internal audit process. (More details are described in Section 2, topic "Internal Control")

Details of Related Transaction

Details of Related Transaction at the end of December 31, 2013 and December 31, 2014

Related Parties (Person / Juristic Person) with Potential Conflicts	Nature of Relationship	Transactions / Agreement	(Million Baht)		Pricing and Conditions	Necessity and Rational of Transactions
			Dec 31, 2013	Dec 31, 2014		
a) Baan Rock Garden, Plc., Ltd. (BROCK) and Rock Garden Group, Co., Ltd. (ROCK GROUP)	<ul style="list-style-type: none"> ROCK GROUP is an associate company of BROCK and its subsidiaries, with common Executives and Major Shareholders. Common Executives and Major Shareholders: <ol style="list-style-type: none"> Mr. Virat Chinprapinorn: Holding 122,500 shares of ROCK GROUP (0.61% of paid-up registered capital) Mrs. Naowanit Silaparat: Holding 550,000 shares of ROCK GROUP (2.75% of paid-up registered capital) Mrs. Naowarat Suthamjaraya: Holding 100,000 shares of ROCK GROUP (0.50% of paid-up registered capital) Common Shareholders: <ol style="list-style-type: none"> Mrs. Nongnoi Silaparat: Holding 9,072,500 shares of ROCK GROUP (45.36% of paid-up registered capital) Mrs. Naowarui Silaparat: Holding 7,980,000 shares of ROCK GROUP (39.90% of paid-up registered capital) 	<ol style="list-style-type: none"> Office rental <ol style="list-style-type: none"> Office rental for Head Office Service charge Electricity charge 	1.41	1.40	<ul style="list-style-type: none"> BROCK is currently renting 3-floor space from ROCK GROUP, spanning 690 square meters, at 170 Baht per-square-meter rental rate per month (Increased from 150 Baht per square-meter rental rate per month since May 1, 2008), Total amount is 117,300 Baht per month. The contract lasts 1 year, starting May 1, 2014, and can be renewed times 1 year. BROCK pays ROCK GROUP for service charge spanning 690 square meters, at 85.60 Baht per-square meter rental rate per month (Increased from 74.90 Baht per square meter rental rate per month since May 1, 2008) Total amount is 59,064 Baht per month. This service is including water, security guard, and other services. ROCK GROUP installed an electrical meter and charged the fee is based on actual usage. 	<ul style="list-style-type: none"> The current rental rate of 170 Baht per square meter per month that the Company pays ROCK GROUP is comparable to the rental of nearby office buildings. The service charge rate of 85.60 Baht per square meter per month is comparable to the rate charged by other office buildings in the same area. the fee is based on actual usage and rate charged by other office buildings in the same area The Audit Committee considers the rental and the service charge rational. Furthermore, after the installation of the electrical meters, so that the Company can pay per actual usage just as other tenants do, the Audit Committee also determines that the electrical charge is reasonable.

Related Parties (Person / Juristic Person) with Potential Conflicts	Nature of Relationship	Transactions / Agreement	(Million Baht)		Pricing and Conditions	Necessity and Rational of Transactions
			Dec 31, 2013	Dec 31, 2014		
b) Baan Rock Garden, Plc., Ltd. (BROCK) and Executives/ Shareholders/ Other persons with potential conflict of interest	The person with potential conflict of interest is hereby identified as Mr. Virat Chintraporn.	I. Estimated accrued interest on this loan	6.62	6.62	<p>- BROCK was not to pay for the cost of this fund in cash. Instead, a vacant land of equal value had to be transferred to the lender by November 30, 2006. Hence the Company must transfer its land of 5 rai in size, located in T. Koh-Kaew, A. Muang, Phuket, valued at 6.62 million Baht, to person with potential conflict. The land was equal in value to the loan interest rate of 2.21% and 3.93% per year.</p>	<p>- The Company required such loan from Mr. Saksom Jamornmarn and Mrs. Nongnoi Silaparat to use as its working capital. The transaction was considered to be beneficial to the Company's financial status, as the cost of fund was equivalent to an interest rate of 2.21% and 3.93% per year. October 5, 2010 Mr. Saksom Jamornmarn and Mrs. Nongnoi Silaparat get make a book transfer the right in right of real estate ownership modifies aforementioned_ to Mr. Virat Chintraporn . The loan was paid in full amount as of December 31, 2013. And end of December 31, 2014 The Company has not transferred the land to the lender.</p> <p>* The Audit Committee perceived that the loan transaction provided the Company with financial advantage, compared to loans that the Company would, otherwise, have borrowed from elsewhere. The transfer of its land as repayment had no effect on sales of the Company's projects. Hence the transaction was necessary and sensible.</p>

Related Parties (Person / Juristic Person) with Potential Conflicts	Nature of Relationship	Transactions / Agreement	(Million Baht)		Pricing and Conditions	Necessity and Rational of Transactions
			Dec 31, 2013	Dec 31, 2014		
C. between Baan Rock Garden PCL. and Ya-moo Property Company Limited	- Yamu Property Company Limited is the joint venture between Baan Rock Garden PCL. and Swedish Group whereby each party hold 50.0% of the paid-up registered capital.	Investment in joint venture	1.00	1.00	- to purchase common shares of Yamu Property Development Limited (joint venture) in order to establish the property development business at the rate of 50% of paid-up registered capitals and the Swedish Group holds common shares in the same amount (50% of paid-up registered capital.	-This belongs to 2 groups of shareholders. When considering the context, it is found that the other party has power in setting the monetary policy and operations especially in the areas of fund raising and marketing whereby the company is jointly responsible for the abovementioned matters. Under the equity method, the company shall record the initial interest in joint venture on par value and adjust for any changes under the investment in joint venture-net with profit and loss sharing and operation sharing with portion of joint venture whereby this shall benefit Baan Rock Garden PCL. in the future.
		deduct interest in joint venture	(1.00)	(1.00)		
		Investment in joint venture-net	0.00	0.00		
						-The Audit Committee has approved the transaction by stating that such transaction is found to be necessary, reasonable and in accordance with relevant rules and regulations specified in the law and general accepted accounting principles.

Related Parties (Person / Juristic Person) with Potential Conflicts	Nature of Relationship	Transactions / Agreement	(Million Baht)		Pricing and Conditions	Necessity and Rational of Transactions
			Dec 31, 2013	Dec 31, 2014		
C) Baan Rock Garden, Plc., Ltd. (BROCK) and Yamu Property Development Company Limited (Yamu Property)	- Yamu Property is a venture capital organization between BROCK and Swedish investors. BROCK hold shares 50% of registered shares capital. (The Swedish investors hold remaining 50% of registered shares capital.) <u>Less</u> the share losses in the business shares to trade exceed part more than the price follows an account of the investment	Long term loan	3.88	3.88	No interest payment. (The other side of shareholders (The Swedish investors) Paid long term loan 3.88 million baht in which equal amount for to Yamu Property with no interest payment.)	<p>-BROCK lent 50% of longterm loan to Yamu Property amount 3 M without interest charge (50% remaining (3 M) was paid by Swedish investors) for working capital and project development of Yamu Property. This long term loan is financial supporting to related company with none charge interest of 2 sides of shareholder in the equal percentage that would be a benefit to BROCK in the future.</p> <p>-The company receives to know the share losses in the business shares to trade that have exceed amount more than the part gains and lose at a company exist in a company share to trade add by recording decrease money account loan to borrow the lengthy to the business share to trade , in order that , because of , a company considers that , a company has the responsibility , the responsibility in the business shares to trade aforementioned in proportion the investment</p> <p>* The Audit Committee reviewed this transaction and determined which transaction was necessary and reasonable.</p>
			(3.88)	(3.88)		
			0.00	0.00		

Related Parties (Person / Juristic Person) with Potential Conflicts	Nature of Relationship	Transactions / Agreement	(Million Baht)		Pricing and Conditions	Necessity and Rational of Transactions
			Dec 31, 2013	Dec 31, 2014		
D. between Baan Rock Garden PCL. and Ratchthani Leasing PCL.	<p>- Ratchthani Leasing PCL. is the related company and have the same directors and management which can be summarized as follows:</p> <p>1. Mr. Virat Chinprapinpon, holding 1,599,999 shares of Ratchthani PCL or accounting of 0.19% of paid-up registered capitals</p> <p>2. Mr. Surapol Satimanont, holding 1,666,663 shares of Ratchthani PCL or accounting of 0.20% of paid-up registered capitals</p>	1. short-term investment	130.00	180.00	<p>- this is the short-term deposits in the form of promissory notes with conditions to pay back at call and interest rate of 4.10-4.25% per annum (December 31, 2013 : 4.25% per annum). This investment is to manage cash on hand for its maximum benefit under the recession economy with higher returns than the market rate (currently, market interest rate is 4.10-4.25% per annum (December 31, 2013 : 4.25% per annum). If the company needs to use this investment, the company can call back anytime. Moreover, since Ratchthani Leasing PCL. has strong financial status, this causes the interest payment and repayment to be at low risk.</p> <p>* The Audit Committee has approved this transaction by stating that such transaction is a treasury transaction with financial institution whereby it has low risk and good returns which is reasonable and benefit the company.</p>	

Management Discussion and Analysis (MD&A)

Business performance overview

For 2012, the real estate business continued to grow due to the Government's economic stimulation measures i.e. first-house policy and infrastructure construction in major provinces. With the aforementioned factors, the Company has revised sales and marketing policies, plans on product development and price setting to satisfy customer needs. In 2012, the Company sold 35 units of Baan Rock Garden Bypass 3, 4, and Bypass 6 Phase 1, and Baan Rock Garden Airport 1 and 2 projects

In 2013, the real estate sector declined due to several factors such as sluggish economy, political turmoil at the end of the year and higher household debt burdens, etc. With such factors, the loan approval of customers dropped and application rejection rose from 5% to 10%. Increasing household debts were caused by first-car scheme, credit card loan, and personal loan. Some customers were approved but credit lines were cut so the Company's target groups have not decided to purchase houses. However, the Company has a strong commitment to develop projects and maintain quality standards of our brand "Baan Rock Garden" to create customer trust. In 2013, the Company sold 18 houses of Baan Rock Garden Bypass 3, Baan Rock Garden Bypass 6 Phase 1 and Baan Rock Garden Airport 1 and 2.

In 2014 real estate business grew in a constantly declining period due to the political risk factor at the early of the year that affected consumer decisions; stringent financial institution loan granting and hence lower granted loans due to the household debts remaining high, declining of household incomes, financial institutions' granted non-performing loans, and indetermination of the economic environment. The real estate business also experienced the problem of excessive supplies caused by new project launches, thus increasing the competitions. With the overall impact posed by such economic environment, we remained focused on project development and maintaining our quality standards. In 2014, we were able to sold 23 houses in Rock Garden Bypass 6 Phase 1 and Rock Garden Airport 1 and 2 Projects.

Revenues

The Company had the sales revenue of 118.44 million Baht 63.83 million Baht and 81.56 million Baht in 2012, 2013 and 2014, respectively. The sales revenues from housing projects could be summarized as follows:

Sales Volume of Projects	2012		2013		2014	
	Units	Bt. Million	Units	Bt. Million	Units	Bt. Million
Baan Rock Garden Bypass 3	4	10.79	2	5.40	-	-
Baan Rock Garden Bypass 4	5	13.50	-	-	-	-
Baan Rock Garden Bypass 6 Phase 1	14	61.42	4	23.11	6	31.34
Baan Rock Garden Airport 1	3	5.51	3	7.63	3	8.02
Baan Rock Garden Airport 2	9	27.22	9	27.69	13	42.20
Total	35	118.44	18	63.83	18	81.56

In 2012, the sales revenue was recorded at 118.44 million Baht, increasing by approximately 32.59 million Baht or 37.96%. The revenue was mainly generated from Baan Rock Garden Bypass 6 Phase 1, which is the detached-housing project sold at higher prices than other projects. Simultaneously, the Company continuously sold houses of Baan Rock Garden Airport 1 and 2 Projects located in Samutprakan.

In 2013, the Company has the sales revenue of 63.83 Million Baht, a decrease by approximately 54.61 Million Baht (46.11%) due to slowdown economy. With such factors, the loan approval of customers dropped and application rejection rose from 5% to 10%. Increasing household debts were caused by first-car scheme, credit card loan, and personal loan. Some customers were approved but credit lines were cut so the Company's target groups have not decided to purchase houses.

In 2014, the Company has the sales revenue of 81.56 Million Baht, increasing by approximately 17.73 Million Baht or 27.77%. The revenue was mainly generated from Baan Rock Garden Airport phase 2 and Baan Rock Garden Bypass 6 Phase 1. Simultaneously, the Company has sold out and close the project of Baan Rock Garden Airport Phase 1 completed in 2014.

In 2012, the Company had other incomes of 5.21 million Baht, comprising of interest incomes of approximately 2.94 million Baht, revenue from writing-off of approximately 0.80 million Baht and public service fees of approximately 0.30 million Baht, respectively.

In 2013, the Company had other incomes of 6.21 Million Baht comprising of interest income of approximately 5.26 Million Baht, and common fee charge of approximately 0.24 Million Baht.

In 2014, the Company had other incomes of 6.42 Million Baht, comprising of interest incomes of approximately 6.11 Million Baht.

Cost of sales and expenses

Cost of Sales

The costs of sales are summarized in the table below.

(Unit: million Baht)

Projects	2012	2013	2014
Baan Rock Garden Bypass 3 :			
Cost of land	0.25	0.14	-
Cost of project development	3.35	1.62	-
Cost of allocation of public properties in the project	0.36	0.20	-
Baan Rock Garden Bypass 4 :			
Cost of land	0.32	-	-
Cost of project development	4.63	-	-
Cost of allocation of public properties in the project	0.45	-	-
Baan Rock Garden Bypass 6 Phase 1 :			
Cost of land	2.51	0.91	1.18
Cost of project development	18.58	6.46	10.85
Cost of allocation of public properties in the project	6.53	2.15	2.19
Baan Rock Garden Airport 1 :			
Cost of land	0.47	0.65	0.75
Cost of project development	2.34	3.00	4.23
Cost of allocation of public properties in the project	0.49	0.69	0.76
Baan Rock Garden Airport 2 :			
Cost of land	2.78	2.63	3.87
Cost of project development	10.97	10.37	17.42
Cost of allocation of public properties in the project	1.92	1.82	2.46
Total	55.95	30.64	43.71

In 2013, the cost of sales was recorded at 30.64 Million Baht, declined by approximately 25.31 Million Baht (45.24%) from the last year figure. It was correspondent to the decrease in sales volume in 2013. The cost to sales volume ratio was at 48.00%, compared to 47.24% in 2012. The ratio increased because costs of ownership transfer of the project in Samutprakarn were higher than that of other projects in Phuket.

In 2014, the cost of sales was recorded at 43.71 Million Baht, increased by approximately 13.07 Million Baht or 42.65%, since in 2014 has been revenue recognized more than in 2013 and the revenue was mainly generated from Baan Rock Garden Airport phase 2, which is higher than the cost of other projects of the company.

Selling and administrative expenses

In 2012, the selling and administrative expenses were at about 27.60 million Baht, an increase of 1.46 million Baht (5.58%) due to adjustment of sales and marketing plans of Baan Rock Garden Airport. The selling and administrative expenses mainly comprised (1) commission fee of about 2.88 million Baht, specific business tax of about 3.01 million Baht, marketing and advertising expenses of about 2.72 million Baht, and (2) salary of management and employees of about 7.56 million Baht, and (3) office rental fees of 2.34 million Baht, respectively.

In 2013, the Company had the selling and administrative expenses of approximately 48.27 Million Baht, an increase of approximately 20.67 Million Baht from the 2012 figure. The main selling and administrative expenses comprised (1) commission fee of approximately 3.98 Million Baht, specific business tax of approximately 1.67 Million Baht, marketing and advertising expenses of approximately 3.64 Million Baht, (2) salaries of management and employees of approximately 7.44 Million Baht, (3) office rental fees of 2.41 Million Baht and lawsuit allowance of 18.84 Million Baht, respectively.

In 2014, the Company had the selling and administrative expenses of approximately 28.97 Million Baht, a decrease of approximately 19.30 Million Baht from the 2013 figure. The main cost in 2014 include (1) commission fee of approximately 3.20 Million Baht (2) salaries of management and employees of approximately 6.03 Million Baht (3) specific business tax of approximately 2.30 Million Baht (4) office rental fees of 2.38 Million Baht.

Interest expenses

In 2012, the Company had no interest expense. In 2013 and 2014 the interest expense was recorded at 0.02 Million Baht and 0.03 Million Baht due to liabilities under financial lease agreement. The figures proved that the Company attempted to use own funds and had loans as little as possible to reduce interest expenses during the slowdown economy.

Gross profit

In 2012, the Company's gross profit margin valued at 52.76%, an increase of 18.95% from the last year. The Company rose selling prices and recognized income from the Project in Phuket Province which its cost was lower than that of other projects in Samutprakarn Province. Therefore, the Company's gross profit margin was higher than that of the last year figure.

The Company's gross profit margin in 2013 was recorded at 50.00%, declined by approximately (1.45%) from the last year. The Company recognized revenue from the Project in Samutprakarn which its cost ratio was higher than that of other projects in Phuket. Therefore, the Company's gross profit margin declined from the last year figure.

In 2014, the Company's gross profit margin valued of approximately 37.85 Million Baht, an increase of approximately 4.66 Million Baht from the 2013, or of approximately 14.04%, due to higher revenues than in 2013, resulting in a profit margin as a proportion.

Operating profit and net profit

In 2012, the Company had the operating profit and the net profit by approximately 40.10 Million Baht and 30.68 Million Baht, respectively.

In 2013, the Company had the operating profit and the net profit by approximately (8.87) Million Baht and (12.14) Million Baht, respectively, due to lower sales volume. The Company also recorded lawsuit allowance and loss sharing of a non-operating joint venture.

In 2014, the Company had the operating profit and the net profit by approximately 15.24 Million Baht and 12.14 Million Baht, respectively, the Company with a turnover of more than the year 2013, Due to loss sharing of a non-operating joint venture.

Return to shareholders

In 2012, the Company's rate of return to equity rose to 2.51% due to higher sales volume and higher net profit, compared to those of 2011.

In 2013, the Company's return to equity ratio decreased to (1.26%) due to lower sales volume and net profit, compared to the 2012 figure.

In 2014, the Company's return to equity ratio increased to 0.99% due to lower sales volume and net profit, compared to the 2012 figure.

Financial Statement Analysis

Assets

The main components of the Company's assets in 2012, 2013 and 2014 were development costs and undeveloped-land costs, accounting for about 88.07% , 87.42% and 83.60% of the total assets, respectively. In 2014, the development costs and undeveloped land costs were at 13.03% and 70.57% of the total assets, respectively. The details of the aforementioned costs were summarized below:

(Unit: Bt. million)

Costs of property development :	2012	2013 *	2014
● Project under development – net: Baan Rock Garden Bypass 3	1.95	-	-
● Project under development – net: Baan Rock Garden Bypass 4	1.37	*	*
● Project under development – net: Baan Rock Garden Bypass 6 Phase 1-10	236.94	33.93	19.77
● Project under development – net: Baan Rock Garden Airport 1	9.32	5.33	-
● Project under development – net: Baan Rock Garden Airport 2	167.27	165.46	145.38
● Project under development – net: Baan Rock Garden Airport 3	90.62	-	-
Total	507.47	204.72	165.15
Undeveloped land :			
● Vacant land: 40 rais – Bangsaothong Sub-district, Samuthprakarn Province	-	90.62	90.62
● Vacant land: 3.5 rais – Soi Vacharapol, Bangkok Metropolis	38.18	38.18	38.18
● Vacant land: approximately 506 rais –Pa Klog Sub-district, Talang District, Phuket Province	507.80	704.31	704.31
● Vacant land: 104 rais – Baan Pae Sub-district, Muang District, Rayong Province	61.18	61.18	61.18
Total	607.16	894.29	894.29

* During 2013, the Company transferred commercial buildings to be office buildings.

* In 2013 have been reclassified in the report about the cost of the property development and land development for compare in accordance with reclassified accounting of the year 2013.

At the end of 2012, the Company's cost of the property development reduced to 507.48 million Baht, or 42.53 million Baht (7.73%) lower than that of 2011. The Company had no new development project but continued to develop the Baan Rock Garden Airport 2, Baan Rock Garden Airport 3 project and Baan Rock Garden Bypass 6 project. Then, the revenue was recognized from all 5 projects i.e. Baan Rock Garden Bypass 3, Baan Rock Garden Bypass 4, Baan Rock Garden Bypass 6, Baan Rock Garden Airport 1 and Baan Rock Garden Airport 2 projects.

At the end of 2013, the Company's cost of the property development reduced to 204.72 million Baht, or 302.75 million Baht (59.66%) lower than that of 2012. The Company had no new development project but continued to develop the Baan Rock Garden Airport 2, Baan Rock Garden Airport 3 project and Baan Rock Garden Bypass 6 project. Then, the revenue was recognized from all 5 projects i.e. Baan Rock Garden Bypass 3, 4 Baan Rock Garden Bypass 6, Baan Rock Garden Airport 1 and Baan Rock Garden Airport 2 projects.

At the end of 2014, the Company's cost of the property development reduced to 165.15 million Baht, or 39.57 million Baht (19.33%) lower than that of 2013. The Company had no new development project but continued to develop the Baan Rock Garden Airport 2, Baan Rock Garden Airport 3 project and Baan Rock Garden Bypass 6 Phase 1 project.

Account receivables

The Company recognizes revenues after right transfer and making of sales agreements. First down payments and installments which are not counted as revenues will be recorded as deposits from properties sales. Therefore, the Company normally has no account receivable from properties sales.

Cash flow and liquidity

In 2012, the Company had cash inflow from operating activities in an amount of 70.78 million Baht because the Company did not launch any new projects but continued to develop the existing ones, resulting in cash inflow in 2012.

In 2013, the Company had cash inflow from operating activities in an amount of 8.29 million Baht because the Company did not launch any new projects but continued to develop the existing ones, resulting in cash inflow in 2013.

In 2014, the Company had cash inflow from operating activities in an amount of 44.42 million Baht because the Company did not launch any new projects but continued to develop the existing ones, resulting in cash inflow in 2014.

In 2012, the Company's cash flow for investment activities was approximately 49.04 million Baht. The overall investment in 2012 covered (1) short-term investment of 50 million Baht, (2) cash payment for equipment purchase of about 1.34 million Baht, (3) cash receipt from asset disposal by about 0.64 million Baht and (4) interest receipt of about 2.94 million Baht, respectively.

In 2013, the Company's cash flow for investment activities was approximately 25.40 million Baht. The overall investment in 2013 covered (1) short-term investment of 30 million Baht, (2) cash payment for equipment purchase of about 0.66 million Baht, (3) cash receipt from asset disposal by about 0.50 million Baht and (4) interest receipt of about 5.26 million Baht, respectively.

In 2014, the Company's cash flow for investment activities was approximately 44.00 million Baht. The overall investment in 2014 covered (1) short-term investment of 50 million Baht, (2) cash payment for equipment purchase of about 0.12 million Baht and (3) interest receipt of about 6.11 million Baht, respectively.

In 2012, the Company had cash flow for financing activities and the Company had cash outflow from financing of 10 million Baht due to its 2012 dividend payment during the year.

In 2013, the Company had cash outflow from financing of 3.14 million Baht. The overall investment in 2013 covered (1) Dividend paid 3 million Baht (2) Cash paid for liabilities under finance lease and interest 0.14 million Baht.

In 2013, the Company had the liquidity ratio of 11.92 times

In 2014, the Company had cash outflow from financing of 0.22 million Baht, From Cash paid for liabilities under finance lease.

In 2014, the Company had the liquidity ratio of 12.34 times, increasing from the 2013 approximately 3.52%, due to the higher the assets in 2014.

Sources of funds

-Liabilities-

As of 31 December 2012, the Company had the total liabilities of 27.56 million Baht, increasing by approximately 0.51 million Baht from the 2011.

As of 31 December 2013, the Company had the total liabilities of 38.24 million Baht, increasing by approximately 10.68 million Baht. The details of major liabilities, as of 31 December 2013, could be summarized as follows.

- (1) Accounts payable of 5.57 million Baht (normal accounts payable or other parties)
- (2) Estimate from prosecuted cases of 18.84 million Baht.
- (3) Loan interest of approximately of 6.63 million Baht (The Company paid interest of long-term loans to creditors in a form of land.)
- (4) Performance bond of 5.75 million Baht
- (5) Obligation under finance lease of 0.48 and
- (6) Employee benefit obligation of 0.52 million Baht

As of 31 December 2014, the Company had the total liabilities of 38.24 million Baht, decreasing by approximately 2.02 million Baht (5.28%), could be summarized as follows.

- (1) Accounts payable of 3.51 million Baht (normal accounts payable or other parties)
- (2) Tax liabilities of 1.24 million Baht.
- (3) Loan interest of approximately of 6.63 million Baht (The Company paid interest of long-term loans to creditors in a form of land.)
- (4) Performance bond of 5.44 million Baht

At the end of 2012, the Company had no interest payment. In 2013, the Company had interest coverage ratio at 134.64 times because the Company had interest expense from liabilities under financial lease agreement. The ratio represented high interest coverage of the Company because most capitals were funded by the shareholders. However, to have any liabilities in the future, the Company will consider its financial structure, including sufficient cash flow from operation. Regarding funding from financial institutions, the Company has maintained good relationships with some domestic financial institutions. Transactions include credits to the Company's customers. Additionally, the Company possesses the assets to be used as loan collaterals, such as developing land. Thus, the Company is confident in its liquidity to support future expansion.

For the year 2014, the Company had debt to equity ratio of 0.03 times, that the Company has risk of the ability is less repayment because of the Company's policy, financing investment in equity of shareholders more than creating liabilities in financing investment for operations.

- Shareholders' equity -

As of 31 December 2012, the Company had the shareholders' equity of 1,234.23 million Baht, increasing by approximately 20.67 million Baht due to the increasing net profit. The shareholders' equity at the end of 2012 comprised the paid-up capital of 1 billion Baht, the premium on common stocks of 32.12 million Baht, adjustment on merger and acquisition of 1.15 million Baht, the legal reserves of 17.70 million Baht and the retained earnings of 183.26 million Baht, respectively.

As of 31 December 2013, the Company had the shareholders' equity of 1,218.90 million Baht, decreasing by approximately 15.33 million Baht due to the decreasing net loss. The shareholders' equity at the end of 2013 comprised the paid-up capital of 1.25 billion Baht, the premium on common stocks of 32.12 million Baht, adjustment on merger and acquisition of 1.15 million Baht, the legal reserves of 17.70 million Baht and the retained earnings of 142.92 million Baht, respectively.

As of 31 December 2014, the Company had the shareholders' equity of 1,231.03 million Baht, increasing by approximately 12.13 million Baht, comprised the common stock of 1,025 million Baht, the surplus on common stocks of 32.12 million Baht, the surplus on adjustment on merger and acquisition of 1.15 million Baht, the legal reserves of 18.40 million Baht which increasing of 0.70 million Baht from the year 2013 and the retained earnings of 142.92 million Baht, respectively.

-Capital structure -

The debt to equity ratios as of 31 December 2012, 2013 and 2014 were at 0.022, 0.03 and 0.03 times, respectively. The aforementioned ratios reflected the funding policy on low liability during economic slowdown.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

I have audited the accompanying financial statements in which the equity method is applied and separate financial statement of BAAN ROCK GARDEN PUBLIC COMPANY LIMITED, which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 December 2014, and the related statement of comprehensive income in which the equity method is applied and separate statement of comprehensive income, the statement of changes in shareholders' equity in which the equity method is applied and separate statement of changes in shareholders' equity and the statement of cash flows in which the equity method is applied and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements in which the equity method is applied and separate financial statement referred to above present fairly, in all material respects, the financial position of BAAN ROCK GARDEN PUBLIC COMPANY LIMITED as at 31 December 31 2014, and its financial performance and cash flow for the year then ended in accordance with Thai Financial Reporting Standards.

Other Matter

The financial statements in which the equity method is applied and separate financial statement of BAAN ROCK GARDEN PUBLIC COMPANY LIMITED for the year ended 31 December 2013, were audited by another auditor who expressed an unmodified and emphasis of matter regarding adjusted for the change in accounting policy concerning income tax and the uncertainty regarding the outcome of the litigation which the purchasers of the houses filed for compensation for the damage against the Company as report dated 27 February 2014.



(Miss.Wanraya Puttasatien)

Certified Public Accountant Registration No. 4387

S.K. Accountant Services Company Limited

Bangkok,

17 February 2015

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Unit : Baht)

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED				
	Note	31 December 2014	31 December 2013	1 January 2013
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	6	18,342,163.51	18,147,795.50	38,401,427.56
Temporary Investments	26.2	180,000,000.00	130,000,000.00	100,000,000.00
Trade and Other Receivables-Net	7	1,439,405.70	1,604,898.81	1,879,719.18
Cost of Real Estate Development	8	165,148,697.05	204,721,624.93	219,773,390.61
TOTAL CURRENT ASSETS		364,930,266.26	354,474,319.24	360,054,537.35
NON-CURRENT ASSETS				
Investment in Joint Venture	9	-	-	114,814.86
Long-term Loans to Joint Venture	26.2	-	-	3,835,979.38
Land Held for Development-Net	10	894,299,742.63	894,299,742.63	894,299,742.63
Property, Plant and Equipment-Net	11	4,654,724.66	5,048,353.05	2,680,154.70
Deposit at Bank used as Collateral	12	411,079.26	405,849.70	399,147.31
Deferred Tax Assets	13	2,502,735.06	2,486,286.65	3,170,746.76
Other Non-Current Assets		454,241.50	419,667.50	404,287.00
TOTAL NON-CURRENT ASSETS		902,322,523.11	902,659,899.53	904,904,872.64
TOTAL ASSETS		1,267,252,789.37	1,257,134,218.77	1,264,959,409.99

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Unit : Baht)

FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED				
	Note	31 December 2014	31 December 2013	1 January 2013
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade and Other Payables	14	3,512,460.18	4,931,130.96	6,065,591.24
Current Portion of Liabilities under Financial				
Lease Agreements	16	197,213.15	187,850.26	-
Accrued Income Taxes		1,238,781.04	-	7,158,729.15
Provision-Accrued Interest	26.2	6,627,996.31	6,627,996.31	6,627,996.31
Estimate from Prosecuted Cases	15	18,000,000.00	18,000,000.00	-
TOTAL CURRENT LIABILITIES		29,576,450.68	29,746,977.53	19,852,316.70
NON-CURRENT LIABILITIES				
Performance Retention Receipt from Contractor		5,443,299.89	7,227,464.27	6,669,965.33
Financial Lease Agreements Liabilities	16	278,204.36	475,443.47	-
Employee Benefit Obligation	17	606,378.99	523,388.91	721,850.87
Other Non-Current Liabilities		314,912.14	263,364.19	315,981.21
TOTAL NON-CURRENT LIABILITIES		6,642,795.38	8,489,660.84	7,707,797.41
TOTAL LIABILITIES		36,219,246.06	38,236,638.37	27,560,114.11

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Unit : Baht)

FINANCIAL STATEMENTS IN WHICH

THE EQUITY METHOD IS APPLIED

	Note	31 December 2014	31 December 2013	1 January 2013
SHAREHOLDERS' EQUITY				
Share Capital	18			
Authorized Share Capital				
1,025,000,000 Ordinary Shares @ Baht 1.00		1,025,000,000.00	1,025,000,000.00	1,025,000,000.00
Issued and Paid-Up Share Capital				
1,024,999,930 Ordinary Shares @ Baht 1.00		1,024,999,930.00	1,024,999,930.00	1,000,000,000.00
Share Premiums Account		32,123,085.07	32,123,085.07	32,123,085.07
Surplus from Reorganisation under Common Control		1,149,466.83	1,149,466.83	1,149,466.83
Retained Earnings				
Appropriated				
Legal Reserve		18,400,000.00	17,700,000.00	17,700,000.00
Unappropriated		154,361,061.41	142,925,098.50	186,426,743.98
TOTAL SHAREHOLDERS' EQUITY		1,231,033,543.31	1,218,897,580.40	1,237,399,295.88
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,267,252,789.37	1,257,134,218.77	1,264,959,409.99

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
	Note	31 December 2014	31 December 2013	1 January 2013
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	6	18,342,163.51	18,147,795.50	38,401,427.56
Temporary Investments	26.2	180,000,000.00	130,000,000.00	100,000,000.00
Trade and Other Receivables-Net	7	1,439,405.70	1,604,898.81	1,879,719.18
Cost of Real Estate Development	8	165,148,697.05	204,721,624.93	219,773,390.61
TOTAL CURRENT ASSETS		364,930,266.26	354,474,319.24	360,054,537.35
NON-CURRENT ASSETS				
Investment in Joint Venture	9	-	-	373,003.18
Long-term Loans to Joint Venture	26.2	-	-	3,835,979.38
Land Held for Development-Net	10	894,299,742.63	894,299,742.63	894,299,742.63
Property, Plant and Equipment-Net	11	4,654,724.66	5,048,353.05	2,680,154.70
Deposit at Bank used as Collateral	12	411,079.26	405,849.70	399,147.31
Deferred Tax Assets	13	2,502,735.06	2,486,286.65	3,119,109.09
Other Non-Current Assets		454,241.50	419,667.50	404,287.00
TOTAL NON-CURRENT ASSETS		902,322,523.11	902,659,899.53	905,111,423.29
TOTAL ASSETS		1,267,252,789.37	1,257,134,218.77	1,265,165,960.64

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
	Note	31 December 2014	31 December 2013	1 January 2013
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade and Other Payables	14	3,512,460.18	4,931,130.96	6,065,591.24
Current Portion of Liabilities under Financial				
Lease Agreements	16	197,213.15	187,850.26	-
Accrued Income Taxes		1,238,781.04	-	7,158,729.15
Provision-Accrued Interest	26.2	6,627,996.31	6,627,996.31	6,627,996.31
Estimate from Prosecuted Cases	15	18,000,000.00	18,000,000.00	-
TOTAL CURRENT LIABILITIES		29,576,450.68	29,746,977.53	19,852,316.70
NON-CURRENT LIABILITIES				
Performance Retention Receipt from Contractor		5,443,299.89	7,227,464.27	6,669,965.33
Financial Lease Agreements Liabilities	16	278,204.36	475,443.47	-
Employee Benefit Obligation	17	606,378.99	523,388.91	721,850.87
Other Non-Current Liabilities		254,953.18	239,532.62	315,981.21
TOTAL NON-CURRENT LIABILITIES		6,582,836.42	8,465,829.27	7,707,797.41
TOTAL LIABILITIES		36,159,287.10	38,212,806.80	27,560,114.11

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
	Note	31 December 2014	31 December 2013	1 January 2013
SHAREHOLDERS' EQUITY				
Share Capital	18			
Authorized Share Capital				
1,025,000,000 Ordinary Shares @ Baht 1.00		1,025,000,000.00	1,025,000,000.00	1,025,000,000.00
Issued and Paid-Up Share Capital				
1,024,999,930 Ordinary Shares @ Baht 1.00		1,024,999,930.00	1,024,999,930.00	1,000,000,000.00
Share Premiums Account		32,123,085.07	32,123,085.07	32,123,085.07
Surplus from Reorganisation under Common Control		1,149,466.83	1,149,466.83	1,149,466.83
Retained Earnings				
Appropriated				
Legal Reserve		18,400,000.00	17,700,000.00	17,700,000.00
Unappropriated		154,421,020.37	142,948,930.07	186,633,294.63
TOTAL SHAREHOLDERS' EQUITY		1,231,093,502.27	1,218,921,411.97	1,237,605,846.53
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,267,252,789.37	1,257,134,218.77	1,265,165,960.64

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

(Unit : Baht)

	FINANCIAL STATEMENTS IN WHICH			SEPARATE	
		THE EQUITY METHOD IS APPLIED		FINANCIAL STATEMENTS	
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Revenue from Sale		81,560,000.00	63,831,650.00	81,560,000.00	63,831,650.00
Cost of Sales		(43,712,756.49)	(30,639,288.76)	(43,712,756.49)	(30,639,288.76)
GROSS PROFIT		37,847,243.51	33,192,361.24	37,847,243.51	33,192,361.24
Other Incomes		6,422,009.71	6,212,512.97	6,422,009.71	6,212,512.97
Selling Expenses		(8,118,023.51)	(8,166,635.80)	(8,118,023.51)	(8,166,635.80)
Administrative Expenses		(20,848,349.58)	(40,084,073.14)	(20,848,349.58)	(44,293,055.70)
Finance Costs		(28,087.78)	(20,519.73)	(28,087.78)	(20,519.73)
PROFIT BEFORE PARTICIPATION LOSS					
IN JOINT VENTURE		15,274,792.35	(8,866,354.46)	15,274,792.35	(13,075,337.02)
Participating Loss in Joint Venture		(36,127.39)	(3,974,625.82)	-	-
PROFIT (LOSS) BEFORE INCOME TAX		15,238,664.96	(12,840,980.28)	15,274,792.35	(13,075,337.02)
Income Tax (Expense) Revenue	21	(3,102,702.05)	(2,660,665.20)	(3,102,702.05)	(2,609,027.54)
PROFIT (LOSS) FOR THE YEAR		12,135,962.91	(15,501,645.48)	12,172,090.30	(15,684,364.56)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME (EXPENSES)					
FOR THE YEAR		12,135,962.91	(15,501,645.48)	12,172,090.30	(15,684,364.56)
BASIC EARNINGS (LOSS) PER SHARE		0.01	(0.02)	0.01	(0.02)

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY IN WHICH THE EQUITY METHOD IS APPLIED

For the year ended 31 December 2014

	Note	Issued and Paid-up Share Capital	Share Premiums Account	Surplus from Reorganisation under the Common Control	Retained Earnings		Total
					Appropriated	Unappropriated	
					Legal Reserve		
Balance as at 1 January 2013		1,000,000,000.00	32,123,085.07	1,149,466.83	17,700,000.00	186,426,743.98	1,237,399,295.88
Issuance of Ordinary Shares	18	24,999,930.00	-	-	-	-	24,999,930.00
Dividend Paid	22	-	-	-	-	(28,000,000.00)	(28,000,000.00)
Total Comprehensive Income (Expenses) for the year		-	-	-	-	(15,501,645.48)	(15,501,645.48)
Balance as at 31 December 2013		1,024,999,930.00	32,123,085.07	1,149,466.83	17,700,000.00	142,925,098.50	1,218,897,580.40
Legal Reserve	19	-	-	-	700,000.00	(700,000.00)	-
Total Comprehensive Income (Expenses) for the year		-	-	-	-	12,135,962.91	12,135,962.91
Balance as at 31 December 2014		1,024,999,930.00	32,123,085.07	1,149,466.83	18,400,000.00	154,361,061.41	1,231,033,543.31

(Unit : Baht)

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2014

	Note	Issued and Paid-up Share Capital	Share Premiums Account	Surplus from Reorganisation under the Common Control	Retained Earnings		Total
					Appropriated Legal Reserve	Unappropriated	
Balance as at 1 January 2013		1,000,000,000.00	32,123,085.07	1,149,466.83	17,700,000.00	186,633,294.63	1,237,605,846.53
Issuance of Ordinary Shares	18	24,999,930.00	-	-	-	-	24,999,930.00
Dividend Paid	22	-	-	-	-	(28,000,000.00)	(28,000,000.00)
Total Comprehensive Income (Expenses) for the year		-	-	-	-	(15,684,364.56)	(15,684,364.56)
Balance as at 31 December 2013		1,024,999,930.00	32,123,085.07	1,149,466.83	17,700,000.00	142,948,930.07	1,218,921,411.97
Legal Reserve	19	-	-	-	700,000.00	(700,000.00)	-
Total Comprehensive Income (Expenses) for the year		-	-	-	-	12,172,090.30	12,172,090.30
Balance as at 31 December 2014		1,024,999,930.00	32,123,085.07	1,149,466.83	18,400,000.00	154,421,020.37	1,231,093,502.27

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOW

For the year ended 31 December 2014

(Unit : Baht)

	FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS APPLIED		SEPARATE FINANCIAL STATEMENTS	
	Note	31 December 2014	31 December 2013	31 December 2014 31 December 2013
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Income Tax		15,238,664.96	(12,840,980.28)	15,274,792.35 (13,075,337.02)
Adjustment to Profit before Income Taxes for Cash Received (Paid)				
from Operations				
Doubtful Debts (Reverse)		-	(104,412.97)	- 3,781,566.41
Loss from Unrefunded Withholding Tax		73,342.02	-	73,342.02 -
Depreciation		508,590.39	461,675.10	508,590.39 461,675.10
Loss on Written-off of Fixed Asset		104.00	-	104.00 -
Estimate from Prosecuted Cases		-	18,000,000.00	- 18,000,000.00
Loss from Impairment of Investments in Joint Venture		-	-	- 373,003.18
Participating Loss in Joint Venture		36,127.39	3,974,625.82	- -
Cost of Real Estate Development Reduced to be Cost of Goods Sold		43,712,756.49	30,639,288.76	43,712,756.49 30,639,288.76
Employee Benefits Obligation		82,990.08	115,344.00	82,990.08 115,344.00
Actuarial (Gain) Loss		-	(313,057.91)	- (313,057.91)
Interest Revenue		(6,112,918.50)	(5,260,580.71)	(6,112,918.50) (5,260,580.71)
Interest Expenses Under Financial Lease		28,087.78	20,519.73	28,087.78 20,519.73
Profit from Operating Activities before Changes in Operating Assets and Liabilities		53,567,744.61	34,692,421.54	53,567,744.61 34,742,421.54
(Increase) Decrease in Operating Assets				
Trade and Other Receivables		92,151.09	452,575.36	92,151.09 452,575.36
Cost of Real Estate Development		(4,139,828.61)	(16,975,409.03)	(4,139,828.61) (16,975,409.03)
Other Non-Current Assets		(34,574.00)	(15,380.51)	(34,574.00) (15,380.51)
Increase (Decrease) in Operating Liabilities				
Trade and Other Payables		(1,418,670.78)	345,924.09	(1,418,670.78) 345,924.09
Performance Retention Receipt from Contractor		(1,784,164.38)	(922,543.42)	(1,784,164.38) (922,543.42)
Other Non-Current Liabilities		15,420.56	(76,448.59)	15,420.56 (76,448.59)
Cash Received (Paid) from Operating Activities		46,298,078.49	17,501,139.44	46,298,078.49 17,551,139.44
Paid for Income Tax		(1,880,369.42)	(9,208,276.26)	(1,880,369.42) (9,208,276.26)
Paid for Employee Benefits Obligation		-	(748.05)	- (748.05)
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		44,417,709.07	8,292,115.13	44,417,709.07 8,342,115.13

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOW

For the year ended 31 December 2014

(Unit : Baht)

		FINANCIAL STATEMENTS IN WHICH		SEPARATE	
		THE EQUITY METHOD IS APPLIED		FINANCIAL STATEMENTS	
	Note	31 December 2014	31 December 2013	31 December 2014	31 December 2013
CASH FLOW FROM INVESTING ACTIVITIES					
Received from Temporary Investments		-	5,000,000.00	-	5,000,000.00
Cash Payment from Temporary Investments		(50,000,000.00)	(35,000,000.00)	(50,000,000.00)	(35,000,000.00)
Cash Payment from Long-term Loans to Joint Venture		-	-	-	(50,000.00)
Cash Paid for Purchases of Fixed Assets		(115,066.00)	(655,237.50)	(115,066.00)	(655,237.50)
(Increase) Decrease in Deposit at Bank Used as Collateral		(5,229.56)	(6,702.39)	(5,229.56)	(6,702.39)
Received from Interest Revenue		6,112,918.50	5,260,580.71	6,112,918.50	5,260,580.71
NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		(44,007,377.06)	(25,401,359.18)	(44,007,377.06)	(25,451,359.18)
CASH FLOW FROM FINANCING ACTIVITIES					
Cash Payment from Liabilities under Financial Lease Agreements		(215,964.00)	(143,976.00)	(215,964.00)	(143,976.00)
Cash Payment from Dividend		-	(3,000,412.01)	-	(3,000,412.01)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		(215,964.00)	(3,144,388.01)	(215,964.00)	(3,144,388.01)
NET CASH AND CASH EQUIVALENTS INCREASE (DECREASE)		194,368.01	(20,253,632.06)	194,368.01	(20,253,632.06)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6	18,147,795.50	38,401,427.56	18,147,795.50	38,401,427.56
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	18,342,163.51	18,147,795.50	18,342,163.51	18,147,795.50

Notes to financial statements are an integral part of these statement.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

31 December 2014

1. General Information

Baan Rock Garden Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on Stock Exchange of Thailand. The address of the Company’s registered office is 601 Ramkhamheang 39 Pracha-Uthit Road, Wangthonglang, Bangkok Thailand.

The principal activities of the Company involve the business of real estate development in type of allotted houses so as for disposal while there is the project of completed development and being development in progress at Bangkok, Phuket and Samutprakran.

2. Basis of Preparation

- 2.1 The financial statements have been prepared in accordance with Financial Reporting Standards of Thailand including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand.
- 2.2 The financial statements were presented in compliance with the notification of Department of Business Development regarding “Brief particulars must be contained in financial statements B.E. 2554” dated on 28 September 2011, notified according to Accounting Act B.E. 2543.
- 2.3 In order to prepare the financial statements to comply with financial reporting standards, the Company’s management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.
- 2.4 The financial report in Thai language is the official statutory financial report of the Company. The financial report in English language has been translated from the Thai language financial report.

3. The Adoption of New Accounting Policies

The Company adopted the new accounting standards, financial reporting standards, interpretations accounting standards and accounting guidance, which are effective for accounting periods beginning on or after 1 January 2014, with no impact to the current financial statements.

4. New Financial Reporting Standards which not yet Effective

Conceptual framework for financial statements, accounting standards, financial reporting standards, accounting standards interpretations and financial reporting standards interpretations, which are not effective for accounting periods beginning on or after 1 January 2015 and 2016, which the Company has not early applied are as follows:

Effective Immediately on 15 October 2014

Conceptual Framework for financial statements (revised 2014)

Effective for the accounting period beginning on or after 1 January 2015

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures

TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
SIC 10 (revised 2014)	Government Assistance-No Specific Relation to Operating Activities
SIC 15 (revised 2014)	Operating Leases-Incentives
SIC 25 (revised 2014)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
SIC 27 (revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
SIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
SIC 31 (revised 2014)	Revenue-Barter Transactions involving Advertising Services
SIC 32 (revised 2014)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes

TFRIC 14	IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
<u>Effective for the accounting period beginning on or after 1 January 2016</u>	
TFRS 4 (revised 2014)	Insurance Contracts

The management of the Company believes that above financial reporting standards will not have any significant impact on the financial statements when they are applied.

5. Significant Accounting Policies

5.1 Measurements bases used in the Preparation of Financial Statements

Measurement bases used in the preparation of financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

5.2 Financial Instruments

Financial assets which shown in the statement of financial position include cash and cash at banks, investments and trade and other receivables. Financial liabilities which shown in the statement of financial position include trade and other payables. The specific accounting policies for each item are disclosed in the respective accounting policies.

5.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

5.4 Trade and Other Receivables and Allowance for Doubtful

Trade and other receivables are stated at net realizable value. Allowance for doubtful receivables are estimated by percentage of accounts receivable which is assessed primarily on analysis of payment histories and review of all outstanding amounts at the end of the reporting period.

5.5 Cost of Real Estate Development

Cost of real estate development is reflected according to the cost price or net realizable value whichever is lower. Cost price is composed of cost of land acquisition, land development, project construction cost and public utility system. The Company records the cost of real estate development as cost of goods sold by appropriating the whole cost of development anticipated to incur (by taking the actual cost) to the houses plus land sold in accordance with the basis of area sales.

5.6 Investments in Joint Venture

Joint venture is the entity the Company is materially influential or mutually in the decision making in respect of investment policy and operation but not yet control in such policy. Investment in joint venture is reflected in the financial statements which reflected by investment according to equity method by using equity method. Such method will record participating profit or loss after acquisition on behalf of the Company in joint venture in the profit or loss. The accumulated result of the change after the acquisition will be adjusted against book value of investment. Investment in joint venture in the separate financial statements is recorded by cost method after deducting allowance for impairment of investment.

5.7 Land Development Cost

Land development cost means the land the Company aims to hold for the future benefit and recorded as non current asset by reflecting according to the cost price which may adjust by allowance for asset impairment. The cost price is composed by land fee and other related expense so as to acquire the land.

5.8 Property, Plant and Equipment

Land is recorded at cost price. Plant and equipment are recorded at cost price after deduction of accumulated depreciation, accumulated loss on impairment (if any) and calculated depreciation on a straight-line method over their approximate useful life as follows:

Building	20 years
Fixture and building improvements	10 years
Vehicles	5 years
Office equipment	5 years

Repair and maintenance are recognized as expense in the profit or loss during the period that it is incurred. Replacement cost should be recognized as a part of carrying amount of assets when it is probable that the Company will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably. Replacement cost should be depreciated by the basis of estimated useful life.

Gain or loss on disposal of property, plant and equipment is computed from discrepancy between net proceed and carrying amount and recognized as revenue or expense in the profit or loss.

5.9 Intangible Assets and Amortization

Intangible assets are stated at initial cost deducted by accumulated amortization and accumulated loss on impairment (if any). Amortization is calculated by straight-line method over the estimated useful life for the period of 5 years.

5.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production or development of each project an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Company will record to deferred interest and present as a part of inventories of each project. The Company will cease the record when the project is complete or sold or faced with problem of delay while the proceeding of further development incurs. For the interest incurred from loan to acquire land pending for development but not yet developed. The Company will record such interest expense as expense in the statement of income.

5.11 Impairment of Assets

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Impairment loss is recognized as expenses in profit or loss immediately.

Calculation of Recoverable Amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash- generating unit or its value in use.
- In assessing value in use of an asset by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of Impairment Loss

- The loss on impairment of assets recognized in the prior period will be reversed if the estimation for indicated net realizable value changes since the last impairment loss was recognized. The carrying amount of the asset not exceed just to be the carrying amount that would have been (net of accumulated depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

5.12 Trade and Other Payables

Trade and other payables were shown in cost value.

5.13 Employees Benefit

Defined Contribution Plan

The Company operates a provident fund which is funded by payments from employees and by the Company. The assets for which are held in a separate trust fund. Contributions to the provident fund are recognized in profit or loss in the period in which they are incurred.

Defined Benefit Plan

The Company has the employee benefit obligation in case of retirement or termination under the labor law. The Company hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to

determine the present value of the employee benefit obligation, related past service cost and current service cost. All actuarial gains and losses are recognized immediately in profit or loss.

5.14 Provision

The Company recognized provision when it is probable that there is a present legal or constructive obligation as a result of past events and an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. The reimbursement is recognized as a separate asset when, and only when, the reimbursement is virtually certain after the provision is settled.

5.15 Leases

- The Company is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations less finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. The assets acquired under finance leases while depreciation is carried throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long-term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operation leases (net of any incentives received from the lesser) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lesser by way of penalty is recognized as an expense in the period in which termination takes place.

5.16 Recognition of Revenue

The Company recognizes the whole revenue from the sale of real estate as revenue when the sellers have transferred the material risk and benefit in such real estate to purchasers. When there is the arrangement of the contract of purchase and sell which is enforceable according to the law, the first down payment and installment fee which received but not yet counted to recognize as revenue will be recorded as deposit receipt from the sale of real estate.

Interest income is recognized over the period by calculated from the outstanding principal.

5.17 Recognition of Cost

The Company are recognized cost of land and houses, the Company allocates cost of the entire development anticipated to incur of each project (considering actual cost) to land plus house add in accordance with selling area of each project and recognized as cost of goods sold in percentage of sold area of each project.

5.18 Income Taxes

Income tax comprises current tax and deferred tax. Income tax is recognized in the profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in the shareholders' equity which will recognize in other comprehensive income or recognized directly in equity as same as that item.

Current Tax

The Company recorded current tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation, using the tax rates enacted at the end of reporting period.

Deferred Tax

The Company recorded deferred tax on the liability on the statement of financial position method which calculated from temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that the related tax benefit will be realized.

5.19 Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing the net profit or loss with the weighted average number of issued and paid-up ordinary shares.

There is not calculate the fully diluted earnings (loss) per share because it does not have ordinary share equivalents.

5.20 Significant Accounting Judgments and Estimates

In order to prepare the financial statements to comply with financial reporting standards, the Company's management had to make some judgment and estimates which may have an effect on the amount shown in financial statements and notes to financial statements, therefore the actual result may differ from the estimated amount. Significant estimates and provisions are as follows:

Lease

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 have been transferred, taking into consideration terms and conditions of the arrangement.

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 etc.

Project Development Costs Estimation

In calculating cost of land and houses sold, the Company have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisit the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Property, Plant and Equipment/ Land Held to Development and Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment and land held to development 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.

Intangible Assets and Amortization

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Post-Employment Benefits

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. Actual post-retirement costs may ultimately differ from these estimates.

Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgment to assess the results of the litigation and believes that losses incurred will not exceed the recorded amounts as at the end of reporting period.

6. Cash and Cash Equivalents

Consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Cash	110,270.08	120,000.00
Saving Deposit Accounts	9,968,320.14	15,126,434.85
Current Deposit Accounts	8,263,573.29	2,901,360.65
Total	<u>18,342,163.51</u>	<u>18,147,795.50</u>

7. Trade and Other Receivables-Net

Consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Trade Receivables	-	8,200.00
Other Receivables	3,674,394.23	3,831,687.34
Total	3,674,394.23	3,839,887.34
<u>Less</u> Allowance for Doubtful Debts	(2,234,988.53)	(2,234,988.53)
Net	1,439,405.70	1,604,898.81

Other receivables consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Other Receivables	42,097.66	53,167.79
Advance-subcontractor	2,454,553.61	2,454,553.61
Advance-staff	29,674.75	34,999.35
Prepaid Expense	1,148,068.21	1,215,624.57
Withholding Tax	-	73,342.02
Total	3,674,394.23	3,831,687.34
<u>Less</u> Allowance for Doubtful Debts-		
Advance for Subcontractor	(2,234,988.53)	(2,234,988.53)
Net	1,439,405.70	1,596,698.81

Agings of trade receivables were as follows:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Within Credit term	-	-
Within 3 months	-	-
More than 3 months but not exceeding 6 months	-	-
More than 6 months but not exceeding 12 months	-	8,200.00
Total	-	8,200.00

For the years ended 31 December 2014 and 2013, allowance for doubtful debts has movement as follows:

	Financial statement in which the equity method is applied /Separate financial statements	
	For the year end	For the year end
	31 December 2014	31 December 2013
	Baht	Baht
Beginning Balance	(2,234,988.53)	(2,339,401.50)
Increase during the period	-	(15,450.03)
Refund Doubtful Accounts during the period	-	119,863.00
Ending Balance	(2,234,988.53)	(2,234,988.53)

8. Cost of Real Estate Development

Consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Land Development	37,090,678.48	46,221,863.67
Construction in Progress	128,058,018.57	158,499,761.26
Total	165,148,697.05	204,721,624.93

9. Investment in Joint Venture

As at 31 December 2014 and 2013, the Company had investments in joint venture as follows:

Name of Company	(Unit : Share)		Cost Method		(Unit : Baht)	
	Paid-up Share	% Share-	As at		Equity method	
	Capital	Holding	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Yamu Property Development Co., Ltd.	2,000,000	50	1,000,000.00	1,000,000.00	-	-
Less Allowance for impairment of investment			(1,000,000.00)	(1,000,000.00)	-	-
Net			-	-	-	-

The Company recognizes the participating loss in joint venture until the Company's interest is reduced to zero. Moreover, the Company recognizes the participating of loss which is exceed the Company's interest by decreasing the long-term loan to the joint venture account until in full and recognizes the remaining as provision for obligation in joint venture which is presented in other non-current liabilities, because the Company has the constructive obligation in the joint venture.

Aggregate amounts of each transaction related to the Company's interest in joint venture as at 31 December 2014 and 2013 are as follows:

	As at 31 December 2014	As at 31 December 2013
	Baht	Baht
Current Assets	48,669.13	70,207.54
Current Liabilities	58,927.12	44,428.14
Non-Curent Liabilities	3,885,707.36	3,885,707.36
Revenue	227.33	465.35
Expense	(36,354.72)	(3,975,091.17)

10. Land Held for Development-Net

Consist of:

Financial statement in which the equity method is applied /Separate financial statements

	As at 31 December 2014	As at 31 December 2013
	Baht	Baht
Cost of land	899,579,042.63	899,579,042.63
<u>Less</u> Allowance for impairment	<u>(5,279,300.00)</u>	<u>(5,279,300.00)</u>
Net	<u>894,299,742.63</u>	<u>894,299,742.63</u>

As at 31 December 2014 and 2013, the Company has the land development with cost of Baht 38.18 million is mortgaged as collateral for credit facilities of bank overdraft, long-term loans and letter of guarantee from bank, moreover two directors of the company have guaranteed in full amount of credit line.

In year 2004, the Company borrows loan from two shareholders while the contract is agreed to repay the interest by transferring land after development in number of 5 Rais to such borrowers on 30 November 2006 (date which is due for loan repayment). Moreover, on 5 October 2010, two shareholders have prepared letter of land ownership transfer in number of 5 Rais to one director who is solely ownership in such land without any remuneration fee. Such land, carried the

value of Baht 6.63 million, equally, has not been transferred to the shareholders. However, the Company has estimated the accrued interest payable in amount of Baht 6.63 million as in Note 26.2.

Consist of:

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Financial statement in which the equity method is applied /Separate financial statements

	Land	Building	Machinery and Equipment	Fixture and building improvements	Vehicles	Total
	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2013						
Costs	92,836.04	2,010,414.49	3,413,185.17	946,873.04	6,627,910.82	13,091,219.56
Less Accumulated Depreciation	-	(198,822.62)	(2,828,288.59)	(750,271.23)	(4,265,484.07)	(8,042,866.51)
Carrying Amount	92,836.04	1,811,591.87	584,896.58	196,601.81	2,362,426.75	5,048,353.05
Transactions during the year ended 31 December 2014						
Purchase	-	-	37,322.00	77,744.00	-	115,066.00
Transfer in (Transfer out)	-	-	(348,021.68)	(35,762.36)	-	(383,784.04)
Depreciation for the year	-	(207,825.17)	(153,959.66)	(53,405.56)	(93,400.00)	(508,590.39)
Accumulated Depreciation for Disposal (Transfer out)	-	-	347,960.68	35,719.36	-	383,680.04
Ending Carrying Amount	92,836.04	1,603,766.70	468,197.92	220,897.25	2,269,026.75	4,654,724.66
As at 31 December 2014						
Costs	92,836.04	2,010,414.49	3,102,485.49	988,854.68	6,627,910.82	12,822,501.52
Less Accumulated Depreciation	-	(406,647.79)	(2,634,287.57)	(767,957.43)	(4,358,884.07)	(8,167,776.86)
Ending Carrying Amount	92,836.04	1,603,766.70	468,197.92	220,897.25	2,269,026.75	4,654,724.66

As at 31 December 2014, certain equipment of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 7.93 million. (2013: Baht 8.28 million)

Vehicle under finance leases, where the Company is lessee with net book value as at 31 December 2014 of Baht 0.90 million.

12. Deposit at Bank used as Collateral

As at 31 December 2014 and 2013, the Company constitutes Baht 0.41 million fixed deposit with a commercial bank as collateral against its electricity usage, transformers and maintenance fees for public utilities or public services.

13. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and applying a principal tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Company are summarised belows:

	Financial statement in which the equity method is applied /Separate financial statements			
	As at 31 December 2013	Recognized in the profit (loss) for the year	Recognized in the other comprehensive profit (loss)	As at 31 December 2014
	Baht	Baht	Baht	Baht
Deferred tax asset				
Land Held for Development	1,055,860.00	-	-	1,055,860.00
Provision Accrued Interest	1,325,599.26	-	-	1,325,599.26
Employee Benefit Obligation	104,827.39	16,448.41	-	121,275.80
Total	2,486,286.65	16,448.41	-	2,502,735.06

14. Trade and Other Payables

Consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Trade Payables	853,396.28	1,084,813.80
Other Payables	2,659,063.90	3,846,317.16
Total	3,512,460.18	4,931,130.96

Other Payables consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Deposit from Disposal of Real Estate	615,000.00	990,000.00
Accrued Expenses	1,872,999.81	2,706,373.17
Other Payables	171,064.09	149,943.99
Total	2,659,063.90	3,846,317.16

15. Estimate from Prosecuted Cases

As at 31 December 2014 and 2013, the Company's estimated liability in the lawsuit. Being sued for the whole amount during the year 2010, the Company has been sued by 13 purchasers of houses for the total of Baht 36.48 million in compensation of the damage incurred from the inconvenience in usage of the common roads because the purchasers thought the common area of the Rock Garden Village Project has no obligation and the Company has the ownership of the said common area per the advertisement of the Company. However, the ownership of the said project's common area belongs to related and outside persons whom have registered the servitude of access

for the land in the said project to use as access roads. The real estate agents responsible for the sales of land together with housing in the project have already informed the plaintiff about the said information. On 8 February 2013, the civil court has adjudged to acquit the case. In May 2013, the 12 purchasers of the houses lodged appeals to the Court of Appeals claiming compensation of the damage at the total amount of Baht 41.43 million, bearing interest (one of the purchasers has filed the request to withdraw the litigation to the Court). On 20 December 2013, the Court of Appeals adjudged to reverse the judgment and the Company lost the case. Under this judgment, the Company shall proceed to clear the servitude of access for the common area of the said project. In the event the Company unable to complete the said procedure, the Company shall pay the compensation of the damage to the purchasers of houses at Baht 18.00 million. In January 2014, the Company has appointed a new legal counsel to submit an appeal to the Supreme Court against the adjudication of the Court of Appeals. Currently the case is under consideration of the Supreme Court.

As at 31 December 2014 and 2013, the Company's has recognized the allowance for damage at Baht 18.00 million, which the Court of Appeals has adjudged for the Company to pay the said compensation for the damage to the purchasers of houses, in the financial statements, equally.

16. Liabilities under Financial Lease Agreements

Consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Minimum Lease Payments under Finance Lease		
Agreements	503,916.00	719,880.00
<u>Less</u> Deferred Interest	(28,498.49)	(56,586.27)
Liabilities under Finance Lease Agreements	475,417.51	663,293.73
<u>Less</u> Current Portion	(197,213.15)	(187,850.26)
Net	278,204.36	475,443.47

The minimum lease payments under finance lease agreements were as the follows:

	Financial statement in which the equity method is applied /Separate financial statements	
	As at	As at
	31 December 2014	31 December 2013
	Baht	Baht
Within 1 year	215,964.00	215,964.00
Over 1 year but not over 5 years	287,952.00	503,916.00
Total	<u>503,916.00</u>	<u>719,880.00</u>

17. Employee Benefits Obligation

Employee benefits obligation has detail as follows:

	Financial statement in which the equity method is applied /Separate financial statements	
	For the year ended	For the year ended
	31 December 2014	31 December 2013
	Baht	Baht
Present Value of the Obligation as at 1 January	523,388.91	721,850.87
Current Service Cost	56,767.08	81,642.00
Interest Expenses	26,223.00	33,702.00
Cash Paid for Employee Benefit	-	(748.05)
Actuarial (Gain)	-	(313,057.91)
Present Value of the Obligation as at 31 December	<u>606,378.99</u>	<u>523,388.91</u>

For the years ended 31 December 2014 and 2013, the items which are included in the profit or loss consist of:

	Financial statement in which the equity method is applied /Separate financial statements	
	For the year ended	For the year ended
	31 December 2014	31 December 2013
	Baht	Baht
Current Service Cost and Interest Expenses	82,990.08	115,344.00
Actuarial (Gain) Loss	-	(313,057.91)
Total	82,990.08	(197,713.91)

The above expenses which are recognized in the profit or loss are included in the items as follows:

	Financial statement in which the equity method is applied /Separate financial statements	
	For the year ended	For the year ended
	31 December 2014	31 December 2013
	Baht	Baht
Administrative Expenses	82,990.08	(197,713.91)

The Key assumptions used for the purposes of the actuarial valuation were as follows:

	Financial statement in which the equity method is applied /Separate financial statements	
	2014	2013
Discount rate	4.19%	4.19%
Future salary increase	2.25% - 3.98%	2.25% - 3.98%
Proportion of employees opting for early retirement	0.00% - 20.00%	0.00% - 20.00%

18. Share capital

Consist of:

	For the year ended 31 December 2014			For the year ended 31 December 2013		
	Par Value	Number of Share	Amount	Par Value	Number of Share	Amount
	Baht	Share	Baht	Baht	Share	Baht
Authorized Share Capital						
Beginning Ordinary Shares	1	1,025,000,000	1,025,000,000.00	1	1,000,000,000	1,000,000,000.00
Add Capital Increase	-	-	-	1	25,000,000	25,000,000.00
Ending Ordinary Shares	1	1,025,000,000	1,025,000,000.00	1	1,025,000,000	1,025,000,000.00
Issued and Paid-up Share Capital						
Beginning Ordinary Shares	1	1,024,999,930	1,024,999,930.00	1	1,000,000,000	1,000,000,000.00
Add Issue of Ordinary Shares	-	-	-	1	24,999,930	24,999,930.00
Ending Ordinary Shares	1	1,024,999,930	1,024,999,930.00	1	1,024,999,930	1,024,999,930.00

In accordance with the minute of general shareholders meeting held on 3 April 2013, has are resolution on the increase of the Company's registered capital from Baht 1,000.00 million to Baht 1,025.00 million, divided into 1,025 million shares by issuing 25 million new ordinary shares at the par value of Baht 1.00 each, to be reserved for the stock dividend payment. The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on 11 April 2013.

19. Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend distribution.

For the year ended 31 December 2014, the Company has appropriated net income amounting to Baht 0.70 millions to the statutory reserve.

20. Capital Management

The objectives of the Company's capital management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure.

As at 31 December 2014 and 2013, financial statement in which the equity method is applied present the debt to equity ratio in 0.03:1 equally for two years, and separate financial statements presents the debt to equity ratio in 0.03:1 equally for two years.

21. Income Tax (Expense) Revenue

Income tax is recognized in the profit (loss) for the years, consist of:

	Financial statement in which the equity method is applied	
	For the year ended 31 December 2014	For the year ended 31 December 2013
	Baht	Baht
Current Tax Expense		
Current Tax (Expense) Revenue	(3,119,150.46)	(1,976,205.09)
Deferred Tax (Expense) Revenue relating to the origination and reversal of temporary differences	16,448.41	(684,460.11)
Income Tax (Expense) Revenue recognized in the profit (loss) for the year	<u>(3,102,702.05)</u>	<u>(2,660,665.20)</u>
	Separate financial statements	
	For the year ended 31 December 2014	For the year ended 31 December 2013
	Baht	Baht
Current Tax Expense		
Current Tax (Expense) Revenue	(3,119,150.46)	(1,976,205.09)
Deferred Tax (Expense) Revenue relating to the origination and reversal of temporary differences	16,448.41	(632,822.45)
Income Tax (Expense) Revenue recognized in the profit (loss) for the year	<u>(3,102,702.05)</u>	<u>(2,609,027.54)</u>

The difference between income tax (expense) revenue which was calculated from accounting profit at the tax rate for the years ended 31 December 2014 and 2013, in 20%, equally for two years, can be presented as follow.

	Financial statement in which the equity method is applied	
	For the year ended 31 December 2014	For the year ended 31 December 2013
	Baht	Baht
Profit (loss) before Income Tax	15,238,664.96	(12,840,980.28)
Income Tax (Expense) Revenue calculated at the tax rate of 20%	(3,047,732.99)	2,568,196.06
Expenses that are not deductible for income tax	(54,969.06)	(5,228,861.26)
Income Tax (Expense) Revenue recognized in the profit (loss) for the year	(3,102,702.05)	(2,660,665.20)

	Separate financial statements	
	For the year ended 31 December 2014	For the year ended 31 December 2013
	Baht	Baht
Profit (loss) before Income Tax	15,274,792.35	(13,075,337.02)
Income Tax (Expense) Revenue calculated at the tax rate of 20%	(3,054,958.47)	2,615,067.40
Expenses that are not deductible for income tax	(47,743.58)	(5,224,094.94)
Income Tax (Expense) Revenue recognized in the profit (loss) for the year	(3,102,702.05)	(2,609,027.54)

Deferred tax assets which are not recognized in the financial statements as at 31 December 2014 and 2013 consist of:

	Financial statement in which the equity method is applied		Separate financial statements	
	As at 31 December 2014 Baht	As at 31 December 2013 Baht	As at 31 December 2014 Baht	As at 31 December 2013 Baht
Deductible Temporary Differences	4,814,193.58	5,196,959.90	5,014,193.58	5,192,193.58

The Company has not recognized the above deferred tax assets because it is not probable that future taxable profit will be available which the Company can utilize the tax benefits there from.

22. Dividend Payment

In accordance with the minute of general shareholders meeting held on 3 April 2013, the shareholders approved the dividend payment in the form of cash at the rate of Baht 0.003 per share or Baht 3 million. The dividend to be distributed in the form of the Company's ordinary share must not exceed 25 million shares, with a par value of Baht 1 each. The stock dividend will be paid to existing shareholders at the rate of 40 existing shares per each stock dividend, totaling not exceed Baht 25 million or Baht 0.025 each. In case there is a fraction of shares remaining after the dividend payment, the fraction shall be paid in the form of cash instead of stock at the rate of Baht 0.025 each.

23. Expenses by Nature

	Financial statement in which the equity method is applied	
	For the year ended	For the year ended
	31 December 2014	31 December 2013
	Baht	Baht
Construction in progress and labour	4,139,828.61	15,587,523.08
Change in construction in progress	39,572,927.88	15,051,765.68
Depreciation	508,590.39	461,675.10
Reversal doubtful debts	-	(104,412.97)
Employee benefit expenses	4,610,623.31	5,514,319.41
Management benefit expenses	4,057,049.00	4,244,707.00
Consideration for the sale and advertising	5,912,732.52	7,627,224.70
Estimate from prosecuted cases	-	18,000,000.00
Other	13,877,377.87	12,507,195.70
Total	<u>72,679,129.58</u>	<u>78,889,997.70</u>

	Separate financial statements	
	For the year ended	For the year ended
	31 December 2014	31 December 2013
	Baht	Baht
Construction in progress and labour	4,139,828.61	15,587,523.08
Change in construction in progress	39,572,927.88	15,051,765.68
Depreciation	508,590.39	461,675.10
Doubtful debts	-	3,781,566.41
Employee benefit expenses	4,610,623.31	5,514,319.41
Management benefit expenses	4,057,049.00	4,244,707.00
Consideration for the sale and advertising	5,912,732.52	7,627,224.70
Estimate from prosecuted cases	-	18,000,000.00
Other	13,877,377.87	12,830,198.88
Total	<u>72,679,129.58</u>	<u>83,098,980.26</u>

24. Segment Information

The Company operates in only one main sector, namely business of real estate development in type of allotted house for sale, which is Thailand. Thus all income and assets as shown on the financial statements were related to the business sector and geographical area as already said.

25. Financial Instruments

25.1 Financial Risk Management and Policies

The Company does not hold or issue any derivative instruments for speculative or trading purposes.

25.2 Risk from interest rates

The Company constitutes risk from interest rates since there is deposit and liability which has to repay interest; however, the Company believes that fluctuation of future interest rate in the market will not materially affect to results of operation and cash flow of the Company as follows:

Financial statement in which the equity method is applied /

Separate financial statements

	Amount (Baht)		Interest Rate per annum (%)	
	2014	2013	2014	2013
Saving Deposit Accounts	9,968,320.14	15,126,434.85	0.30 – 1.25	0.50-1.27
Temporary Investments	180,000,000.00	130,000,000.00	4.10	4.25

25.3 Risk from credit provision

The Company constitutes low risk from credit provision since given the sale of property is sale which determined that liability from customers is fully repayable before the delivery of property is fulfilled.

25.4 Fair Value

The methods and assumptions used by the Company in estimating the fair value of financial instruments for financial assets and liabilities which have short-term maturity, their carrying amounts in the statement of financial position approximate their fair value.

26. Transactions with Related Parties

The Company had significant business transactions with related person and company. Such transactions, which have been concluded on commercial terms and bases, agreed upon between the Company, and related person and company and are in ordinary course of business are summarized below:

26.1 Inter-Revenues and Expenses

		Financial statement in which the equity method is applied /Separate financial statements	
		For the years ended	
Pricing Policies		31 December 2014	31 December 2013
		Baht	Baht
Inter-Transaction with Related Company			
Interest Income	Annual Interest Rate	5,994,342.50	5,260,580.71
	at 4.10%-4.25%		
Rental and Service Fee	Contract Price	2,381,418.00	2,410,250.00
Entertainment Expense	Cost Price Plus Margin	995,983.90	1,208,810.00
Total		<u>9,371,744.40</u>	<u>8,879,640.71</u>

26.2 Inter-Assets and Liabilities

	Financial statement in which the equity method is applied		Separate financial statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Temporary Investments				
Related Company				
Ratchthani Leasing Public Company Limited				
Balance Beginning	130,000,000.00	100,000,000.00	130,000,000.00	100,000,000.00
Increase during the period	50,000,000.00	35,000,000.00	50,000,000.00	35,000,000.00
Decrease during the period	-	(5,000,000.00)	-	(5,000,000.00)
Balance Ending	<u>180,000,000.00</u>	<u>130,000,000.00</u>	<u>180,000,000.00</u>	<u>130,000,000.00</u>

	Financial statement in which the equity method is applied		Separate financial statements	
	As at	As at	As at	As at
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Baht	Baht	Baht	Baht
Long-term Loan				
Joint Venture				
Yamu Property Development Company Limited				
Balance Beginning	-	3,835,979.38	3,885,979.38	3,835,979.38
Increase during the period	-	50,000.00	-	50,000.00
Decrease from recognizing losses exceeds carrying amount of investments in joint venture	-	(3,885,979.38)	-	-
Total	-	-	3,885,979.38	3,885,979.38
<u>Less</u> Allowance for Doubtful Debts	-	-	(3,885,979.38)	(3,885,979.38)
Balance Ending	-	-	-	-
Provision-Accrued Interest				
Related Persons				
Balance Beginning	6,627,996.31	6,627,996.31	6,627,996.31	6,627,996.31
Increase during the period	-	-	-	-
Decrease during the period	-	-	-	-
Balance Ending	6,627,996.31	6,627,996.31	6,627,996.31	6,627,996.31

The Board of Directors Meeting No. 2/2010 on 12 May 2010, approved the Company to invest in temporarily promissory note issued by Ratchthani Leasing Public Company Limited.

As at 31 December 2014 and 2013, such the promissory note has three months maturity and carried interest rate of 4.10% and rate 4.25%, respectively.

Long-term loan to joint venture has contract without repayment schedule and no interest charged.

Provision-accrued interest, the Company estimates of the loans from shareholders as in Note 10.

26.3 Key Management Personnel Compensation

	Financial statement in which the equity method is applied /Separate financial statements	
	For the years ended	
	31 December 2014	31 December 2013
	Baht	Baht
Short-term Employee Benefits	4,012,687.00	4,142,400.00
Post-Employment Benefits	44,362.00	102,307.00
Total	<u>4,057,049.00</u>	<u>4,244,707.00</u>

26.4 Commitments with related parties

As at 31 December 2014 and 2013, the Company has entered into lease agreements for office space and service with one related company for 1 year with options to renew. The Company constitutes obligation commitment that has to repay for such rental under these agreements amounting to approximately Baht 0.17 million per month.

26.5 Relationship with the Company

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.

The Company's major shareholder is the Silaprarat family, holding 27.73% (2013: 20.89%) Chamaraman family is a shareholder, holding 8.95% (2013: 9.20%) and Chinprapinporn family is a shareholder, holding 21.01% (2013: 21.01%) of the share capital of the Company. Transactions related to companies in which the Silaprarat family,

Chamaraman family and Chinrapinporn family are the principal shareholders or directors are recognized as related parties to the Company.

<u>Parties' Name</u>	<u>Relationship</u>
Yamu Property Development Co.,Ltd.	Common directors and shareholders
Rock Garden Group Co., Ltd.	Common directors and shareholders
Rock Garden Beach Co., Ltd.	Common directors and shareholders
C and C N Group Co., Ltd.	Common directors and shareholders
Guilin Panggha Co., Ltd.	Common directors and shareholders
Chucheeep Housing Land Co., Ltd.	Common directors and shareholders
Choocheep Northern Group Co., Ltd.	Common directors and shareholders
Phowatchara Co., Ltd.	Common directors and shareholders
Phukao Hauchang Pungnga Co., Ltd.	Common directors and shareholders
Ratchada Power Plus Co., Ltd.	Common directors and shareholders
Ratchthani Leasing Public Co., Ltd.	Common directors and some shareholders
City and Associate Co., Ltd.	Common directors and some shareholders
Car 2 Buy Co., Ltd.	Common directors and some shareholders
Chaleamcheep Co., Ltd.	Common directors and some shareholders
City Wood Co., Ltd.	Common directors and some shareholders
CS Real Estate Co., Ltd.	Common directors and some shareholders
Hua Hin Sea-view Paradise Co., Ltd.	Common directors and some shareholders
Aom Noi Hattasat Co., Ltd.	Common directors and some shareholders

27. Non-Cash Flow Transaction

	(Unit : Baht)	
	Financial statement in which the equity method is applied /Separate financial statements	
	For the year ended 31 December 2014	For the year ended 31 December 2013
Purchase assets by leased	-	786,750.00
Transfer cost of real estate development to property, plant and equipment	-	1,387,885.95
Stock dividends	-	24,999,930.00

28. Obligations

In addition to the liabilities presented in the statements of financial statements, as at 31 December 2014 and 2013, the Company has obligations as follows:

- 28.1 The Company constitutes obligation commitment in the project development and property construction by amount of Baht 7.40 million and amount of Baht 11.30 million, respectively.
- 28.2 The Company constitutes letter of guarantee which issued by a bank to guarantee the repayment of electricity and land allotment by total Bath 12.52 million, equally.
- 28.3 The Company constitutes credit line of bank overdraft account which has not been withdraw in amount of Baht 5.00 million which there is land development are collateral and there is the Company's directors guarantee.
- 28.4 The Company has engaged the hiring contract in light of marketing and selling with one company while there is the period of 1 year. The Company has obliged to repay the commission for the project in Samutprakarn as specified in rate 4.00% of house's selling prices. (2013: with two companies while there is the period of 1 year. The Company has obliged to repay the commission for the project in Phuket as specified in rate 1.75% of house's selling prices and the project in Samutprakarn as specified in rate 4.00% of house's selling prices.)

28.5 The Company has security contracts with several companies. A period of one year, the Company has an obligation to pay compensation at the rate of Baht 0.08 million per month.

28.6 The Company has design contracts for the project New Rock Gardens Housing Prototype. The obligation to pay under the agreement is in amount of Baht 0.90 million.

29. Reclassification

The Company had reclassified some items in comparative financial reporting in order to comply with the current classification, which does not have any effects on net profit (loss) for the period or shareholders' equity which were already presented. The details of reclassification were as follows:

	Previously Reported	Reclassified	Currently Reported
	Baht	Baht	Baht
Financial statement in which the equity method is applied /Separate financial statements as at 1 January 2013			
Cost of Real Estate Development	506,909,699.13	(287,136,308.52)	219,773,390.61
Land Held for Development	607,163,434.11	287,136,308.52	894,299,742.63
Financial statement in which the equity method is applied /Separate financial statements as at 31 December 2013			
Cost of Real Estate Development	491,857,933.45	(287,136,308.52)	204,721,624.93
Land Held for Development	607,163,434.11	287,136,308.52	894,299,742.63
Trade and Other Payables	5,175,196.67	(244,065.71)	4,931,130.96
Estimate from Prosecuted Cases	18,840,000.00	(840,000.00)	18,000,000.00
Performance Retention Receipt from Contractor	6,143,398.56	1,084,065.71	7,227,464.27

30. Approval of the Financial Statements

These financial statements have been approved by authorized directors of the Company on 17 February 2015.



BAAN ROCK GARDEN
PUBLIC COMPANY LIMITED

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