



รายงานประจำปี

บริษัท บ้านร็อกการ์เด้น จำกัด(มหาชน)

2019

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

<u>The Securities Underwriter</u>	:	Thailand Securities Depository Company Limited The Stock Exchange of Thailand (Near The Chinese Embassy) 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Homepage	:	http://www.set.or.th/tsd
Telephone	:	662-009-9378 - 9389
Fax	:	662-009-9476
<u>The Auditor</u>	:	Miss.Waraporn Inttharaprasit Certified Public Accountant (Thailand) No. 7881 CWWP Company Limited 128/334-335 Phayatai Plaza Building, 31 th Floor, Phayatai Road, Thungphayatai, Ratchatavee, Bangkok 10400 Thailand
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Message from the Board of Directors

For global economy in 2019, key industrial economies faced a slowdown but there is a positive trend and more stability in 2020. The US economy and European economy slightly expanded, mainly driven by private consumption and service sector employment even though employment in the manufacturing sector remained weak. More flexible monetary policy in the second half was a supporting factor for economic expansion. Japan's economy grew on the rising domestic demand and consumer spending prior to consumption tax hike which may subsequently cause a slowdown in private consumption. More investments in machinery to deal with labor shortage provided additional contribution to the country's economy. China's economy faced a slower expansion due to impact of the US-China trade war. However, infrastructure investments through the government bonds and financial cost reduction were major contributions to the Chinese economy. In the next phase, the Chinese government is likely to carefully implement the economic stimulus measures in order to maintain the financial system stability such as tax reduction and more flexible monetary policy which will effectively boost economic expansion to meet the government's target. Asia's economy (excluding Japan and China) saw a slowdown due to continued impact of the trade barrier and prolonged protest in Hong Kong. In the next phase, Asia's economy is expected to recover on higher export volume and positive sign of global trade volume as well as recovery of electronic cycle and restored confidence after the US and China have reached an agreement on phase one of the trade deal. Also, positive private consumption and employment rate as well as more government's economic stimulation policies will be significant supporting factors for Asia's economy.

Thai economy in 2019 remained sluggish due to continued contraction in export following trading partners' economic slowdown, international trade barriers and stronger baht. Public spending declined on a delay in the Annual Expenditure Act of the Fiscal Year 2020 and disbursement for new investment projects as well as state enterprises' postponed investments and reduction in investment budget for fiscal year 2020. Private investment slightly increased on the promising public-private investments in mega infrastructure projects such as the Map Ta Phut Industrial Port Project and relocation of some industries' production base to Thailand to avoid the impact of trade barriers. Non-farm sector's employment and household revenue continually declined, particularly in export-related industries such as rubber, plastic, food and automobile. Weaker household purchasing power affected income of independent workers who heavily relied on purchasing power of other groups of workers. Household income in the agricultural sector declined on lower output due to the drought and lower prices of some agricultural products. However, the government's farmer income stimulus measures including the farmer income guarantee program and rice harvesting cost and quality development support program helped ease the impact. Exports of services rebounded on the rising number of foreign tourists, especially from China, India and Taiwan thanks to an extension of Visa on Arrival fee exemption until April 2020. Household spending remained a major drive for Thai economy along with additional support from the government's economic stimulus measures.

Thailand's overall property sector remained contracted in 2019, mainly due to the high number of unsold units, especially condominiums, stagnant domestic purchasing power, higher household debt and tighter lending conditions of financial institutions for both business and housing loans reflected in a rising number of housing loan disapprovals as well as the



implementation of the loan-to-value (LTV) measure which resulted in insufficient purchasing power as prospective buyers are required to seek more down payment. As a result, entrepreneurs had to offer more attractive discounts and promotions to stimulate domestic purchasing power, while some of them put off launching new projects. However, 2019 was a golden year for buyers with strong purchasing power who enjoyed lower property prices of both fully finished and newly launched projects because entrepreneurs were reluctant to raise the selling prices in fear of tough competition amid the stagnation of the property market and inaccessible purchasing power even though those projects are situated on preferred locations. Besides, the government launched the property market stimulus measures that suit potential of prospective buyer groups in a bid to support and relieve burdens of these buyers such as a cut in housing transfer and mortgage fees.

Amid the current intense competition and high supply, especially low- and high-rise residential buildings, entrepreneurs of those projects turned to focus on detached houses and townhouses. Household debt remained high because Thai households get into debt early and remain longer indebted with the higher debt amount and still lack financial discipline. They were less concerned over product prices and their obligations on the back of commercial banks' loan interest rate cut, but their concerns significantly remained on uncertain revenue and future employment. Following tighter lending of financial institutions and the LTV measure that affected purchasing power, the Company has to adjust its marketing and sales strategies and seek new distribution channels corresponding to the right timing in an attempt to reach actual target groups. The Company is determined to create high quality and standard techniques and technologies in order to design and develop modern residential projects that absolutely satisfy the target buyers. It is also considerably attentive to detailed designs, selection of contractors, quality control and aftersales services to serve customer needs and emphasizes on maintaining profitability at nearly the same rate as last year and effectively developing its personnel amid the current market competition. In 2020, the Company will, with caution and prudence, continually follow its plans and seek more marketing and sales channels so that all products and services completely serve customer needs and enhance corporate image.

On behalf of Baan Rock Garden Public Company Limited, the Board of Directors and the Executive Committee, we would like to thank all shareholders, customers, business partners, employees, financial institutions and related parties for continued support. The Company will emphasize on the good corporate governance for the maximum benefits of all stakeholders.

(Mr. Virat Chinprapinporn)

Chairman of the Board

Baan Rock Garden Public Company Limited

Report of the Chairman of the Audit Committee

To Shareholders

The Audit Committee of Bann Rock Garden Public Company Limited consists of independent directors, who are experts with experience in terms of legal, accounting, and administration. During the year 2018, there were altogether 3 independent directors as follows.

- | | |
|------------------------------|--|
| 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 |

The Independent directors and Audit Committee of three persons are not the Company's management or employees and have qualifications as specified by securities and SET laws. Mr. Phisitsak Premprichayan is the Department Head of Corporate Accounting, is the Secretary to the Audit Committee.

The Audit Committee has fulfilled its duties and carried out all the responsibilities assigned by the Company's Board of Directors, especially in terms of the good corporate governance. In the 2019, the Audit Committee called a total of five meetings, all with the Company's Auditor and internal auditors, the management and related top executives to discuss and review financial information and connected transactions of the Company; listen to useful explanations and suggestions; and improve effectiveness of the internal control in order to comply with its duties and responsibilities under the regulations of the Stock Exchange of Thailand. The Audit Committee has supervised the Company's operations under the determined scope and goals with the sufficient independence for the maximum benefits of all stakeholders and always reported to the Board of Directors. The duties can be summarized as follows:

1. To review reliability of the Company's quarterly and annual financial statements by discussing with the auditor and finance and accounting executives in order to ensure that the financial statements have been prepared in accordance with the generally accepted accounting standards and generally accredited principles with material accuracy and creditability for the benefit of all investors or users.
2. To review suitability of the internal control and internal audit reporting systems by allowing the independent auditor and related managements to provide explanations based on transparency and the maximum benefit of the internal control system.
3. Review the risk management in various aspects of the organization holistically and propose the risk factors that affect the operation and the business plan for consideration to the Board of Director.
4. To review suitability and sufficiency concerning regulations of connected transactions or any other transactions that may be the cause of conflict of interest during the year and accurate and complete information disclosure to



- ensure that there is reasonable necessity based on commercial transactions of general business before proposing for the Board of Directors' approval.
5. Selected and proposed appointment of external auditor for 2018 as well as determined remuneration for external auditor to Board of Directors in order to propose to shareholders' meeting for consideration and approval.
 4. 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.
 5. To review good corporate governance and implementation of the Anti-Corruption Policy and monitor operating results and guidelines under the regulations.

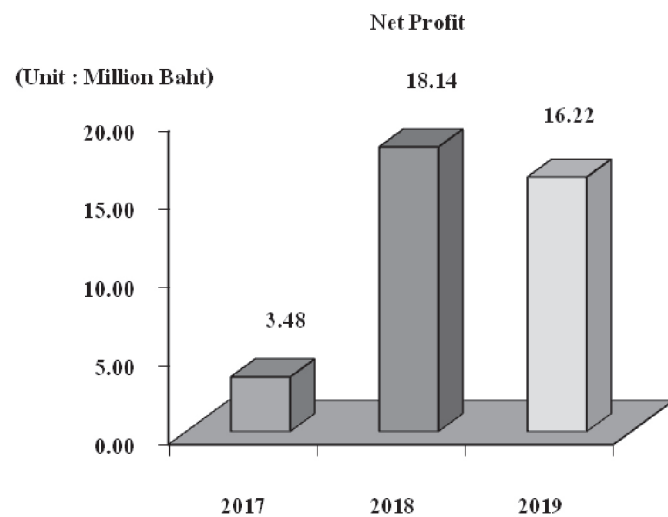
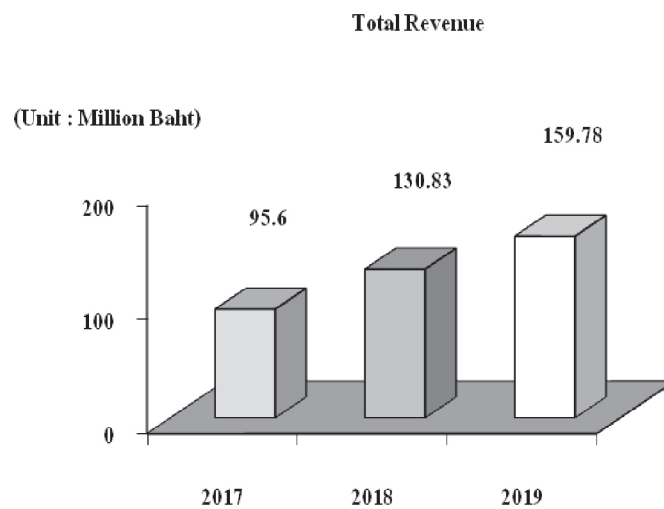
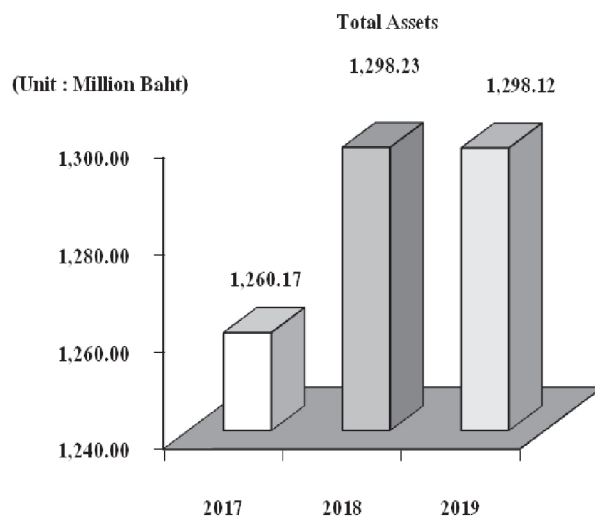
The Audit Committee has performed its duties by sufficiently using its knowledge, ability and caution in accordance with the generally accepted principles for the equal benefit of all stakeholders. The Audit Committee has carefully complied with the guidelines with sufficient independence and properly provided useful guidelines and comments for the Company and all stakeholders with cooperation of related parties, managements and units of the Company.

(Mr. Surapol Salimanon)

Chairman of the Audit Committee

5 February 2020

Summary Financial Information





Summary Financial Information (Continued)

	Consolidated		Unit : Baht
	2019	2018	Change %
Total Revenue	159,776,676	130,831,823	22.12
Revenue from Sales	152,317,884	126,217,800	20.68
Cost of sales	94,646,433	78,653,507	20.33
Gross Profit	57,671,451	47,564,293	21.25
Net Profit (loss)	16,224,229	18,136,226	(10.54)
Total Assets	1,269,655,706	1,298,225,469	(2.20)
Total Liabilities	28,649,748	52,944,738	(45.89)
Total Shareholders' Equity	1,241,005,958	1,245,280,731	(0.34)
Issued and paid up share capital	1,025,000,181	1,025,000,181	-
Per share data (Baht)			
Net profit	0.016	0.018	(11.11)
Dividend	0.020	0.020	-
Book Value	1.21	1.21	-
Finance Ratio			
Profit Margin	37.86%	37.68%	0.48
Net Profit Margin	10.15%	13.86%	26.77
Return on Equity	1.31%	1.46%	(10.27)
Return on Asset	1.28%	1.40%	(8.57)
Debt to Equity Ratio	0.02	0.04	(50.00)

Nature of Business

The Company has set the vision and mission through consideration from the Board of Directors. Which will be reviewed every 2 years to be used as a guideline for business operations and development for sustainable growth. By taking into account all groups of stakeholders. Also taking into account social and environmental responsibility.

Vision

The Company operates its business by focusing on development residences to quality and responding to the customers' demands. We offer modern and technically-creative residences equipped with friendly to society and environment technology suitable to current circumstances. Including responsibility for stakeholders from business operations.

Mission

1. The Company focus on the development of residences, environment and services. The residences shall be outstanding, be of quality and offer a standard quality of life.
2. The Company shall set reasonable prices which allow the Company to compete in the market, mainly based on its capital cost and location.
3. The Company shall operate the business with good management systems and flexible and ready for change under good governance principles.

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 Vacharapol, 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.

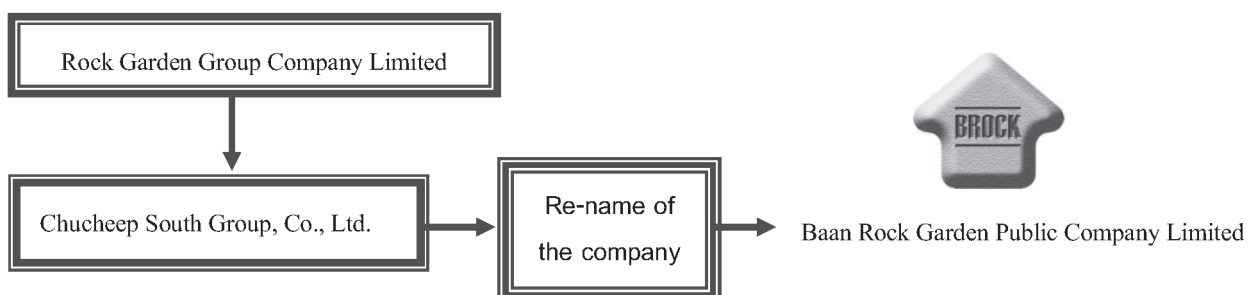


Chart : Re-organizational structure of the company



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:

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) with the Department of Business Development Ministry of Commerce.
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.
March 2015	The Company sold shares Yamoo Property Development Co., Ltd. to Mrs.Naowanart Jamornmarn because the business has no actions and the cost unnecessarily high.
April 2015	The company has increased its capital stocks from 1,025,000,000 Baht (one thousand and twenty-five million baht) to 1,229,999,916 (One thousand two hundred twenty-nine million nine hundred ninety-nine thousand nine hundred and sixteen 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) with the Department of Business Development Ministry of Commerce.
June 2015	The Company issued and allocated the Warrants to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 5 existing shares for 1 unit of Warrants, pursuant to the resolutions of the Annual General Meeting of Shareholders No. 1/2015, held on 2 April 2015, details of which are set out as follows:
Name of securities : Warrants to Purchase the Newly Issued Ordinary Shares.	
Securities Issuer : Baan Rock Garden Public Company Limited.	
Warrant trading symbol : BROCK-W1	
Secondary market : The Stock Exchange of Thailand "SET"	
Trading date : 16 June 2015	
Number of listed warrant : 204,969,911	
(unit : warrant)	
Exercise ratio : 1 unit of Warrants shall be entitled to purchase 1 newly issued ordinary share	
Exercise price : Baht 3.50 per share	

Term of Warrants	: 3 years from the issuance date. The Company shall not extend the term of the Warrants after the issuance.
Issuance date	: 2 June 2015
Expiration date	: 1 June 2018
Price per unit	: Baht 0 (at no cost)
The first Exercise Date	: 30 September 2015
The last Exercise Date	: 1 June 2018

December 2015 Report on the Result of the Exercise of Rights to Purchase Ordinary Shares of Baan Rock Garden Public Company Limited under the Warrants BROCK-W1

Period	Warrant Exercise (Unit)	Outstanding (Unit)
September 2015 -		204,969,911
December 2015 -		204,969,911

February 2016 The Board of Directors' Meeting No.1/2016, held on February 18, 2016. The Board of Directors for Baan Rock Garden Public Company Limited had approve for year 2015 dividend payment at 0.02 Baht per share. The dividend will be paid to the shareholders whose names appearing in the Company's Shareholders Registration Book as of the date on which such Shareholders Registration Book is to be closed for suspension of share transfer in order to determine the shareholders entitled to dividend. The dividend payment exceeds that specified in the Terms and Conditions of BROCK-W1 warrants according to Clause 5 (e), Cause of the Company shall adjustment of rights the new exercise price and new exercise ratio as follows:

Exercise Price	: Before 3.50 Baht per Share. After 3.48 Baht per Share.
Exercise Ratio	: Before 1 unit of Warrants shall be entitled to purchase 1 newly issued ordinary share. After 1 unit of Warrants shall be entitled to purchase 1.0052 newly issued ordinary share.

With become effective immediately from the first day on which the purchases of the Company's ordinary shares shall not be entitled to receive such dividend distribution (the first day on which the SET posts XD sign) is 1 March 2016.

April 2016 The company has increased its capital stocks from 1,229,999,916 (One thousand two hundred twenty-nine million nine hundred ninety-nine thousand nine hundred and sixteen Baht) to 1,231,099,916 (One thousand two hundred thirty-one million ninety-nine thousand nine hundred and sixteen 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) with the Department of Business Development Ministry of Commerce.

December 2016 Report on the Result of the Exercise of Rights to Purchase Ordinary Shares of Baan Rock Garden Public Company Limited under the Warrants BROCK-W1



	Period	Warrant Exercise (Unit)	Outstanding (Unit)
	March 2016 -		204,969,911
	June 2016 -		204,969,911
	September 2016 -		204,969,911
	December 2016 -		204,969,911
January 2017	The company has hired a home design company for made to design house in the project. Rock Garden Airport Phase 3 to modernize and equalize its competitors. The design is designed as 2-storey detached houses 2 type and 1-storey duplexes 1 type.		
February 2017	The company has started selling the project Rock Garden Airport Phase 3. The project comprises of 2-storey detached houses of type A 90 units, 2-storey detached houses type B 93 units and 1-storey duplexes houses 48 units. On 40-2-24.6 Rai.		
July 2017	The Company was granted permission to allocate land no. 28/2560 on July 14, 2017 in Project Baan Suan Palm (Baan Rock Garden Airport Phase 3) with an area of approximately 40-2-24.6 rai, divided for sale of 231 units.		
August 2017 -	The company has gradually implemented the construction Project Baan Rock Garden Airport Phase 3.		
December 2017	<p>The company has received the building permits as follows:</p> <ul style="list-style-type: none"> * Building Permit No. 56/2017 on 2 August 2017 is a 2-storey detached houses type A 16 Units. * Building Permit No. 57/2017 on 2 August 2017 is a 2-storey detached houses type B 16 Units. * Building Permit No. 91/2017 on 1 November 2017 is a 1-storey duplexes houses 48 Units. * Building Permit No. 103/2017 on 20 December 2017 is a 2-storey detached houses type A 11 Units. * Building Permit No. 104/2017 on 20 December 2017 is a 2-storey detached houses type B 5 Units. 		
December 2017	Report on the Result of the Exercise of Rights to Purchase Ordinary Shares of Baan Rock Garden Public Company Limited under the Warrants BROCK-W1		
	Period	Warrant Exercise (Unit)	Outstanding (Unit)
	March 2017 -		204,969,911
	June 2017 -		204,969,911
	September 2017 -		204,969,911
	December 2017 -		204,969,911
January – May 2018	The company has procured land for to make land allocation projects for sale to the general public.		
March 2018	<p>Excellence Property and Development Company Limited had owns the land and buildings in project ASTON VILLE located at Lam Sai Road, Khok Faet Subdistrict, Nong Chok District, Bangkok. This project is a 2-storey townhouse with 285 units, clubhouse, swimming pool, corporate office, park and road within the project. Excellence Property and Development Company Limited has completed the construction of 2-storey townhouses 54 units already (transferring ownership to 32 units already), construction building a clubhouse, swimming pool, corporate office has been completed, and construction road is about 165 meters already. Construction of a bridge over the Lam Sai Canal already.</p>		

	Excellence Property and Development Company Limited has offered to sell the land and buildings, project ASTON VILLE to Baan Rock Garden Plc. Which consists of Land with 2 storey townhouse 22 units, vacant land 231 units, land with clubhouse and swimming pool and corporate office 1 unit, park 1 unit, road no.1 and garden 1 unit, road no.2 and garden 1 unit, total of 257 units. Initially, the company conducted a survey of the housing market in Nong Chok district Bangkok.												
10 April 2018	The company has made a memorandum of agreement to offer land and building in the project ASTON VILLE is located at Lam Sai Road, Khok Faet Subdistrict, Nong Chok District, Bangkok with Excellence Property and Development Company Limited price offered for sale 79,000,000 Baht (seventy nine million baht only) for the company to do Examine documents and information related to government agencies and private agencies and inspect assets related to the project ASTON VILLE for a period of 3 months.												
May 2018	<p>The company has gradually implemented the construction Project Baan Rock Garden Airport Phase 3. The company has received the remaining building permits as follows:</p> <p>* Building Permit No. 31/2018 on 17 May 2018 is a 2-storey detached houses type A 63 Units.</p> <p>* Building Permit No. 32/2018 on 17 May 2018 is a 2-storey detached houses type B 72 Units.</p>												
1 June 2018	The assign date for the last exercise of rights to purchase ordinary shares of Baan Rock Garden Public Company Limited under the Warrants BROCK-W1.												
11 June 2018	The company has increased its paid capital stocks from 1,024,999,930 (One thousand twenty-four million nine hundred ninety-nine thousand nine hundred thirty Baht) to 1,025,000,181 (One thousand twenty-five million one hundred and eighty-one Baht) with the Department of Business Development Ministry of Commerce.												
June 2018	Report on the Result of the Exercise of Rights to Purchase Ordinary Shares of Baan Rock Garden Public Company Limited under the Warrants BROCK-W1												
	<table><tr><th>Period</th><th>Warrant Exercise (Unit)</th><th>Outstanding (Unit)</th></tr><tr><td>March 2018 -</td><td></td><td>204,969,911</td></tr><tr><td>1 June 2018</td><td>250</td><td>204,969,911</td></tr><tr><td>(The last Exercise Date)</td><td></td><td></td></tr></table>	Period	Warrant Exercise (Unit)	Outstanding (Unit)	March 2018 -		204,969,911	1 June 2018	250	204,969,911	(The last Exercise Date)		
Period	Warrant Exercise (Unit)	Outstanding (Unit)											
March 2018 -		204,969,911											
1 June 2018	250	204,969,911											
(The last Exercise Date)													
1 June 2018	The company has made a request to extend the period with Excellence Property and Development Company Limited has been extended for another 1.5 months for the company to investigate all assets related to the project ASTON VILLE.												
July 2018	The company has hired Sim Property Consultant Co., Ltd., which was property appraisal company listed in the capital market. Which hiring to evaluate property values Land allocation project, ASTON VILLE project, located at Lam Sai Road, Khok Faet Subdistrict, Nong Chok District, Bangkok.												
9 August 2018	The Company has made an additional memorandum of agreement regarding the sale of land and buildings in the project ASTON VILLE with Excellence Property and Development Company Limited. By agreeing to change the selling price is in the amount of 72,000,000.- Baht (seventy two million baht only), effective until 1 September 2018.												



17 August 2018	The company has purchased the land allocation project ASTON VILLE by contracting to buy and sell land with buildings, land allocation project ASTON VILLE located at Lam Sai Road, Khok Faet Subdistrict, Nong Chok District, Bangkok. Which consists of Land with 2-storey townhouse 22 units, vacant land 231 units, Land with clubhouse and swimming pool and corporate office 1 unit, Park 1 unit, Road No.1 and garden 1 unit, and Road No.2 and garden 1 unit, total of 257 units. With ready to receive the transfer of the license to allocate land No. 88/2557 on dated 25 August 2014. And ready to receive the transfer of the building permit No. 672/2561 on dated 10 September 2018. And documents of various agencies Various government documents Related to the land allocation project ASTON VILLE located at Lam Sai Road, Khok Faet Subdistrict, Nong Chok District, Bangkok. At the price of 72,000,000.- baht (seventy two million baht only) with Excellence Property and Development Company Limited.
20 August 2018	The company has started planning development the project purchased was the project ASTON VILLE, which is located at Lam Sai Road, Khok Faet Subdistrict, Nong Chok District, Bangkok. This project was renamed the project BR @ Arena. And on 20 September 2018, the company started to renovate the 2-storey townhouse 22 units and clear the area to support the construction of the house.
October 2018	The company started selling 2-storey townhouses in the project BR @ Arena.
14 November 2018	Excellence Property and Development Company Limited has registered the transfer of ownership of land and buildings of the project ASTON VILLE total 257 units to Baan Rock Garden Public Company Limited. Consists of Land with 2-storey townhouse 22 units, Vacant land 231 units, Clubhouse and swimming pool and corporate office 1 units, Park 1 unit, Road no.1 and garden 1 unit, and Road no.2 and garden 1 unit.
December 2018	Excellence Property and Development Company Limited has transferred the building permit No. 672/2561, on dated 10 September 2018 to Baan Rock Garden Public Company Limited.
December 2018	Land Allocation Board Bangkok Resolved in the meeting on 26 September 2018, allowing to Excel Property and Development Co., Ltd. to transfer the license to allocate land No. 88/2557 on dated 25 August 2014 for Baan Rock Garden Public Company Limited. By the Land Allocation Board Bangkok has issued a letter granting permission to transfer the license to allocate land No. 157/2561 on dated 3 December 2018 to Baan Rock Garden Public Company Limited.
30 May 2019	<p>The company has gradually implemented the construction Project BR @ ARENA.</p> <p>The company has received the building permits as follows:</p> <p>* Building Permit No. N.J.579/2562 on 30 May 2019 is a 2 storey townhouse, 5 meters wide with 56 Units, 2 storey townhouse, 6 meters wide with 24 Units.</p>
November 2019	The company has hired a home design company for remodel to design 2-storey detached houses type A and type B into 1-storey detached houses type C with 51 Units in the Project Rock Garden Airport Phase 3. With focusing on the needs of customers more and equal with competitors.
26 December 2019	<p>The company has gradually implemented the construction Project Rock Garden Airport phase 3, which the company has remodel to design 2-storey detached houses into 1-storey detached houses type C.</p> <p>The company has received the building permits as follows:</p>

* Building Permit No. 123/2562 on 26 December 2019 is a 1-storey detached houses type C with 51 Units.

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 comprises of 1-storey townhouses 91 units.

3.2) "Baan Rock Garden Bypass 2." The project comprises of 1-storey townhouses 99 units and 2.5-storey commercial building 15 units.

3.3) "Baan Rock Garden Bypass 3." The project comprises of 1-storey duplexes houses, 1-storey detached houses, 2-storey detached houses and home offices, the project is total 90 units.

3.4) "Baan Rock Garden Bypass 4." The project comprises of 1-storey duplexes houses, 1-storey detached houses, 2-storey detached houses and home offices, the project is total 82 units.

3.5) "Baan Rock Garden Bypass 5." The project comprises of 1-storey duplexes houses and 2-storey detached houses, the project is total 94 units.

3.6) "Baan Rock Garden Bypass 6." The project comprises of 2-storey detached houses.

The project is divided into 10 phase. As follows.

3.6.1) "Baan Rock Garden Bypass 6/1."

The project comprises of 2-storey detached houses, the project is total 49 units. For the year 2018, the Company has closed the sale of project Baan Rock Garden Bypass 6/1 is complete.

3.6.2) "Baan Rock Garden Bypass 6/2."

The company is planning the development of project Baan Rock Garden Bypass 6/2.

4. "Baan Rock Garden Airport" The project is located on Onnuch-Ladkrabang highway, Amphur Bangsolthong , Samuthprakarn province. The project is divided into 3 phases. Which at present are implemented as follows.

4.1) "Baan Rock Garden Airport, Phase 1."



The project comprises of 2-storey town houses 117 units and 2-storey duplexes houses 12 units, the project is total 129 units. The Company has closed the sale of Project Baan Rock Garden Airport Phase 1 on year 2014.

4.2) “Baan Rock Garden Airport, Phase 2.”

The project comprises of 2-storey detached houses 35 units and 2-storey duplexes houses 102 units, the project is total 137 units. For in year 2020, the company expects to accelerate to close the sale Project Baan Rock Garden Airport Phase 2.

4.3) “Baan Rock Garden Airport, Phase 3 or BR @ AERO.”

The project comprises of 2-storey detached houses of type A with 73 units and 2-storey detached houses type B with 59 units and 1-storey detached houses type C with 51 Units and 1-storey duplexes houses with 48 units, the project is total 231 units. The company has developed project the following.

- 1) The beginning year 2017, the company hired a house design company to design the house as mentioned.
- 2) The beginning year 2017, the company started selling the project By using the name of the project BR @ Aero.
- 3) The year 2017 - 2018, the company received a building permits 2-storey detached houses of type A and 2-storey detached houses of type B and 1-storey duplexes houses, the total of 231 units.
- 4) The year 2017 - 2018, the company had gradually the construction houses with 149 units.
- 5) The mid year 2018 - 2019, the company has transferred ownership to customers with 66 units.
- 6) The year 2019, the company has remodel to design 2-storey detached houses into 1-storey detached houses type C with 51 Units.
- 7) The year 2019, the company received a building permits 1-storey detached houses type C with 51 Units.

5. Project BR @ Arena, located on Lam Sai Road, Khok Faet Subdistrict, Nong Chok District, Bangkok. The project comprises 2 storey townhouse 285 units, club house, swimming pool, corporate office, park and road within the project. Excellence Property and Development Company Limited has completed the construction of 2-storey townhouses 54 units (transferring ownership to customers 32 units). The construction a clubhouse, swimming pool, corporate office and road within the project is about 165 meters has been completed.

Which the company buys and receives the ownership transfer of all land and buildings and the company has developed project the following.

- 1) September 2018, the company began renovating 22-story townhouse with 22 units in the first phase to prepare for sale.
- 2) October 2018, the company started to sell 22-story townhouse with 22 units in the first phase in the name of the project BR @ Arena.
- 3) 14 November 2018, the Company received the ownership transfer of all land and buildings Consisting of Land with 2-storey townhouses 22 units, Vacant land 231 units, Land with club house and swimming pool and corporate office 1 unit, Park 1 unit, Road No.1 and garden 1 unit, Road No.2 and garden 1 unit, the total of 257 units from Excellence Property and Development Company Limited.



- 4) 3 December 2018, the Company received the transfer of land development license number 88/2557, dated 25 August 2014 from Excellence Property and Development Company Limited.
- 5) December 2018, the company received the construction permit transfer of 22 units in the first phase from Excellence Property and Development Company Limited.
- 6) In the beginning of 2019, the company hired a house design company. To design a 2 storey townhouse, 5 meters wide and 2 storey townhouse, 6 meters wide for 80 units in Phase 2.
- 7) May 2019 The company received a construction permit for a 2 storey townhouse, 5 meters wide and 2 storey townhouse, 6 meters wide, with 80 units in Phase 2.
- 8) May 2019, the company has gradually proceeded to construct houses of 40 units in phase 2.
- 9) In the year 2019, the company has already transferred ownership to customers in the amount of 6 units.

Future Projects

“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.

In 2019, the company is continuously planning the development of Baan Rock Garden Bypass 6 Phase 2 project.

“Joint investment project with the foreign investors”

The Company sold shares Yamoo Property Development Co., Ltd. to Mrs.Naowanart Jamornmarn because the business has no actions and the cost unnecessarily high. However Yamoo Property Development Co., Ltd remains the joint venture but don't any activity. 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 Chinrapinporn, Mrs. Naowanit Silaprarat and 2 Swedish investors. The authorized persons which are either Mr. Virat Chinrapinporn or Mrs. Naowanit Silaprarat shall sign with one



of Swedish investors. Now the Company welcomes co-investment of both Thai and foreign investors who are interested to invest in the Company's lands on 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 Tumboon 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

Thailand Economic Overview in 2019 and Outlook for 2020

Thailand's property sector remained contracted in 2019. Housing supply in overall increased significantly on condominium project launches, whereas demand in the property sector slightly declined corresponding to demand for detached houses and townhouses. Demand for condominiums remained stable, partly because financial institutions were more careful about housing loan approvals as loan quality was likely to diminish as well as the implementation of the loan-to-value (LTV) measure, sluggish domestic purchasing power, lower exports on trading partners' economic slowdown, trade barriers and stronger baht. Household spending contracted in line with unstable income and confidence in the future income. Household debt remained high, while public sector spending slowed down and disbursement for new investment projects was put off on the back of the delayed 2020 Budget Act. Private investment slightly expanded on the promising public-private investments in mega infrastructure projects. Tourism sector continually expanded as a result of Visa on Arrival fee exemption which contributed to a growing number of tourists from India, China and Taiwan.

In 2019, despite contraction of the property sector, market supply, especially condominium projects, remained high, resulting in intense competition, and was also under pressure of tighter loan rules of financial institutions and the implementation of the loan-to-value (LTV) measure. However, for the property market in Bangkok, the Company applied a strategy aiming at seeking new public relations and marketing channels in a bid to effectively approach the target groups, increase motivation and stimulate buying decisions such as internet, Facebook, LINE, mall booths, leaflet, public relations among target customers, various discounts and privileges, monthly sales office activities and gift offering for customers visiting the projects. Baan Rock Garden Airport Suvarnabhumi Phase 3 or BR@AERO Project is situated near Suvarnabhumi Airport (not in the noise zone), Motorway and Airport Rail Link with convenience for transportation and BR@ARENA Project is situated next to the Bangkok Arena Stadium, schools, government offices and shopping malls providing convenience for transportation.

Phuket's property market faced a slight contraction in the lower-middle housing market, partly because of high household debt which resulted in lower or rejected housing loan approvals by financial institutions despite higher housing demand. The upper-middle housing market slightly grew but there was a sign of slowdown as buyers took longer time to make their decisions and choose the house size that satisfies their demand. However, housing supply still increased amid lower demand as major local entrepreneurs increased their investment in order to keep positive relationships with contractors. The Company continued to develop a new property project named Baan Rock Garden Bypass as it determined that Phuket is one of the country's leading tourist destinations and more Thai and foreign non-residents including jobbers, tourists and investors are interested to seek residences in Phuket.



Property market outlook in 2020 is continually driven by the following factors:

1. Since Thai economic expansion is likely to be lower than expected and also lower than the country's potential significantly due to export slowdown, domestic employment and demand may be affected. Headline inflation in 2019 is likely to be lower than expected and also the inflation targeting. Although the risks of financial system stability have been partially dealt, some remaining risks may weaken the financial system stability in the future. The Bank of Thailand (BOT) resolved to cut the policy interest rate two times, namely, from 1.75% to 1.50% per annum on 7 August 2019, and from 1.50% to 1.25% per annum on 6 November 2019. More flexible financial policies on the back of the interest rate cut will contribute to the country's economic expansion and proper headline inflation targeting.
2. For public investment in infrastructure projects, the Ministry of Transportation's mega projects in 2019 were not as robust as the previous years, partly because most organizations waited for clarity of the new government after the general election. In addition, the political transition resulted in a delay in the Annual Expenditure Act of the Fiscal Year 2020 and also disbursement for the projects. In 2020, the Ministry of Transportation announced its readiness on continuity of several mega projects stated in the draft Annual Expenditure Act of the Fiscal Year 2020. For example, Suburban Mass Transit System (SRT) Red Line (expansion) whose the civil work bidding will start early this year and the result will be announced in July; Double Track Railway Phase 2 on 6 routes is in the process of additional data preparation and presentation to the Cabinet; MRT Orange Line (west section) will propose a bidding plan for collective agreements on civil work and system work for the Cabinet's approval early this year and then the Mass Rapid Transit Authority of Thailand (MRTA) will start the bidding by mid-year; the Terminal 2 of Suvarnabhumi Airport is in the process of the Cabinet's decision making. In addition, the Eastern Economic Corridor (EEC) development project in 2020 will focus on local and community investment expansion in order to generate more income and improve quality of life of EEC local people. Unfinished main projects include the High-Speed Rail Linked 3 Airport project and Map Ta Phut and Laem Chabang Industrial Port Projects. For the Smart City Project in Chachoengsao Province, the working committee will be appointed to determine the scope of work, the city concept, location and related compositions and also speed up the project in order to serve the EEC development project. This will help motivate more local and foreign investments and contribute to grass root growth and prosperity, especially among the EEC communities.
3. The Treasury Department has pushed back implementation of a new appraisal price for land by one year to 1 January 2021 from 1 January 2020 in line with the Property Appraisal for the State Benefits, Act, B.E. 2562 (2019) which was enacted on 22 November 2019. Since the Act has directly affected the implementation of a new appraisal price for land and property of the Treasury Department because it takes time to issue and enact more organic laws, the implementation of a new appraisal cannot be commenced on 1 January 2020 and may be postponed for two years under the applicable law. According to the new appraisal price completely done by the Treasury Department, an

average land and property price in overall is increased by 7-8%. However, upon the law enforcement, the appraisal price for the year 2015 – 2019 will be continually in use for 1 year. The Treasury Department may re-evaluate land price next year in accordance with the actual circumstance and market situation prior to the official implementation in 2021.

Negative factors affecting the property market include:

1. Household debt remains a significant factor because Thai households still have low savings, get into debt early and remain longer indebted. Therefore, it is necessary to emphasize and monitor the rising household debt more closely. Thai household indebtedness is mostly short-term debt for personal consumption, whereas long-term debt for property purchase is lower. Housing debt accounts for only 34% of total debt which is different from other countries where housing debt is over a half of total debt. As a result, Thai households have high debt payment burden because such debt mostly has short-term installation period and high interest rate. In addition, although Thai household debt structure comprises some secured debt such as housing debt and automotive debt which can offset any damage for financial institutions in case of household default, such collateral may not reduce the risk of default in terms of the borrower. Household debt is likely to increase in 2020 at a higher pace than the country's economic growth because advanced technologies facilitate and make all transactions including borrowing, withdrawing, payment and transferring easier and there are also attractive conditions and promotions. The lack of financial discipline may escalate household debt to the nation's economic problem. Therefore, it is important to prevent Thai households to become over-indebted and help them take the maximum advantage from their indebtedness without any financial stability problem in the long run. This will contribute to Thailand's economic stability.
2. Entrepreneurs enjoyed a golden and lucrative property market in 2012-2013, reflecting in the higher ROA (Return on Assets) of the listed companies which rose to 9-10% from 6-7% in the previous years. Robust profit motivated both existing and new entrepreneurs to raise new housing supply, whereas low interest rate is a supporting factor allowing entrepreneurs to raise their capital at lower cost. Now there are more entrepreneurs and each of team is not willing to reduce its supply which means a decline in its market share. The similar mindset leads to unsold units, so entrepreneurs have to launch more attractive promotions, discounts and premiums amid a more intense competition in the recent 2-3 years and rather rely on foreign purchasing power. When most buyers who have strong financial positions have been approached, entrepreneurs turn to prospective buyers in lower levels whose savings or financial position is not as good as the former group. Consequently, these buyers will make their buying decision if they are offered the high LTV and expanded installment period. Higher debt to income ratio of house buyers reflects that household sector has more vulnerable financial position due to the higher debt to income ratio and longer indebtedness. In addition, financial institutions offer loans with high LTV with an option of Top-up loan, so the LTV ratio exceeds 100. With an intense competition in loan market, feeling secure with the house being the collateral and a belief that property price is going to rise every year, some borrowers who defaulted payment are still able to sell



some securities for debt repayment and indemnification and other borrowers may apply the housing loan for the purpose of getting the top-up money or gaining profit. If the circumstance continues, it will harm the country's economy as entrepreneurs and financial institutions may overlook or underestimate the risks of household financial position which becomes more fragile. In fact, they are accumulated risks arising from all interested parties who just focus on their own perspectives and ignore overall risks in the market. This is why the Bank of Thailand announced the implementation of the tightened loan-to-value (LTV) measure for mortgage contracts on second and subsequent residential units or houses valued over 10 million baht.

3. However, primary cost of project development is land, but land price does not decline at all. Offering price is continually rising and it is estimated that an average price is 8% higher than that of 2018. The higher land cost will definitely result in higher selling prices of condominium units or any development projects. However, it is known that this year is not promising for the property business due to sluggish GDP, export slowdown, the US-China trade war, lower domestic purchase power due to uncertainty in income and job. These obstacles combining with higher housing prices will lead to more unsold units, reflecting back on the higher land price. More expensive land price may be caused by some brokers or sales agents set the land price higher than the actual cost in order to gain more commission and profit speculation. Some investors with cash in hand make an offer to purchase land directly from the land owner with the placement of deposit money and then resell to both Thai and foreign entrepreneurs at higher prices to gain profit from commission and land price margin. These factors are among the cause of higher land price in Bangkok and many provinces. As a result, we observed a phenomenon that many entrepreneurs introduce land sale and purchase platforms on websites or make a direct transaction without any intermediate. When higher land prices become intangibly high, some entrepreneurs decide to lease the land for their projects, particularly in high potential locations. It can be seen that more expensive zones remain in the same high potential locations in inner Bangkok and along the BTS and MRT stations. Due to considerable negative factors in 2019, the land price in 2020 may not vary from the previous year and the target locations may be along the new mass transit lines.

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. internet (Facebook : Baan Rock Garden Suvarnabhumi) , billboards, medias on the minibus, booths displayed in many places in order to reach to the buyers and find the buyers for the company and distributing documents in industrial estates. These 2 marketing teams sale in the project have remuneration from the sale.

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.

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, 2019)		Sold Units (As of Dec. 31, 2019)					
						Investment Paid	% Completion			Units	Sales Value (Bt. mil.)	Units	Sales Value (Bt. mil.)	Transferred		Units	Sales Value (Bt.mil)	Units	Sales Value (Bt.mil)
Baan Rock Garden Airport Phase 2	Omnuch-Ladkabang Road Amphur	2-storey duplexes	June 2007	March 2008	213.60	213.60	100.00	2.90	17-3-14	102	416.44	-	-	101	283.00	1	3.10		
		2-storey detached				35	2	3.71	33	126.63		-	-						
		Total					137		2	3.71	134	409.63	1	3.10					
Baan Rock Garden Airport Phase 3 (BR @ AERO)	Bangsolthong Samuthpra-karn	1-storey duplexes						2.50		48	732.46	4	10.00	35	87.48	9	25.70		
		2-storey detached	June 2009	February 2017	438.10	350.48	80.00	3.50	40-2-24,6	132		86	301.00	31	110.53	15	56.53		
		1-storey detached						2.70		51		41	110.70	-	-	10	30.52		
		Total								231		131	421.70	66	198.01	34	112.75		
			Total							368	1,148.90	133	425.41	200	607.64	35	115.85		



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, 2019)		Sold Units (As of Dec. 31, 2019)			
						Investment Paid	% Completion			Units	Sales Value (Bt.mil.)	Units	Sales Value (Bt. mil.)	Transferred		To be transferred	
														Units	Sales Value (Bt.mil.)	Units	Sales Value (Bt.mil.)
Baan Rock Garden Bypass 4***	Phuket Bypass Road. (Baan Tung-Ka – Baan Sapum Road) near Chalemprakiat 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	-	-
		6								-		6	14.86	-	-		
		9								-		9	26.23	-	-		
		15								1		2.90	14	38.20	-	-	
		Total								82		1	2.90	81	163.99	-	-
Baan Rock Garden Bypass 6/1	Amphur Muang Phuket	2-storey detached	Aug. 2008	Aug. 2009	175.28	175.28	100.00	4.29-5.20	29-2-10.22	49	219.49	-	-	49	219.49	-	-
		Total								49	219.49	-	-	49	219.49	-	-
			รวม								386.38	1	2.90	130	383.48	-	-

*** Baan Rock Garden Bypass 4 home office value 1 unites .it's location the office of Baan Rock Garden Pcl., Phuket



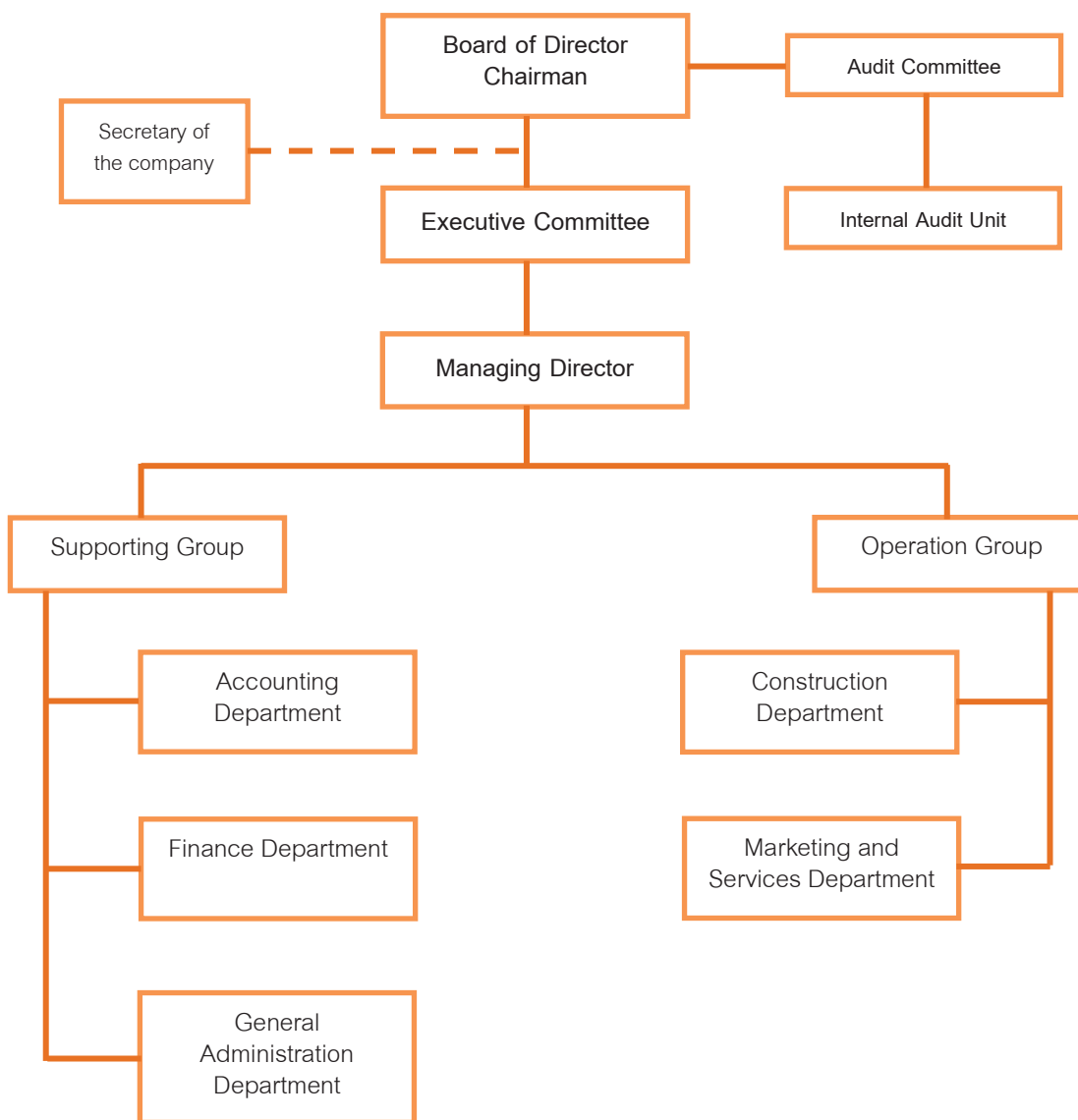
3) Bangkok

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, 2019)		Sold Units (As of Dec. 31, 2019)			
						Investment Paid	% Completion			Units	Sales Value (Bt. mil.)	Units	Sales Value (Bt. mil.)	Units	Sales Value (Bt.mil.)	Units	Sales Value (Bt.mil.)
BR @ ARENA	Lam Sai Road, Khok Faet Sub-district, Nong Chok District, Bangkok	2-storey town houses	Sep- 2018	Nov- 2018	294.67	88.40	30.00	1.70	20-0-28.9	253	435.15	228	387.60	6	12.41	19	35.14
Total																	
										253	435.15	228	387.60	6	12.41	19	35.14



Management Structure

Corporate Structure of Baan Rock Garden Public Company Limited



The Company's Directors Structure

The Company's Directors structure consists of 3 committees, namely

- The Board of Directors 6 Persons
- The Independent and Audit Committee 3 Persons
- The Executive Committee 3 Persons

A) The Board of Directors

2019, The Board of Directors comprise of the following 6 persons :

No.	Board Members	Positions
1.	Mr. Virat Chinrapinporn	Chairman of the Board of Director
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.Jantamat Hankimhunt is Corporate Secretary to the Board of Director until 17 December 2014.

The total number of Board Meetings and the number of Board Meetings each Director attended during the years 2018 and 2019

No.	Board Members	2018	2019
		Number of Meetings attended / total number	Number of Meetings attended / total number
1.	Mr. Virat Chinrapinporn	5 / 5	4 / 4
2.	Mr. Surapol Satimanont	5 / 5	3 / 4
3.	Mr. Wanchai Mekasut	5 / 5	4 / 4
4.	Mr. Preecha Jenthanavijit	5 / 5	4 / 4
5.	Mrs. Naowanit Silaprarat	5 / 5	3 / 4
6.	Mrs. Naowarat Suthamjariya	5 / 5	4 / 4

Remark :

- The Board of Directors Meeting No. 1/2019 held on Friday 15 February 2019 unanimously approved to appoint Mr. Surapon Satimanont , Mrs. Naowanij Sillaprarat which was the Directors to retire by rotation at this time. To serve as the Company's directors for another term. And The Board of Directors proposes to the Annual General Meeting of Shareholders No. 1/2019 held on Friday 5 April 2019 had considered and unanimously resolved to appoint two persons to serve as directors for another term.

Authorized Directors

The Authorized Directors comprise

No.	Board Members	Positions
1.	Mr. Virat Chinrapinporn	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.

The Company's Board of Directors perform the duties by taking into account integrity, transparency, fairness and maintenance of the Company's interest.



The duties and responsibilities of the Board of Directors

1. Supervise and manage the Company's business operations according to the laws, objectives, articles of association of the Company and regulations of concerned agencies as well as the resolutions of the shareholders' meeting, and maintain the interest of the Company according to the business good governance principles. The Board of Directors must also disclose information in sufficient, correct, complete, standardized and transparent manner to shareholders and all relating parties.
2. Set out vision, mission, directions and strategies of the Company, consider and review such vision, mission and strategies regularly and grant approval every year to be in accordance with the Company's business plan.
3. Grant approval to important strategies and policies including the objectives, financial goals and plans of the Company; monitor and supervise to ensure that the Company's strategies and plans have been implemented.
4. Authorize the Chief Executive Officer to have the power to carry out the business operations of the Company as well as the power to appoint and remove the employees of the Company and determine the remuneration for working according to the policies of the Board of Directors; and authorize the employees with the operational powers in accordance with the business condition.
5. Determination duties and responsibilities of the Executive and Management Committee clearly.
6. Organize the annual ordinary general meeting of shareholders within 4 months from the closing date of the accounting year of the Company, and organize the extraordinary meeting of shareholders when necessary.
7. Organize the meeting of the Board of Directors every quarter and there must be not less than one half of the number of Directors attending the meeting; the decision of the meeting must be made by a majority vote; if there is a tie of votes, the Chairman can have a casting vote.
8. 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.
9. 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.
10. Arrange for disclosure of correct, clear, transparent, reliable and high standard information.
11. Arrange for a preparation of statements of financial position and income statements as at the ending date of the accounting year of the Company and the Board of Directors must arrange for an audit by the auditor before to be presented to the annual ordinary meeting of shareholders for approval.
12. Arrange for a report on important financial and general information to the shareholders in a correct, complete and sufficient manner; and confirm the verification of information reported.

13. 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.
14. The Board of Directors must review the adequacy and appropriateness of the Company's internal control system and risk management procedures.
15. The Board of Directors must ensure that the Company's operation receive sufficient audition from the internal Auditor and external Certified Accountant.
16. The Board of Directors has the duty to propose remuneration for directors to be approved by the Annual Ordinary General Meeting of Shareholders.
17. The Board of Directors has the duty to evaluate the performance of Executive Management and set out remuneration in accordance with their performance.
18. The Company's directors have a duty to participate in a meeting of shareholders at all times, and shareholders can inquire the Chairman of the Board and the auditors of the Company on the issues involved.

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 Board of Director passed a resolution to appoint Miss. Jantamat Hankimhunt to hold secretary office according to the meeting resolution of Board of Directors no.4/2014 on 13 November, 2014, has acted as the Company Secretary since December 17, 2014 to oversee Board activities and assist the Board and the Company in complying with related laws and regulations and in promoting good corporate governance, to oversee the organization of shareholders and Board meetings in conformity with laws and the Company's Articles of Association and procedures, and to oversee the preparation and storage of meeting support documents and follow up to ensure compliance with the shareholders' and Board resolutions. The Company has defined the Secretary's role, duties and responsibilities in the Corporate Governance Policy Manual, as it envisions the importance and necessity of secretary role in the development of its corporate governance system. The Secretary can be reached at Jantamat@rockgarden.co.th , investor@rockgarden.co.th or phone number 02-934-7171 ext. 216



Required Qualifications and Experience for Company Secretary

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

Company Secretary's scope of duties and responsibilities:

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

B) The Executive Committee

The Executive Committee comprises the following 3 executive members:

No.	Executive Members	Position
1.	Mr. Virat Chinrapinporn	Chief Executive Officer
2.	Mrs. Naowanit Silaprarat	Director and Managing Director
3.	Mr.Phisitsak Premprichayan	Department Head of Corporate Accounting
Mr.Phisitsak Premprichaya is the Department Head of Corporate Accounting until 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 Independent and audit Committee

The Independent and 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
Mr. Phisitsak Premprichayan is the Department Head of Corporate Accounting, is the Secretary to the Audit Committee until 13 November 2014.		

The total number of Independent and audit Committee Meetings and the number of Committee Meetings each Member of the Committee attended during the years 2018 and 2019

No.	Board Members	2018	2019
		Number of Meetings attended / total number	Number of Meetings attended / total number
1.	Mr. Surapol Satimanont	4 / 4	3 / 4
2.	Mr. Wanchai Mekasut	4 / 4	4 / 4
3.	Mr. Preecha Jenthanavijit	4 / 4	4 / 4



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.

Scope of Authority and Responsibilities of the Independent and 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 the company's Directors , Audit , Independent

A) The Company's 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.

Criteria the appointment the Company's Directors

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



quarters of the number of Directors remaining, unless the remaining term of the said director is less than two months. The substitute director shall hold the position only for the remaining term of the director he replaces.

6. A resolution may be passed at the shareholders' meeting to remove directors from office prior to retirement by rotation, by a vote not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half the number shares held by shareholders attending the meeting and having the right to vote.
7. According to Item 18 of the Regulation of the company, it is stated that in every Annual General Meeting of shareholders, one-third of the directors should be released from the post. If the number of the directors could not be equally divided into three parts, the number of directors left the post would be the nearest figure of one-third. For the first year and the second year after the registration of the company, directors would be released from the post by a luck draw. After that, directors with the longest period on the post shall be released from the post and such directors may be re-elected to the office.

Qualifications the Company's Directors

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

B) The Independent and 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 and Audit Committee Director

- 1) Appointed by the Board of Directors or the shareholders of the Company to be the Audit Committee members and be independent directors.
- 2) Hold shares of not more than 1 percent of the voting shares of the Company, subsidiary companies, associated companies, or any juristic persons with potential conflict, including the shares held by related persons of such independent director and audit committee director.
- 3) Must not be nor have ever been a director with participation in management, a hired worker, an employee, an advisor with fixed salary, or a person with control over the Company, subsidiary companies, associated companies, or juristic persons with potential conflict, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director and audit committee director.
- 4) Must not be a person related by blood or by legal registration as father, mother, spouse, sibling, and offspring, including spouse of offspring of an executive or major shareholder, controlling person, or a person who will be nominated as executive or controlling person of the Company or subsidiary companies.
- 5) Must not have nor have ever had any business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts to the extent that may obstruct the using of his/her independent discretion, and is not nor ever have been a major shareholder, a non-independent director and audit committee director or an executive of those with business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, unless having been relieved from such title for not less than 2 years before the date of filing an application with the Office of the Securities and Exchange Commission.
- 6) Must not be nor have ever been an auditor of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, and is not a major shareholder, a non-independent director and audit committee director, an executive, or a managing partner of the audit firm where the auditors of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts are working for, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director and audit committee director.
- 7) Must not be nor have ever been a provider of any professional service, including a legal consultant or financial consultant, with remuneration in excess of Baht2 million per annum from the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts. Where the provider of professional service is a juristic person, it shall include the major shareholders, non-independent director and audit committee director, executives, or managing partners of such



professional service provider, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director and audit committee director.

- 8) Must not be a director appointed as the representative of the Company directors, major shareholders, or any shareholders who are connected persons of the major shareholders of the Company.
- 9) Must not possess any other characteristics that will prevent the independent expression of opinions in respect of the operations of the Company.
- 10) The Independent Director and Audit Committee Director who are qualified according to 1 - 9 may be assigned by the Board of Directors to make decision on the operations of the Company, the operations of the subsidiaries, associated companies or juristic entities which may have a conflict. The decision could be made in the form of panel.

Setting up remuneration

A) Remunerations of the Company's Directors and Audit Committee Director

The Company attaches importance to good corporate governance system, it therefore 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 Company's Directors and Audit Committee in 2019 to be no greater than 1.5 million Baht, to be same the 2018. The Remuneration has determined from the remuneration generally paid in the same industry and expansion of the business.

The directors' remunerations and Audit Committee have not been set by the Remuneration Committee since the company has not had the Remuneration Committee. The Remuneration Committee were approved by the Board of Directors.

The remuneration of Directors and Audit Committee must be approved by the shareholders at all times. The shareholders' meeting approved by at least two-third of the number of shareholders present and vote at the meeting.

Remunerations of the Company's Directors

Board Members	Positions	Remunerations (Baht per year)	
		2018	2019
Mr. Virat Chinprapinporn	Chairman of the Board	75,000	60,000
Mr. Surapol Satimanont	Director / Independent and Chairman of Audit Committee	75,000	45,000
Mr. Wanchai Mekasut	Director / Independent and Audit Committee	75,000	60,000
Mr. Preecha Jenthanavijit	Director / Independent and Audit Committee	75,000	60,000
Mrs. Naowanit Silaprarat	Director and Managing Director	75,000	45,000
Mrs. Naowarat Suthamjariya	Director	75,000	60,000

Remunerations of Audit Committee Director

Board Members	Positions	Remunerations (Baht per year)	
		2018	2019
Mr. Surapol Satimanont	Director / Independent and Chairman of Audit Committee	60,000	45,000
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 of company and the Members of the Audit Committee were paid 15,000 Baht for every meeting they attended.

B) 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.

C) 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.



Self-Assessment of the Board

An self-assessment process has implemented for the Board of Directors. The assessment evaluates the performance of the Board of Directors, which enables to review the problems and obstacles encountered along with the progress made in the past year. Reflection of the review is used as reference and guideline for developing and modifying strategies and policies for the coming year.

In 2019, the Company arranged for all the directors to conduct 2 topics performance assessments, as follows:-

- 1) Self Assessment for the board of directors as a whole
- 2) Self Assessment of the board of directors and of committee members on an individual basis

Assessment Process and Criteria

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

<u>Scores</u>	<u>Grade</u>
Over 90%	Excellent
Over 80%	Very good
Over 70%	Good
Over 60%	Fair
Below 60%	Improvement needed

Assessment results of each committee can be summarized as follows:-

- 1) Self Assessment for the board of directors as a whole, consisting of 6 sections, namely:-
 1. Board structure and qualifications
 2. Roles, duties and responsibilities of the board
 3. The board meeting
 4. Duties of directors
 5. Relationship with management
 6. Director's self improvement and management training

The summary of self assessment for the board of directors as a whole in 6 topics showed that most activities were good / the best appropriately. The average point at the excellent level, equivalent to 93.18%

- 2) Self Assessment of the board of directors and of committee members on an individual basis, consisting of 3 sections, namely:-
 1. Board structure and qualifications
 2. The board meeting
 3. Roles, duties and responsibilities of the board

The summary of self assessment of the board of directors and of committee members on an individual basis in 3 topics showed that most activities were the best /the best appropriately. The average point at the excellent level, equivalent to 97.62%

Procedure

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

Board Board Meetings

The Board of Directors has set a guideline for holding at least 6 meetings annually and calls for an extraordinary meeting when necessary. All members of the Board are required to attend meetings except in cases of emergency. The Chairperson and the Managing Director are responsible for determining the appropriate agendas and its sequence while allowing other Board Members to submit other agendas for consideration. The agenda of each Board meeting is clear and the Company sends agendas and related documents to the Board seven days prior to the meeting date so that Board members have sufficient time to study the issues beforehand. Additional information on each agenda can be sought from the Company's Secretariat.

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

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



Profile of Executive Directors and Management Team

Name - Last name : Mr. Virat Chinprapinorn

Age : 60 Years

Position : Director / Chairman of the board / Authorized signatory

% of Shareholding : 21.01 %

Relationship : Husband of Mrs.Naowanit Silaparat

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 : 13

Working Experience :

2016 – Present	Director	Phukao Huachang Pang-nga Co.,Ltd.
2016 – Present	Director	N.V. Real Estate Co.,Ltd.
2011 – Present	Director	Nicena Propety 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	Chairman of the board & 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	Chairman of the board & Chief Executive Office	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 : 59 Years
Position : Director / Independent / Chairman of Audit Committee
% of Shareholding : 0.80 %
Relationship : No
Education :



- MA. (Business) Webster University, U.S.A
- LL.M. , Howard University ,U.S.A
- LL.M. , Southern Methodist University , U.S.A
- LL.B. Ramkhamhaeng University
- Director Certification Program DAP and 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 : 4

Working Experience :

2018 – Present	Director / Audit Committee	J S S R Company Limited
2018 – Present	Chairman of the board	S & Manon Company Limited.
2017 – Feb.2020	Director / Chairman of Audit Committee	Hybrid Energy Company Limited.
2015 - Present	Director / Audit Committee	Sumitomo Mitsui Trust Bank (Thai) Public Company Limited
2015 - Present	Director	Amethyst Asia Focused Fund
2007 - Present	Vice chairman / Chairman of Audit Committee	2S Metal Public Company Limited
2005 – Present	Director / Chairman of Audit Committee	Baan Rock Garden Public Company Limited
2002 – Present	Director / Audit Committee	Ratchthani Leasing Public Company Limited



Name - Last name : Mr. Wanchai Mekasut
Age : 65 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	Director / 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 : 58 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 : No

Working Experience :

2011 – Present	Audit Committee Baan Rock Garden PLC.
2005 – Present	Director Baan Rock Garden PLC.



Name - Last name : Mrs. Naowanij Sillaprarat

Age : 59 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 :

2019 – Present	Director	Baan Suan Cheng Doi Co.,Ltd.
2007 – Present	Director	Yamu Property Development Co.,Ltd
1991 – Present	Director	Rock garden Beach Co.,Ltd
1991 – Present	Director	Kuylin Pang-nga Co.,Ltd
1990 – Present	Director / 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	Chuchee Northern Group Co.,Ltd
1989 – Present	Director	CS Real Estate Co.,Ltd
1988 – Present	Director	Chuchee Housing Land Co.,Ltd
1987 – Present	Director	Rock Garden Group Co.,Ltd

Name - Last name : Mrs. Naowarat Suthamjariya

Age : 58 Years

Position : Director / Authorized signatory

% of Shareholding : 7.96%

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 : 2

Working Experience :

1990 – Present	Director	Baan Rock Garden PLC.
1990 – Present	Director	C & CN Group Co.,Ltd
1987 – Present	Director	Rock Garden Group Co.,Ltd.



Name - Last name : Mr.Phisitsak Premprichayan

Age : 44 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 : 58 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 : 52 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

The Company's Securities And Shareholders

1. Ordinary Shares

	2016	2017	2018	2019
Authorized capital				
● Value (Baht)	1,231,099,916	1,231,099,916	1,231,099,916	1,231,099,916
● No. of Share (Shares)	1,231,099,916	1,231,099,916	1,231,099,916	1,231,099,916
Paid-up capital				
● Value (Baht)	1,024,999,930	1,024,999,930	1,025,000,181	1,025,000,181
● No. of Share (Shares)	1,024,999,930	1,024,999,930	1,025,000,181	1,025,000,181
- Par value (Baht / Shares)	1.00	1.00	1.00	1.00

* On 11 April 2013 The company has registered the capital increase with the Ministry of Commerce 1,025,000,000 Baht (1,025,000,000 ordinary shares at 1.00 baht par) from the amount of 1,000,000,000 Baht to of 1,025,000,000 Baht or increase of 25,000,000 Baht to support the payment of dividend by allocating shares to shareholders whom have name on book closing date of the transfer of shares entitled to participate at the AGM 1/2013 and the right to receive dividends on 7 March 2013 and to collect a list under section 225 of the Securities and Exchange Act. Payable by the Register of Shareholders on 8 March 2013.

* On 7 May 2013 The company has registered the paid-up capital increase with the Ministry of Commerce 1,024,999,930 Baht (1,024,999,930 ordinary shares at 1.00 baht par) from the amount of 1,000,000,000 Baht to of 1,024,999,930 Baht or increase of 24,999,930 Baht. As a result of the payment of dividend by allocating shares to shareholders whom have name on book closing date of the transfer of shares entitled to participate at the AGM 1/2013 and the right to receive dividends on 7 March 2013 and to collect a list under section 225 of the Securities and Exchange Act. Payable by the Register of Shareholders on 8 March 2013.

* On 8 April 2015 The company has registered the capital decrease with the Ministry of Commerce 1,024,999,930 Baht (1,024,999,930 ordinary shares at 1.00 baht par) from the amount of 1,025,000,000 Baht to of 1,024,999,930 Baht or decrease of 70 Baht by cancelling 70 authorized but unissued shares at the par value of Baht 1 per share to support the issuance and allocation of BROCK-W1 Warrants in the number of up to 204,999,986 units to be allocated to the existing shareholders of the Company pro rata to their respective shareholding (Rights Offering). The Company therefore is required to increase the registered capital of the Company to accommodate the exercise of BROCK-W1 Warrants and to comply with Section 136 of the Pubic Company Limited Act B.E. 2535 (1992) (as amended), the Company would be required to decrease its registered capital of the Company.

* On 9 April 2015 The company has registered the capital increase with the Ministry of Commerce 1,229,999,916 Baht (1,229,999,916 ordinary shares at 1.00 baht par) from the amount of 1,024,999,930 Baht to of 1,229,999,916 Baht or increase of 204,999,986 Baht to support the issuance and allocation of BROCK-W1 Warrants in the number of up to 204,999,986 units to be allocated to the existing shareholders of the Company pro rata to their respective shareholding (Rights Offering).



* On 25 April 2016 The company has registered the capital increase with the Ministry of Commerce 1,231,099,916 Baht (1,231,099,916 ordinary shares at 1.00 baht par) from the amount of 1,229,999,916 Baht to of 1,231,099,916 Baht or increase of 1,100,000 Baht to support the adjustment of the dividend exceeds that specified in the Terms and Conditions of the BROCK-W1 Warrants with a par value of 1.00 baht per share.

* On 11 June 2018 The company has registered the paid-up capital increase with the Ministry of Commerce 1,025,000,181 Baht (1,025,000,181 ordinary shares at 1.00 baht par) from the amount of 1,025,999,930 Baht to of 1,025,000,181 Baht or increase of 251 Baht. As a result of the exercise to purchase the newly issued ordinary shares of Baan Rock Garden Public Company Limited according the last warrants (BROCK-W1) on 1 June 2018, amounting to 250 units, by converted into 251 ordinary shares with a par value of 1.00 baht per share. Exercise ratio of BROCK-W1 warrants 1 unit has the right to purchase new ordinary 1.0052 shares. The exercise price is 3.48 baht per 1 share and has started trading on the SET on 19 June 2018.

2. Shareholders

Major Shareholders

As of 31 December 2019, the company's registered capital totaled 1,231,099,916 Baht (1,231,099,916 ordinary shares at 1.00 Baht par) while the paid-up capital totaled 1,025,000,181 Baht (1,025,000,181 ordinary shares at 1.00 Baht par) The book closing date on 4 March 2019, 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	21.012%
2	Mr.Sompong Chonkadeedamrongkul	125,355,900	12.230%
3	Mrs.Nongnoi Silaparat	118,467,091	11.558%
4	Mrs.Naowanij Silaparat	83,719,950	8.168%
5	Mrs.Naowaratlalit Kasetsuwan	82,972,293	8.095%
6	Ms.Naowaruji Brennan	81,800,000	7.980%
7	Ms.Naowarat Suthamjariya	78,882,000	7.696%
8	Mrs.Naowanart Jamornmarn	57,379,893	5.598%
9	Ms.Pongpat Chonkadeedamrongkul	17,145,900	1.673%
10	Ms.Nantaya Chonkadeedamrongkul	17,108,300	1.669%
Total holding shares		878,202,379	85.678%
Total all stock		1,025,000,181	

3. Other Securities

3.1 Warrnats

(A) The warrants to purchase the newly issued ordinary shares of the Company No.1 (BROCK-W1), Issued to the existing shareholders of the Company pro rata to their respective shareholding (Rights Offering), at no cost

**The Company issued and allocated the Warrants to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 5 existing shares for 1 unit of Warrants, pursuant to the resolutions of the Annual General Meeting of Shareholders No. 1/2015, held on 2 April 2015, details of which are set out as follows:

Name of securities	:	Warrants to Purchase the Newly Issued Ordinary Shares.
Securities Issuer	:	Baan Rock Garden Public Company Limited.
Warrant trading symbol	:	BROCK-W1
Secondary market	:	The Stock Exchange of Thailand "SET"
Trading date	:	16 June 2015
Number of listed warrant	:	204,969,911
(unit : warrant)		
Exercise ratio	:	1 unit of Warrants shall be entitled to purchase 1 newly issued ordinary share
Exercise price	:	Baht 3.50 per share
Term of Warrants	:	3 years from the issuance date. The Company shall not extend the term of the Warrants after the issuance.
Exercise date	:	The last business day of March , June , September , December after the issuance date.
Issuance date	:	2 June 2015
Expiration date	:	1 June 2018
Price per unit	:	Baht 0 (at no cost)
The first Exercise Date	:	30 September 2015
The last Exercise Date	:	1 June 2018

** The Board of Directors' Meeting No.1/2016, held on February 18, 2016. The Board of Directors for Baan Rock Garden Public Company Limited had approve for year 2015 dividend payment at 0.02 Baht per share. The dividend will be paid to the shareholders whose names appearing in the Company's Shareholders Registration Book as of the date on which such Shareholders Registration Book is to be closed for suspension of share transfer in order to determine the shareholders entitled to dividend. The dividend payment exceeds that specified in the Terms and Conditions of BROCK-W1 warrants according to Clause 5 (e), Cause of the Company shall adjustment of rights the new exercise price and new exercise ratio as follows:

Exercise Price	:	Before	3.50	Baht per Share.
		After	3.48	Baht per Share.



Exercise Ratio	:	Before	1 unit of Warrants shall be entitled to purchase 1 newly issued ordinary share.
		After	1 unit of Warrants shall be entitled to purchase 1.0052 newly issued ordinary share.

With become effective immediately from the first day on which the purchases of the Company's ordinary shares shall not be entitled to receive such dividend distribution (the first day on which the SET posts XD sign) is 1 March 2016.

Report on the Result of the Exercise of Rights to Purchase Ordinary Shares of Baan Rock Garden Public Company Limited under the Warrants BROCK-W1

** In September 2015, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In December 2015, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In March 2016, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In June 2016, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In September 2016, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In December 2016, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In March 2017, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In June 2017, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In September 2017, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In December 2017, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** In March 2018, no warrant was exercised, leaving the outstanding number at 204,969,911 units.

** On 1 June 2018 (The Last Exercise Date), have exercised 2 persons, number of exercised 250 units, leaving the outstanding number at 204,969,661 units.

Period	Warrant Exercise (Unit)	Outstanding (Unit)
September 2015	0	204,969,911
December 2015	0	204,969,911
March 2016	0	204,969,911
June 2016	0	204,969,911
September 2016	0	204,969,911
December 2016	0	204,969,911
March 2017	0	204,969,911
June 2017	0	204,969,911
September 2017	0	204,969,911
December 2017	0	204,969,911
March 2018	0	204,969,911
1 June 2018 (The Last Exercise Date)	250	204,969,661

4. Policy on dividend payment

The Company had a policy to payment of annual dividend to the rate of not less than 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.

Comparison of the dividend rate of the proposed year and previous year

Details of dividend payment	ปี 2017 (proposed year 2018)	ปี 2018 (proposed year 2019)	ปี 2019 (proposed year 2020)
1. Retained Earnings to Unappropriated (Baht)	149,832,049.62	166,657,376.01	161,482,602.53
2. Net profit (Baht)	3,475,048.05	18,136,226.39	16,224,228.70
3. Total number of shares eligible for the annual dividend (Shares)	1,024,999,930	1,025,000,181	1,025,000,181
4. Annual dividend paid per share (Baht: Share)	-	0.02	0.02
5. Total dividends (Baht)	-	20,500,003.62	20,500,003.62
6. Benefits to other forms	-	-	-
7. Proportion of dividend to net profit	-	113.03%	113.03%
8. Proportion of retained earnings to unappropriated	-	12.30%	12.30%



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

Ban Rock Garden Public Company Limited has sent a representative of the company to provide financial support to a number to the Wang Thong Lang Police Station to bring as prizes and gifts to children at the Children's Day Fair which is regularly held every year.

And the company has cooperated with the Subdistrict Administration Organization Srisajorrakhenoi, donated bicycles for children to participate as prizes and gifts in Children's Day, Which the Subdistrict Administration Organization Srisajorrakhenoi has established.

In addition, the company also joined with Nong Chok District Office Make billboards about land and buildings tax in 2019 in order to publicize and campaign for the general public.

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.



And the company also promotes knowledge and virtue for children With the belief that all religions teach good people, with giving financial support to Imarut Toadin School As expenses for the activities of mosques and schools.



Environment

Baan Rock Garden PCL, has activities to benefit the society and the environment at Baan Pong Krai Community Moo 5 Baan Pong Krai Pong Yaeng, Mae Rim, Chiang Mai. It is a place to Vanda Coerulea conservation, the native plant species in the Baan Pong Krai community. The company cooperates with community leaders and community members, release Vanda Coerulea return to the forest. The company aims to raise awareness of the conservation of the native plant species of the community, and understand the benefits of conservation of the native plants species, as well as the campaign and promote or disseminate 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.

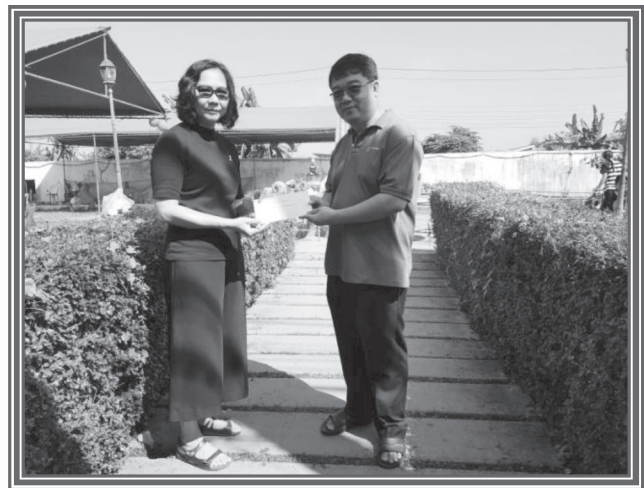


- **Energy Saving and Resource Reservation Campaign**

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, Association of Persons with Physical Disability International etc. In addition the Company also participating in children's day event of the village Rock Garden Airport Phase 1, which has set up a legal entity village already.



Corporate Governance Policy

Baan Rock Garden Public Company Limited provides priority that good corporate governance is the major factor that enables the organization to have efficient operation and supports sustainable growth. The Board of Directors set out the “Corporate Governance Policy Handbook”, therefore, was drafted by Corporate Governance Committee which guided by the SET CG principle, and approved by the Board of Directors on 18 February 2016.

This policy was set in accordance with the SET CG principle which is divided into 5 categories;

Section 1 Rights of shareholders

The Board of Directors recognizes the right of shareholders own the company, controlling it by appointing the board of directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. Therefore, the Board of Directors encourage shareholders to exercise their rights as basic shareholder rights include the right to 1) buy, sell, or transfer shares 2) share in the profit of the company 3) obtain relevant and adequate information on the company in a timely manner and on a regular basis. And Shareholders should be fully informed of the criteria and procedures governing shareholder meetings. Sufficient information regarding the issues to be decided in each agenda item should be provided in advance of the meeting. Shareholders should be able to query directors both in the meeting and by sending their questions in advance. They should also be allowed to propose agenda items and vote by proxy. Other than, The board of directors recognize shareholders rights and avoid any action that violates those rights. The guidelines are as follows:

- 1) The Company has appointed Thailand Securities Depository Co., Ltd. to perform the duty as its securities registrar to provide convenience to shareholders regarding securities registration matters of the Company.
- 2) The Company define publicly disclose policies to encourage all shareholders, including institutional ones, to attend the company’s shareholders meeting.
- 3) The Company has to hold an AGM within four months of the end of its accounting period. And The Company may call for an EGM if, after an AGM has been held, there is another matter that requires the shareholders approval.
- 4) Notice of AGM The Company details on the agenda in its entirety. As follows:
 - 4.1) To consider and appoint of directors was listed full name, age, educational background, career history, a director of the company. Including attendance in recent years and the number of years that he served as the director of the company.
 - 4.2) To consider and appoint of auditors was listed named auditor, affiliated companies, licensed auditor and the services of an auditor. Clearly
 - 4.3) To consider of dividend payment has informed the company's dividend policy. The rate proposed dividend With reasons and supporting information.
 - 4.4) In the Notice of AGM was listed objectives and reasons of each agenda, include Board of Directors’ opinion on each agenda item. Clearly



- 5) On the meeting date, the Company would have registration officers ready 2 hours before the meeting and until the end of the meeting to provide convenience to shareholders and proxies who attend the meeting. In addition, there has been an application of registration for the Annual General Meeting and voting results display beginning from the preparation of information for the members attending the meeting, printing of voting ballots and compiling of voting results according to the agendas and minutes of the meeting to facilitate the shareholders' meeting.

Before the meeting begins, the chairman would inform the meeting clearly of the voting and vote counting procedures for each agenda under the articles of association, as well as the requirement that the voting ballots be used for every agenda in order for the shareholders to exercise their voting rights as may be deemed appropriate for each agenda.

Explanation on voting procedures and vote counting are as follows :

- 5.1) One share shall be counted one vote and the majority of votes shall be deemed resolution. In case of an equality of votes, the Chairman shall be entitled to a casting vote distinguishing from that he has in the capacity of shareholder.
- 5.2) Shareholders attending the Meeting in person can cast votes as they wish on the ballots handed to them at the time of registration. The proxy appointed by the shareholder can also cast votes as directed by the grantor specified in the Proxy Form, and deliver to the staff to be recorded together with the votes that the shareholders have in advance given proxy to the independent directors proposed by Company.
- 5.3) The chairman will inform the Meeting of all voting results in each agenda. The votes as counted will include all votes per directions of all shareholders that appointed proxies. Each agenda will use the latest number of shares under possession of shareholders present in the Meeting.

For the selection of directors, the vote would be cast individually to enable shareholders to elect the preferred directors, whereby the Company would nominate names to be voted one by one. For transparency of this agenda, every shareholder who either votes for, against or abstains, was required to vote by using ballots, which would be collected by the officers after all the votes have been cast. Each director who is elected must receive more than half of the entire votes cast by shareholders who attend the meeting and have the right to vote.

The Company attendees would also be given an opportunity to raise questions or to give opinions with reasonable time for discussion. The issues of the questions and answers would be recorded in the minutes of the meeting in order to inform the shareholders who had not attended the meeting, and the chairman would conduct the meeting according to the agendas and would not add any agenda without notifying the shareholders in advance.

In the meeting, the Chairman explained before the meeting began how to vote and how to count the votes, as well as the requirement to use voting ballots for every agenda. The chairman also asked for concurring opinion that for those who attended the meeting later, they would be considered as forming a quorum and given voting rights from the beginning agenda. To proceed with the meeting, the Chairman presented matters in the order of agendas and gave time for questions of each agenda. For other matters apart from the agendas, there was question time in the latter part, of which every shareholder had equal rights and was given reasonable time.

- 6) The meeting of shareholders will be facilitated by the Company, ensuring that it does not contain any complicated procedure or limit the opportunity of those who wish to study the information of the Company. In addition, the Company shall not perform in any way that creates barriers to or hinders effective communication among shareholders. The Company shall take into account the convenience of the participants by not organizing the meeting on traditional holidays or holidays of commercial banks. Also, it shall conduct the meeting during appropriate period, that is, during 8.30 - 17.00 hours and the venue to be which is in the area of Bangkok.
- 7) The Company had disclosed the resolutions of the ordinary shareholders' meeting with result of the vote in a letter to the Director and Manager of the Stock Exchange of Thailand and on the Company's website (www.rockgarden.co.th) within 1 day after completion of the meeting, as well as the minute of the meeting with the votes for each agenda and important questions or suggestions fully recorded. The minutes of the meeting had been forwarded to the Stock Exchange of Thailand (SET), the SET's Board of Governors and relevant agencies within 14 days from the date of the meeting, and also disseminated via the Company's website for distribution to interest shareholders.
- 8) In order for the shareholders to review meeting details within a reasonable time and to ensure equality for both Thai and foreign shareholders concerning access to the information, the Company has implemented a policy on distributing minutes of the shareholders' meeting in a comprehensive manner. Each agenda contains important information as follows:
 - 8.1) Recorded explained the voting procedure. Prompted by way of voting and vote counting. The ballot includes how to display the score to shareholders prior to the meeting.
 - 8.2) Recorded questions answers to opportunity for shareholders to ask questions. Or offer comments on the agenda of the meeting to allow shareholders who did not attend the meeting to get to know.
 - 8.3) Recorded resolved to approve meeting, and recorded number of votes in each agenda clearly. Include agree, disagree , abstaining and bad card votes on every agenda.
 - 8.4) Recorded the name and position of director attendance and the directors did not attendance in order to monitor the participation of directors in meetings of shareholders each.

The Company published resolved to approve meeting of shareholders on the news system of the SET and the company's website (www.rockgarden.co.th) within the next business day, and the company published minute of AGM of Shareholders complete on the company's website (www.rockgarden.co.th) within 14 day since of the AGM. Shareholders can review the data without having to wait until the next meeting.
- 9) The Company requires all directors have a duty to participate in a meeting of shareholders at all times, and shareholders can inquire the Chairman of the Board and the auditors of the Company on the issues involved.
- 10) The Company has disclosed business-related information on the news system of the Stock Exchange of Thailand while also posting important information and current updates on its website (www.rockgarden.co.th). Such an effort is considered the protection of shareholders' rights beyond their legal rights.



- 11) The Company has been considered remuneration's directors by taking into account the remuneration of similar groups of industry and expansion of the business. The Company has also proposed all forms of remuneration, i.e., monthly allowance, gratuity and meeting allowance, which will be proposed to the shareholders for approval at every annual ordinary shareholder's meeting. Neither cash nor other assets will be offered to the directors unless it is the remuneration as per the rights and entitlements on a normal basis for the position as directors of the Company (For details, see "Remuneration for Directors and Executives"). The remuneration payment shall be in accordance with the Public Limited Companies Act, Section 90, which stipulates that "the remuneration payment to directors must be in accordance with the resolutions of the general meeting of shareholders that consists of not less than two-third of the total votes of the shareholders present at the meeting. The Company has publicized such a policy on its website (www.supalai.com) for the acknowledgement of both shareholders and the general public.
- 12) The Company has set out agendas for the appointment of auditors and determination of audit fees for shareholders to approve at the general meeting of shareholders on an annual basis. Details on the proposed auditors and audit fees will be provided sufficiently to shareholders for consideration.

Section 2 Equitable Treatment of Shareholders

The Company has complied with shareholders equally by placing emphasis on equality of both major and small shareholders, and attaching importance to their fundamental rights and encouraging them to exercise their rights as given by law. Information is provided completely and equally to make the shareholders feel confident in making investments. Though shareholders are unable to attend the meeting because of any inconvenience, they are entitled to appoint a proxy to attend the meeting. For such purposes, the Company has publicized guidelines on the website of the Company (www.rockgarden.co.th) to inform the shareholders and the general public.

- 1) The Company facilitates the shareholders who are foreigners, the Company has prepared all relevant documents in two languages i.e. English and Thai for Thai and foreign shareholders such as in Thailand and overseas, such as the notice of the meeting, proxy instrument, minutes of the meeting, annual report etc., and developed the Company's website (www.rockgarden.co.th) in two languages.
- 2) The Company has set out criteria in proposing agenda and nomination of persons for appointment as directors. This is to encourage small shareholders to participate in overseeing the Company and to select qualified directors, who can perform their duties effectively for the best interests of shareholders and all groups of stakeholders. The Company has published the criteria on both its www.rockgarden.co.th website under heading "Investor Relation" (<http://www.rockgarden.co.th/investor.html>) and that of the Stock Exchange of Thailand in order for shareholders to nominate persons to be elected as directors, propose agendas and inquire about the Company.
- 3) 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 02-9347171 ext. 216 in advance 14 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.

- 4) 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 21 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 invitation letter to shareholders detailing its entirety, with the date, time, venue and all agenda items, with assign objective reasons and the Board of Directors on each agenda clearly.

In order to provide shareholders have been informed of the matter to be considered at the meeting and factors to be considered in deciding to attend. The shareholders have been informed decision prior to the meeting. The company avoid adding any other, which will be voted on at the meeting, that is not predefined in the AGM, this constitutes unfair to shareholders who did not attend the meeting.

- 5) 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.
- 6) 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.
- 7) 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.
- 8) Directors and executives are required to submit the list of their first securities holding and report on changes of securities holding including those of their spouses and minor children, as well as related persons. The submission and report shall be conducted in accordance with Section 59 of the Securities and Exchange Act 1992 (B.E. 2535) within 3 working days from the date of buying, selling, transferring or receiving the transfer of the securities. The directors and executives are also prohibited from buying and selling of the Company's securities during the period of one month prior to disclosure of financial statements to the public.



- 9) The Company determines directors and executives report on the change of securities holding to the Securities and Exchange Commission Thailand and submit the copy of the report to the Company on the same day they submit the report to the Securities and Exchange Commission Thailand.
- 10) The Company determines directors and executives know essential inside information that has influence on securities price must not buy or sell the Company's securities for one month prior to the disclosure of financial statement to the public and they shall not disclose such essential information to other people.
- 11) The directors, executives and employees shall not use inside information of the Company or business trading partners of the Company, that they know from performing duties, to purchase or sell or offer to purchase or sell. They shall not persuade others to purchase or sell or offer to purchase or sell securities of the Company or those of the Company's trading partners for personal gains or for the gains of others. In addition, they shall not engage in any business that competes with the Company as well as its related businesses even though their businesses do not cause the Company to lose benefits.

Section 3 Role of stakeholders

The Company attaches importance to the rights of every group of stakeholders, both internal and external such as shareholders, employees, trading partners, competitors, government agencies including the responsibilities toward the society and the environment. The Company has also set the Code of Conduct as ethical guidelines for business operations by taking into consideration the principle of fairness, human rights, legal respect, intellectual property rights.

1) Human Rights Principles

The Company regards human rights principle as common practice by taking into consideration human dignity, freedom and equality of individuals, and shall not do any act and nor encourage the violation of human rights. The Company shall not be involved with any agency, organization or individual that violates human rights in every case. The Company has provided a better understanding of human rights to employees in performing their duties, and has not supported any activity that violates human rights and all employees shall not do any act in the manner of sexual harassment, flirting, possessing pornographic pictures, using sexual language or touching the employees of the Company or outsiders who contact the Company.

The Company recognizes the importance of human rights and freedoms with non-discrimination by promoting equality of disadvantaged and disabled people, as well as the impartiality of opportunity between women and men. There is neither gender and racist discrimination, and there is no child labors in the Company.

2) Principle of Law Compliance

The Company recognizes the importance of law, and applies laws along with morality, ethics and integrity and business operations must be under the regulatory laws, therefore, there shall be no fraud or illegal act or making use of the gap of laws in its operation.

3) Intellectual Property

The Company shall not install and use unlicensed computer software in the Company, shall not demand, accept or use business information acquired illegally or immorally, and shall not to infringe the copyrights, patents and trademarks of others.

4) Role of Stakeholders

The Company divides stakeholders into groups which are shareholders, customers, employees, trading partners, competitors, communities, the society, environment, and related government agencies. The Company has realized that the supports from these stakeholders help to enhance its competitiveness and profitability which are instrumental in its long-term success.

4.1) Shareholders

The Company places emphasis on the quality and sustainable business growth. Thus, it has conducted business with integrity, transparency, aiming to provide good services for customers' satisfaction, which will result in value adding and maximum returns to its shareholders in the long run. The Company complies with a policy on equal treatment of both major and small shareholders by respecting their rights, and treat all of them equally, while operating business with honesty, integrity and transparency, while disclosing information to shareholders appropriately, completely with standards under legal framework, ethical principles and good corporate governance practice.

4.2) Customers

The Company has committed to comply with the policy on treatment of customers, with such policy in order to focus on the development of customer's satisfaction and confidence and is committed to treat customers with integrity, honesty and fairness on the basis of a fair return to both parties, while delivering a quality product at a fair price. The Company also controls and ensures that its product has the quality that is up to the standards and requirements of the Consumer Protection Act or other relevant laws, and also provides effective after-sales service to the customers.

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.

4.3) Employees

The Company is fully aware that employees at all levels are valuable resource of the Company, which is a factor for success and achievement of the goals of the Company. Accordingly, it shall provide care and fair treatment in terms of opportunity, returns, appointment, transfer and trainings for the employees as well as encouraging them to show their potential in order to be part of a sustainable development of the organization.



The Company is well aware of the importance of all employees regardless of which section or department they are working in without any discrimination, and focuses on creating a good working environment, safety, with appropriate remuneration for their work. Such remuneration has been considered to be paid at similar rates of the same group of industry and according to the operational results of the Company, and the Company is fully aware that employees are valuable assets. Therefore, it always emphasizes development of knowledge and ability for all employees in order for them to grow sustainably along with the organization.

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.

4.4) For Trading Partners

The Company has committed to comply with the policy on Treatment of Trading Partners, it has the policy to treat its contractors, trading partners, vendors equally with fairness, by taking into account the best interests of the Company, while focusing on fair returns to both parties by avoiding situations that cause a conflict of interest. It shall also comply with contractual obligations by providing accurate information and correct reports. Any negotiation to solve problems and find solutions shall be based on the business relationship. The Company has supported the construction contractors on a continual basis to boost the morale and to encourage them to create quality work products.

4.5) Competitors

The Company's the business operations shall be conducted under the free and fair competition framework and shall not seek trade secret of the competitors by fraudulent, dishonest, inappropriate, immoral or illegal acts, regarding its competitors, the Company shall not do any act to cause damage to the reputation of the competitors by accusing, defaming or using any tactics without grounds; and shall not do any act to violate intellectual property rights and copyrighted works of others or competitors; and shall not conduct monopoly with its trading partners or suppliers. The Company has never had any dispute regarding trading competitors.

4.6) Community, Society, Environment

The Company has committed to operate business while giving back to the society on a regular basis. The Company recognizes the importance to the creation of good environment for the community, focus on the provision of knowledge because knowledge can be a base for developing and improving the quality of life for personal and family benefits as well as the benefits for the society in general.

The Company focuses on raising awareness of the employees to make the most effective, in order to achieve effective utilization of resources. In addition, The Company is committed to comply with all the laws

relating to environmental protection and all the laws relating to health and safety, and therefore requires that all employees do the same.

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.

4.7) Related Government Agencies

The Company has complied with the laws and strictly reported on such compliance, be it the tax payment and other expenses according to the regulations and rules prescribed by the state sector, and provided cooperation and support in implementing the state policies for the benefits of the country.

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.

Section 4 Disclosure and Transparency

The Company has a policy to disclose the information to the investors and all groups of stakeholders on an equally basis by disclosing accurate, complete and transparent information in a timely manner. So that stakeholders take decisions, and a mechanism to monitor the implementation of the company, emphasize of the disclosure, and try to add a channel to provide information at all times. The details are as follows:

- 1) The Board of Directors of the Company has duty to treat all shareholders equally by ensuring that the disclosure, both financial and non-financial information, is made correctly, fully, adequately, reliably and in a timely manner in order for the shareholders to receive information on an equitable basis as required by laws, relevant organizations and government agencies. The Company publishes its important information on the website of the Company (www.rockgarden.co.th), 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.
- 2) The company has established the investor relations unit (Tel: 02-9347171 ext. 216 or E-mail address: pornyamon@rockgarden.co.th , jantamat@rockgarden.co.th , jantamat.brock@gmail.com 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.
- 3) The Company disclosure of key information, by done via various channels on consistency basis to enable its shareholders and stakeholders to be informed entirely. The channels for dissemination are as follows:
- 3.1 The Stock Exchange of Thailand
 - * Annual Report
 - * Financial Statement
 - * Operational Results Report on a quarterly basis
 - * Resolution of the Board and others
 - 3.2 The Securities and Exchange Commission
 - 3.3 Ministry of Commerce
 - 3.4 Newspaper
 - 3.5 Investor Relation (contact 02-934-7171 Ext.216 or e-mail address : pornyamon@rockgarden.co.th , jantamat@rockgarden.co.th , jantamat.brock@gmail.com)
 - 3.6 The Company's website (www.rockgarden.co.th)
 - 3.7 Document delivery notify shareholders by mail
- 4) Directors and executives submit the list of their securities holding including those of their spouses, children who are minors and related persons and report on changes of the list to the Office of the Securities and Exchange Commission within 3 day from the date of purchase, selling, transferring or receiving the transfer of the securities. This is to comply with Section 59 of the Securities and Exchange Act 1992. The directors and executives are also prohibited from buying and selling of the Company's securities during the period of one month prior to disclosure of financial statements to the public and forward the report on selling and buying of Company's shares to the Company Secretary to keep as evidence.
- 5) The Company has committed to comply with the policy on Vested Interest, set requirements that the directors and executives report to the Company on their own or their related person's vested interest relating to the management of business of the Company pursuant to Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). Such report shall constitute information to support the Company's operations according to the requirement regarding related party transaction , which are transactions that may cause conflict of interest and lead to the siphoning of interest of the Company as follow:
- 5.1 The directors and the executives are required to report to the company their own stake, or those of their related persons in case of stake related to the management of business of the company filling in Form for Reporting on Stake of Directors and Executives as follows:
 - * First report: It should be done by the 15th of the following month from the on which there is transaction of stake.

- * Report on changes of information on stake: It should be made without delay, that is, within 3 business days from the date on which the information has changed by specifying the orderly number of such change.
- 5.2 The directors and executives shall submit report form of having their own stake or those of their related persons to the Company's Secretary for acknowledgement immediately or within the specified date. The Board of Directors has required that the basic reporting form "Report of Interest" of the Listed Companies Association.
- 5.3 The Company Secretary shall do as follows:
 - * Submit a copy of the report on stake according to Section 89/14 to the Chief Executive Officer of the Company and the Chairman of the Audit Committee within 7 business days from the date on which the Company receives such report.
 - * Maintain reports on stake reported to the Company by directors and executives.
 - * Disclose the information on stake of directors and executives in the annual report (Form 56-2) and the annual registration statement (Form 56-1).

Section 5 Board Responsibilities

The Company is well aware of the importance of board Responsibilities with corporate governance for the best interests of the company. The board have leadership, vision, knowledge, ability, experiences and independence in making decisions for the best interests of the company and all shareholders.

1) Leadership and Visions

The Company has set the vision and mission through consideration from the Board of Directors. Which will be reviewed every 2 years to be used as a guideline for business operations and development for sustainable growth. By taking into account all groups of stakeholders. Also taking into account social and environmental responsibility.

Vision

The Company operates its business by focusing on development residences to quality and responding to the customers' demands. We offer modern and technically-creative residences equipped with friendly to society and environment technology suitable to current circumstances. Including responsibility for stakeholders from business operations.

Mission

1. The Company focus on the development of residences, environment and services. The residences shall be outstanding, be of quality and offer a standard quality of life.
2. The Company shall set reasonable prices which allow the Company to compete in the market, mainly based on its capital cost and location.



3. The Company shall operate the business with good management systems and flexible and ready for change under good governance principles.

2) Nomination the company's Directors , Audit , Independent

2.1) The Company's 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.

Criteria the appointment the Company's Directors

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

- Directors remaining, unless the remaining term of the said director is less than two months. The substitute director shall hold the position only for the remaining term of the director he replaces.
6. A resolution may be passed at the shareholders' meeting to remove directors from office prior to retirement by rotation, by a vote not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling not less than half the number shares held by shareholders attending the meeting and having the right to vote.
 7. According to Item 18 of the Regulation of the company, it is stated that in every Annual General Meeting of shareholders, one-third of the directors should be released from the post. If the number of the directors could not be equally divided into three parts, the number of directors left the post would be the nearest figure of one-third. For the first year and the second year after the registration of the company, directors would be released from the post by a luck draw. After that, directors with the longest period on the post shall be released from the post and such directors may be re-elected to the office.

Qualifications the Company's Directors

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

2.2) 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 and Audit Committee Director

- 1) Appointed by the Board of Directors or the shareholders of the Company to be the Audit Committee members and be independent directors.
- 2) Hold shares of not more than 1 percent of the voting shares of the Company, subsidiary companies, associated companies, or any juristic persons with potential conflict, including the shares held by related persons of such independent director and audit committee director.
- 3) Must not be nor have ever been a director with participation in management, a hired worker, an employee, an advisor with fixed salary, or a person with control over the Company, subsidiary companies, associated companies, or juristic persons with potential conflict, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director and audit committee director.
- 4) Must not be a person related by blood or by legal registration as father, mother, spouse, sibling, and offspring, including spouse of offspring of an executive or major shareholder, controlling person, or a person who will be nominated as executive or controlling person of the Company or subsidiary companies.
- 5) Must not have nor have ever had any business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts to the extent that may obstruct the using of his/her independent discretion, and is not nor ever have been a major shareholder, a non-independent director and audit committee director or an executive of those with business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, unless having been relieved from such title for not less than 2 years before the date of filing an application with the Office of the Securities and Exchange Commission.
- 6) Must not be nor have ever been an auditor of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, and is not a major shareholder, a non-independent director and audit committee director, an executive, or a managing partner of the audit firm where the auditors of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts are working for, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director and audit committee director.
- 7) Must not be nor have ever been a provider of any professional service, including a legal consultant or financial consultant, with remuneration in excess of Baht2 million per annum from the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts. Where the provider of

professional service is a juristic person, it shall include the major shareholders, non-independent director and audit committee director, executives, or managing partners of such professional service provider, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director and audit committee director.

- 8) Must not be a director appointed as the representative of the Company directors, major shareholders, or any shareholders who are connected persons of the major shareholders of the Company.
- 9) Must not possess any other characteristics that will prevent the independent expression of opinions in respect of the operations of the Company.
- 10) The Independent Director and Audit Committee Director who are qualified according to 1 - 9 may be assigned by the Board of Directors to make decision on the operations of the Company, the operations of the subsidiaries, associated companies or juristic entities which may have a conflict. The decision could be made in the form of panel.

3) The Company's Directors Structure

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 Company's directors is as follows:

- | | | |
|---------------------------------------|---|---------|
| ● The Board of Directors | 6 | Persons |
| ● The Independent and Audit Committee | 3 | Persons |
| ● The Executive 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 Structure".

3.1) The Board of Directors

The Company's Board of Directors perform the duties by taking into account integrity, transparency, fairness and maintenance of the Company's interest.



The duties and responsibilities of the Board of Directors

1. Supervise and manage the Company's business operations according to the laws, objectives, articles of association of the Company and regulations of concerned agencies as well as the resolutions of the shareholders' meeting, and maintain the interest of the Company according to the business good governance principles. The Board of Directors must also disclose information in sufficient, correct, complete, standardized and transparent manner to shareholders and all relating parties.
2. Set out vision, mission, directions and strategies of the Company, consider and review such vision, mission and strategies regularly and grant approval every year to be in accordance with the Company's business plan.
3. Grant approval to important strategies and policies including the objectives, financial goals and plans of the Company; monitor and supervise to ensure that the Company's strategies and plans have been implemented.
4. Authorize the Chief Executive Officer to have the power to carry out the business operations of the Company as well as the power to appoint and remove the employees of the Company and determine the remuneration for working according to the policies of the Board of Directors; and authorize the employees with the operational powers in accordance with the business condition.
5. Determination duties and responsibilities of the Executive and Management Committee clearly.
6. Organize the annual ordinary general meeting of shareholders within 4 months from the closing date of the accounting year of the Company, and organize the extraordinary meeting of shareholders when necessary.
7. Organize the meeting of the Board of Directors every quarter and there must be not less than one half of the number of Directors attending the meeting; the decision of the meeting must be made by a majority vote; if there is a tie of votes, the Chairman can have a casting vote.
8. 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.
9. 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.
10. Arrange for disclosure of correct, clear, transparent, reliable and high standard information.
11. Arrange for a preparation of statements of financial position and income statements as at the ending date of the accounting year of the Company and the Board of Directors must arrange for an audit by the auditor before to be presented to the annual ordinary meeting of shareholders for approval.
12. Arrange for a report on important financial and general information to the shareholders in a correct, complete and sufficient manner; and confirm the verification of information reported.

13. 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.
14. The Board of Directors must review the adequacy and appropriateness of the Company's internal control system and risk management procedures.
15. The Board of Directors must ensure that the Company's operation receive sufficient audition from the internal Auditor and external Certified Accountant.
16. The Board of Directors has the duty to propose remuneration for directors to be approved by the Annual Ordinary General Meeting of Shareholders.
17. The Board of Directors has the duty to evaluate the performance of Executive Management and set out remuneration in accordance with their performance.
18. The Company's directors have a duty to participate in a meeting of shareholders at all times, and shareholders can inquire the Chairman of the Board and the auditors of the Company on the issues involved.

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 Board of Director passed a resolution to appoint Miss.Jantamat Hankimhunt to hold secretary office according to the meeting resolution of Board of Directors no.4/2014 on 13 November, 2014, has acted as the Company Secretary since December 17, 2014 to oversee Board activities and assist the Board and the Company in complying with related laws and regulations and in promoting good corporate governance, to oversee the organization of shareholders and Board meetings in conformity with laws and the Company's Articles of Association and procedures, and to oversee the preparation and storage of meeting support documents and follow up to ensure compliance with the shareholders' and Board resolutions. The Company has defined the Secretary's role, duties and responsibilities in the Corporate Governance Policy Manual, as it envisions the importance and necessity of secretary role in the development of its corporate governance system. The Secretary can be reached at Jantamat@rockgarden.co.th , investor@rockgarden.co.th or phone number 02-934-7171 ext. 216



Required Qualifications and Experience for Company Secretary

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

Company Secretary's scope of duties and responsibilities:

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

3.2) The Executive Committee

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.

3.3) 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.

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.

4) Setting up remuneration

4.1) Remunerations of the Company's Directors and Audit Committee Director

The Company attaches importance to good corporate governance system, it therefore 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 Company's Directors and Audit Committee in 2019 to be no greater than 1.5 million Baht, to be same the 2018. The Remuneration has determined from the remuneration generally paid in the same industry and expansion of the business.

The directors' remunerations and Audit Committee have not been set by the Remuneration Committee since the company has not had the Remuneration Committee. The Remuneration Committee were approved by the Board of Directors.

The remuneration of Directors and Audit Committee must be approved by the shareholders at all times. The shareholders' meeting approved by at least two-third of the number of shareholders present and vote at the meeting.

4.2) 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.

5) Self-Assessment of the Board

An self-assessment process has implemented for the Board of Directors. The assessment evaluates the performance of the Board of Directors, which enables to review the problems and obstacles encountered along with the progress made in the past year. Reflection of the review is used as reference and guideline for developing and modifying strategies and policies for the coming year.

In 2019, the Company arranged for all the directors to conduct 2 topics performance assessments, as follows:-

- 1) Self Assessment for the board of directors as a whole
- 2) Self Assessment of the board of directors and of committee members on an individual basis

Assessment Process and Criteria

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



<u>Scores</u>	<u>Grade</u>
Over 90%	Excellent
Over 80%	Very good
Over 70%	Good
Over 60%	Fair
Below 60%	Improvement needed

Assessment results of each committee can be summarized as follows:-

1) Self Assessment for the board of directors as a whole, consisting of 6 sections, namely:-

1. Board structure and qualifications
2. Roles, duties and responsibilities of the board
3. The board meeting
4. Duties of directors
5. Relationship with management
6. Director's self improvement and management training

The summary of self assessment for the board of directors as a whole in 6 topics showed that most activities were good / the best appropriately. The average point at the excellent level, equivalent to 93.18%

2) Self Assessment of the board of directors and of committee members on an individual basis, consisting of 3 sections, namely:-

1. Board structure and qualifications
2. The board meeting
3. Roles, duties and responsibilities of the board

The summary of self assessment of the board of directors and of committee members on an individual basis in 3 topics showed that most activities were the best /the best appropriately. The average point at the excellent level, equivalent to 97.62%

Procedure

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

6) Board Board Meetings

The Board of Directors has set a guideline for holding at least 4 meetings annually and calls for an extraordinary meeting when necessary. All members of the Board are required to attend meetings except in cases of emergency. The Chairperson and the Managing Director are responsible for determining the appropriate agendas and its sequence while allowing other Board Members to submit other agendas for consideration. The agenda of each Board meeting is clear and the

Company sends agendas and related documents to the Board seven days prior to the meeting date so that Board members have sufficient time to study the issues beforehand. Additional information on each agenda can be sought from the Company's Secretariat.

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

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

7) 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"

8) 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

9) 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.



Business Codes of Conduct and Ethics

► Conflicts of Interests

All staffs shall avoid any actions or any activities that could benefit themselves or other persons and could lead them to do or make any decisions that conflict the interests of the customers, the company and the shareholders.

► The benefit of the customer is always the first priority of all staffs

The company has the policy that the benefits of the customers are the first priority. As such, this is the reason that the company has gained the respects of the customers and continued to grow with sustainability.

► Relationships with external business organizations and institutions

The company does not encourage the staffs to involve in the business of the external business organizations in a way that this could cause any conflicts of interests or deteriorate the reputation and respect of the company.

Therefore, the company has imposed the policy that all staffs shall avoid any actions that may cause a conflict of interest with the company.

► Awareness of the company's assets

The company has the policy to ensure that it has the effective internal controls in managing their assets by using the accounting control and register control. Such controls are adopted in order to ensure that any transactions to be withdrawn or disbursed shall have an approval according to the specified procedures and authorization limit (with a clear authorization and delegation). The staffs expenses e.g. travel, transportation and entertainment expenses in all levels shall also be controlled. Internal controls are to compliment the work conducted by the Certified Public Accountant and Audit Committee.

The company's assets to be controlled include office equipments, computers, machinery, information, strategic plan, product innovations, company's policy and customer list, etc.

The company has the policy that all staffs should be responsible in maintaining the assets of the company or of the customers with cautiousness and these assets shall be kept in the safe place. The staffs are not permitted to use the assets or information or strategic plan or product innovations or customer list or office equipments for their own benefits unless they have an approval from the authorized person.

► Relationships with government agencies

The company has the policy to encourage and promote the relationships with the government agencies in order to exchange opinions or provide cooperation in business operations that are in accordance with the rules and regulations of the laws, including promoting or supporting any activities of the government agencies.

► Any actions with benefits in return

The company does not encourage the staffs of the company to make any payments or contributions considering as bribery or make payments to obtain some benefits to their business or to obtain faster services from the government officers, related persons or any government agencies. This may be considered as illegal or fraud.

► Relationships between the staffs and the company

The company has the employment policy where all applicants shall be treated equally with no racial, religious, age and gender discriminations. The salary raise, bonus and any internal promotion shall be based on the performance of that person.

In case that the company has recruited any person who is blood-related, or direct or indirect relatives for the management or staff position, the employer or the person who makes the employment decision shall disclose their relationships in writing to the company.

The company has emphasized on the confidentiality of the staffs' information. It has the policy that personal private information of the staff which includes medical records, salary, incomes and fringe benefits, shall be safely stored, the same as the information of the company's customers. The abovementioned information of the staffs shall only be used as deemed necessary or requested by any related government agency.

The company has emphasized not only on the relationships with their customers or other parties but also on the relationships with their staffs. When recruiting the staffs, generally the company shall consider the loyalty, ethic, roles and responsibility and corporate social responsibility. The company has continued to provide the staffs by improving their fringe benefits, enhancing their healthy workplaces and working environment including good co-workers

► Individual judgment

When conducting any business, it is impossible to clearly specify all circumstances that relate to the code of conducts that shall be faced by the staffs. This manual is to remind and encourage the staffs responsibility on the code of conducts in order to avoid certain actions in some situations. Staffs shall use their own judgments and commonsense in making decision on any matters that have not been mentioned. To ensure that whether any decisions made are in accordance with the ethical rules, we should ask ourselves the following questions.



- Whether or not such actions have improved the reputation of the company.
- Whether or not such actions are illegal.
- Whether or not such actions are in accordance with the policy of the company.
- Whether or not such actions have caused anyone any financial risk or induced an increase in inappropriate benefits.
- Whether or not you may lose face or feel embarrassed if your boss, colleagues, family and friends have known the whole story.
- Whether or not such actions shall clearly be specified as inappropriate actions or behaviors.
- How the other persons view this action after the disclosure.
- Whether or not these actions are in accordance with your ethic and whether you feel uncomfortable with these actions.

The company encourages each staff to conduct according to this code of business conduct and any business actions are performed with rational decision making. If we could do and respect towards what we have held onto, it is certain that the company shall gain loyalty and trust from all staffs.

DIRECTOR AND STAFF CODE OF CONDUCT

► Introduction

This code of conduct includes the foundation principle of the responsibilities of all directors and staffs of the Baan Rock Garden Public Company Limited.

Under the strong competition, in order for the company to remain the leader with its continuous success, the company does not emphasize only on the success outcomes but also on the approach/ process in order to achieve the success. The company shall not proceed or perform any actions that are illegal or against the code of conduct to achieve its success.

To sustain the business success of the company, this shall rely on the actions of all directors and staffs who are responsible for any actions specified in the rules and regulations of the company.

For a clear clarification and better understanding, under this code of conduct “we” shall refer to all directors and staffs and “the company” shall refer to Baan Rock Garden Public Company Limited and its business operations.

► Core Value

The Board of Directors has approved this code of conduct to be used by directors and staffs in performing any business operations of the company. There are 7 core values which can be summarized as follows:

1. Integrity

We determine to do the right things and conduct our business with loyalty and honest under the laws and regulations of the company. We shall adopt this code of conduct in all our decision making and activities of the company. We shall operate our business with integrity and consider the inherent risks that may affect the organization.

2. Trust

We have paid great respect to our colleagues, customers, partners, shareholders and government officers. We have treated such persons the same way as we would like them to treat us. We are confident that everyone shall work hard on their abilities and work their best on the foundation of trust.

3. Confidentiality

We shall protect the confidentiality of our business operations whereby this information shall be treated as our own information.

4. Professional

We shall always operate with skills, knowledge, capabilities and as professional.

5. Human Resources

We shall recruit the persons with knowledge and experiences that are in accordance with the need of the company. Any promotion and income shall be based on the performance of the staffs. We have faith and confident in everyone as we believe that everyone is the precious assets of the company.

6. Leadership

We use leadership to drive the company to achieve its success and have a clear vision including encouraging the staffs to have the leaderships, improving their knowledge and competency, and removing obstacles to staff developments.

7. Compliance with rules and regulations

We expect that any decisions made or business operations conducted by the staffs shall comply with the laws, relevant rules and regulations. Moreover, the staffs shall have moral behavior.



► Code of Conduct Policy

The company's policy is to legally conduct any businesses and have corporate social responsibility. The company expects that all staffs are aware of the company's policy and shall comply with the company's policy and any laws relating to their responsibilities. Moreover, the staffs shall follow all suggestions specified in this code of business conduct.

► Human Resources

The company has complied with the laws and regulations of recruitment and emphasized on its policy where everyone shall be equally entitled for the recruitment opportunity starting from candidate selection, hiring, recruitment, training, competency development, rotation, promotion and fringe benefits.

The human resource policy and plans are developed in order to help the company to achieve its business goal. All employees at any chain of command shall comply with this policy and we encourage the positive work atmosphere where different opinions are welcomed and everyone has respected one another.

► Environment, Health and Safety

When conducting any business and making any decisions, it is the company's responsibility to consider the environmental protections and to ensure that the products and business of the company are in accordance with the rules and regulations or any other standards.

We shall be alert for the safety and environmental situations. Moreover, we shall acknowledge of any laws of safety, health and environment, including the policies specified by the company as there are always amendments on the laws of safety, health and environment.

► Conflict of Interests

The main concept of "conflict of interest" is that all staffs shall avoid any activities, investments or other forms of benefits that may have a negative impact on the loyalty and good reputation of the company or the staffs.

Conflicts of interests may have occurred if the staffs:

1. personally grow increasingly wealthy due to the access of confidential information.
2. are hired to work for other organization whereby this work could affect their work and responsibility at the company.
3. accept any gifts or rewards from other persons without the permission from the company due to the services they have provided which is a company's business or to use their position to influence other persons to conduct in their own interests.

4. purchase or sell the shares of the company or subsidiaries or affiliated companies by using the inside information that has not been publicly disclosed.
5. disclose an inside information that has not been publicly disclosed to other persons.

► Confidential Business Information

We shall strictly conform to the policy, rules and regulations, including any guidelines set by the company on information security. We shall not disclose or use any information that is belonging to the company or the other's information received by the company as specified under the confidentiality agreement. Exceptions shall be applied as deemed necessary or only after the receipt of written approval from the company. The information of the company shall not be used or kept in the place where unauthorized persons may have seen or accessed.

► Gathering business information of the competitors, production and technical information

We shall comply with the guideline on gathering business information of the competitors, production and technical information. These guidelines have specified the proper procedures for the staffs who gather and use the information of business competition as the representative of the company. The company shall not adopt any illegal methods (e.g. stealing, bribery) or any methods that are against the code of conduct in order to access the information of the business competitor.

► Financial Integrity

Any accounting records of the company shall be reported to the management of the company, shareholders, creditors and other government agencies. As such, any accounting records of the company and reports of these accounting records shall be kept and presented according to the laws being enforced. The details of the assets, liabilities or obligations, incomes and expenses shall be true and correctly displayed.

We hold a joint responsibility to ensure that there is no records of incorrect information or distorted information on our accounting system of the company. All transactions shall have the document and details attached, including correctly recording the accounting transaction under the actual accounting period. We shall always comply with the Generally Accepted Accounting Principles and internal control system specified by the company.

► Activities and political involvement

The company has the foundation policy that it shall not contribute the money or human resources of the company for political support to any candidate politician or any political parties unless such support is approved by the laws or the support is generally for democracy.

The company has the policy that staffs shall not use the company's facilities or resources for political campaign or political fund raising or certain political party.



The company prohibits the immediate superior and staffs in all levels to give the order or persuade the staffs and the subordinates to participate in any political activities.

The decision made by the staff to participate in political activities during their own private time or contribute their own money or other assets for political campaign or political activities, such actions shall be recognized as the personal decision made by that staff.

► Report on the staff code of conduct violations

The company shall take the staff code of conduct violation very seriously. The staffs who violate this code of conduct shall be entitled to the disciplinary punishment whereby they may be terminated from the employment. Therefore, the staffs shall immediately report to their immediate superior when there is a violation or supposed to be a violation of this code of conduct.

The immediate superior is responsible for monitoring that the staffs act in accordance with this staff code of conduct and shall report to the Audit Committee, including recording any staff code of conduct violations.

► Recommendation

This code of conduct may not be able to specify any behavior actions in all situations. However, the company strongly believes and respects the decision made by each staff that after carefully considered, this decision is the right call and appropriate to the situation.

In case the staff cannot specify an appropriate action, the staffs should answer the following questions and if they have answered “yes” to these questions, they could proceed.

- Whether or not your actions are legal and in accordance with the rules and regulations of the company.
- Whether or not "this action is the right call" and you feel "this action is right".
- Whether or not this action is in accordance with the public's opinions.
- Whether or not this action can build up the confidence of the company as the moral company.

Anti-Corruption Policy

Baan Rock Garden Public Company Limited "The Company" has operate business with integrity and fairness with all groups as well as abide to laws and Code of Business Ethics that are transparent and the principles of good corporate governance and be responsible for society and environment and be responsible for the best interests of its stakeholders. The Company shall be able to develop and become sustainable organization as a result, the company participates in "Private Sector Collective Action Coalition against Corruption" in order to express intention and commitment of the company on anticorruption in all kinds.

The business operations of the company may risk in corruption and deliberately corruption. The company has carefully considered and treated. The Company agreed to establish "Anti-Corruption Policy" written up for to be clear guidelines on business operations and the development of corporate sustainability.

Definition

Corruption means bribery, exploitation of position and responsibilities and/or using information given or received from performing corporate affairs to offer, promise, give, agree to give, demand or accept money, assets or other inappropriate benefits from the government officers, government agencies and private sectors or responsible units/persons whether direct or indirect action, including any action that conflicts with the Company's business ethnics. Exception shall be applied in case of laws, regulations, statements , standards, customers or business transactions enable to do so.

Anti-Corruption Policy

All directors, executives, and employees of the company are prohibited from performing any action or accepting or providing any support, fraud and corruption in all kinds directly or indirectly to related individuals or organizations including offering, promising, soliciting, demanding, giving or accepting bribes, or having any behavior implying to fraud or corruption. Covers to every business and every relevant department, the Anti-Corruption Policy shall be reviewed regularly, including a possible revision of such policy and implementation provision in order to accord with business changes, regulations, standards and applicable laws.

Duty and Responsibility

1. The Board of Directors is responsibilities establish and govern policies to have an efficient system promoting anticorruption in order to ensure that all company's personnel realize and emphasize on anti-corruption. The company behaves as the good model by expressing honesty and commitment on anticorruption in all kinds. The company builds and fosters organizational culture on good corporate governance in order to prevent and suppress fraud. The company supports some independent organizations to perform their operation on anticorruption including Audit Committee.
2. The Audit Committee is responsibilities verify Anti-Corruption Policy established by executives to be appropriate with business model, environment, and organizational culture of the company. Revision of financial and accounting reports, internal audit function and risk management promoting corruption that may pose



potential risks to Company's financial stability and operations that are compliant with global standards in terms of conciseness, appropriateness and efficiency. The Audit Committee is also responsible for setting up a corruption reporting center for possible corruption clues and complaints against employee, investigating all informed trace of fraud, corruption and other improper practices, as well as proposing the on-going issues to the Board of Directors for amendment and punishment.

3. Top Executives shall behave themselves according to and promote ethics and conduct as the models of employees, establish system, promote and support AntiCorruption Policy for communicating to employees and related persons in all departments, revise appropriateness of systems and measures in order to be in accordance with business changes, regulations, standards and applicable laws.
4. Internal Audit Director is responsibilities for auditing and reviewing business transactions whether they are to comply with internal audit policies, guidelines, rules, regulations and applicable laws in order to ensure the appropriateness and adequacy of the internal controls for probable risks in corruption. This shall be directly reported to the Audit Committee.
5. Employees shall comply with policies, rules, regulations, and orders of the company on anticorruption as well as ethics and conduct of employees. Support and give cooperation on preventing and suppressing fraud and corruption. Build organizational culture with no corruption as well as value compliance according to principles of integrity and ethics.

Practices guideline

1. All directors, executives, and employees of the company shall comply with Anti-Corruption Policy, Code of Business Ethics, Director and Employee Code of Conduct, and Good Corporate Governance Policy, related regulations and Practice manual of the company, as well as other practices defined by the company.
2. Top Executives and Employees shall avoid any action or behavior to be constructed as receiving or offering bribe to anyone, directly or indirectly, for personal benefits. They shall not be negligent or ignorant in any suspicious incidence of fraud, corruption or other malpractices involved directly to the Company and shall timely report to the supervisor or a responsible unit/personnel and shall cooperate in investigation. In case that the persons have doubts or questions, they must consult with the supervisor or a person responsible for monitoring ethical conducts of the Company through various channels provided.
3. The company shall give fair treatment and protect employees who deny or inform any fraud or corruption related to the company and such employees shall be protected without any punishment, unfair transfer or persecution. In addition, the company shall appoint some personnel to investigate all informed traces.
4. A person who commits fraud, corruption and other improper practices is equivalent to misconduct in the Company Code of Conduct. This means such person is needed to consider discipline followed by the Company standards. Conviction on laws may be applied in case such action violates the applicable laws.
5. Provision or acceptance of any grant-in-aid shall be in accordance with company's policies and shall be correct and transparent with evidences and recorded accounts. Such grant-in-aid shall be controlled and audited in order

- to ensure that such grant-in-aid is not fraud or corruption. The procedures of approval and spending of grant-in-aid shall be consistent with internal controls process.
6. The Company shall donate to charity in the form of monetary contributions or support in other forms as a part of Corporate Social Responsibility's activities as well as an opportunity to publicize and reinforce good image of the company without any purpose on business reward.
 7. The Company concerns the importance of dissemination, knowledge sharing, and communications with other people who involve or affect the Company so that those parties shall conform effectively to the anti-corruption guideline.
 8. The Company strives to create and sustain organization's culture representing that corruption is unacceptable in every business transaction dealing with both public and private sectors.

Operational Provisions

1. This Anti-Corruption Policy shall cover the process of human resource management commenced from recruitment to personnel selection, promotion, training and development, performance evaluation, and rewards. All superiors in all levels shall communicate and make understanding with their subordinates to comply with these practices and control this compliance to be performed efficiently.
2. Any action performed upon Anti-Corruption Policy shall be under provisions defined in Code of Business Ethics, Director and Employee Code of Conduct, Good Corporate Governance Policy, Internal Controls and Risk Management, No Gift Policy, and other work regulations defined by the company.

Risk Management and Assessment

For clearly illustrate the operation highly prone to corruption, the Board of Directors, the Management Team and Employee in all levels be through and careful when engaging in the following matters :

1. Gifts, hospitality and other expenses must be done in the manner inconsistent with those specified in the policies provided.
2. Expenses for business entertainment and other payment as required by business agreement are permissible, but such payment must be reasonable and traceable.
3. Charitable contribution or aid must be done in alignment with guideline set forth as follows :
 - The use of money or assets of the Company for charity donations must be openly conducted on behalf of the Company only. The donation must be made for any social contribution and non-profit organization, such as foundations, public charitable organizations, temples, hospitals, medical centers and so on. In this regard, reliable and traceable receipts must be issued and the donation procedure must be reviewed and approved subject to the Company's regulations.
 - Personal donation shall be done. In this regard, the procedure must not have involvement with or cause doubts that fall in to fraud or corruption with an aim for any benefit.
 - The use of money or assets of the Company for sponsorships must be openly conducted on behalf of the Company only, and be approved by authorized persons of the Company. The sponsorships must be



provided for business purpose to enhance image or reputation of the Company. In this regard, reliable and traceable donation receipts which clearly specify the objective and receiver must be issued.

4. The procurement process must strictly comply with the company's procedure, as well as being transparent and traceable.

The Anti-Corruption Policy has been in effect on 9 November 2016 with the consideration and approval of the Board of Director on the 5/2016 meeting held on 9 November 2016.

Revenue Structure

The records highlight the Company's revenues, classified by project development, from 2018 to 2019 as follows:

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

Revenue Types	Generating Projects	2017		2018		2019	
		Total		Total		Total	
		Revenues (Bt. mil.)	%	Revenues (Bt. mil.)	%	Revenues (Bt.mil.)	%
1 Revenues from development projects							
1.1 Sales of 2 storey houses (3 units in 2017 and 3 units in 2018)	Baan Rock Garden Bypass 6 Phase 1	13.00	13.60	11.60	8.87	-	-
1.2 Sales of semi-detached houses and 2 storey houses (23 units in 2017 ,17 units in 2018 and 3 units in 2019)	Baan Rock Garden Airport 2	77.49	81.06	53.05	40.55	8.83	5.53
1.3 Sales of semi-detached houses and storey houses (19 units in 2018 and 47 units in 2019)	Baan Rock Garden Airport 3	-	-	61.56	47.05	131.81	82.49
1.4 Sales of 2-story townhouse (6 units in 2019)	Baan Rock Garden Arina - Nong Chok	-	-	-	-	11.68	7.31
2. Other Revenues		5.11	5.34	4.62	3.53	7.46	4.67
Total Revenues		95.60	100.00	130.83	100.00	159.78	100.00



Risk Factors

The Company realizes the importance of risk factor consideration in the property business, so it aims to optimize the risk management and minimize or eliminate possible impact on the business in the future as follows:

1. Risks of political problems and economic situation

Uncertainty in political situation and government measures have significant impact on business operations and management as purchasing power weakens and financial institutions' house lending rules are tightened, affecting residential property demand and sales volume, ownership transfer and the Company's revenue recognition. Following the circumstance, the Company has planned and adjusted its strategies in conformity with the current economic situation. In terms of management, it has emphasized on effectively planning for adequate projects based on its controlling potential in revenue recognition, investment costs and balanced inventories to ensure that cash flow management has sufficient controls of possible risks and minimize any political and economic uncertainty.

2. The risk from selecting land for development

The Company's business operations always involve acquisition of new lands according to its quarterly construction and revenue recognition. This may bring about risks of possible mistakes in making land buying decisions.

- The land composition is insufficient for obtaining permission for land allocation or the land may affect the community during construction. Preventive action should be taken to avoid such risk from taking place. For example, investigate the history of the land, check the land with the related government agencies, and hire external independent land appraisal companies to carry out surveys and evaluate the price.

- The risk of purchasing land more expensive than it should be. The decision to purchase land or undertaking new projects involves the consideration of many elements. This includes the market environment when purchasing and selling land nearby. Checking the land appraisal price from the related government agencies and hiring external independent appraisers to conduct a feasibility study of the project to reduce the risk of project development in terms of selling at a loss or failing to meet the objectives of the plan.

3. Risks of intense competition in the property business

Now the property business sees intense competition as more new projects provide consumers more comparability and also influence their buying decisions. To minimize those risks, project developers have adjusted their product strategies by focusing on more modern and optimized designs and quality and standard of construction materials, decorative items and sanitary ware and also taking into account the competitive selling prices to attract the prospective buyers. Developers also conduct an in-depth study of target customers and market survey to learn about various needs and emphasize on consideration of project locations, patterns, housing plans, utility space and worthiness as well as providing loan application services for buyers under flexible and acceptable conditions and installments in a bid to enhance their competitiveness in the business.

4. Risks of prefab housing projects

The Company engages in the property development sector with its core business focusing on house construction for sale. The business operation policy is based on prefab detached houses, twin houses and townhouses with the objectives of enhancing consumer confidence. To operate these projects, it is necessary for the Company to seek a large amount of advance capital before revenue recognition or revenue received from its customers. As a result, there are risks of development capitals and consumer behavior changes whereas the stagnant market may be a significant economic factor influencing buying decisions. However, the Company takes into account such risks and conducts a study on consumer behaviors around the project locations and design preference in order to completely serve consumer requirements with reasonable prices. In pre-construction procedure, the Company divides the construction plans in individual phase which will be done by the selected contractor based on the Company's requirements and in corresponding to the planned sales volume which is adjusted to the actual circumstance and market demand for fully finished and under-construction houses.

5. Inventory

The Company has allocated the houses for sale according to the estimated sales volume determined by the Company, which is monitored closely. However, the sales process may face unexpected economic conditions, which will impact sales and cause the unsold houses to become part of the inventory, deviating from the plan. However, the Company has a process and is always careful about this by adjusting the plan to reflect actual sales and by developing projects in separate phases for more effective construction management. Apart from conducting sales according to the target, the actual sales volume must be considered in order to be consistent and in the same direction to reduce the inventory. Also, adjustments to the marketing strategy will be made to stimulate sales volume by releasing inventory to match the customers' needs or to motivate the customers' decision in other ways to minimize impact to inventory the least.

6. Risks from depending on contractors and labor in construction

The Company does not have its own contractor. Therefore, the Company has risks in relying on the construction contractors and labor, such as contractors cannot do the construction according to plan and the Company cannot deliver the house to the purchaser on time. However, the Company has reduced such risks by having a bidding process based on the Company's Bill of Quantities (B.O.Q) as the template for selecting a contractor. The construction department of the Company will determine the cost appraisal of the construction and allow interested contractors to attend a fair bidding. Then, the construction department of the Company will examine the details of the wages and construction materials (B.O.Q) proposed by the contractors to consider if the construction cost is appropriate for the various projects of the Company. Hence, contracts are made with all contractors in which penalties are stipulated if the construction is delayed and contractors are liable for recovering the damages. Moreover, the Company collects construction guarantees from contractors to ensure the quality of the construction. In case contractors abandon the work, the Company will use the guarantee or withhold contractor wages to hire a new contractor to complete the construction.



Moreover, the Company spreads risk from depending on one contractor by expanding the hiring of more contractors and considering the employment of each contractor with appropriate workload and ability to do the construction so that contractor meets the specified construction quality. Also, tasks are divided so that contractors have better liquidity, which allows the Company to deliver houses to buyers according to plan.

7. The competency and potential of the contractor

Under the business management of the company, we employ only selected independent contractors to construct all the projects to prevent the risk of non-standard construction or delayed work due to limited construction team in construction. In the event that the company needs products that are ready for sale and in a situation that the project has a high demand from many consumers at the same time, in order to reduce the risk in this matter, the company has examined the history of every contractor who joins the project, their financial status history, various work project experience before entering the project, as well as if the company has its own supervisors who have long expertise in construction projects as an inspector for each stage of the work. At each payment of the wages, regular inspection on the quality of the work is made to ensure that all work meet the standards and the progress of the construction is according to the original plan set out by the Company.

8. Risks associated with the Company's cash flow

The Company's recent business operations have relied on the shareholders' capital or borrowing from related individuals or entities with or without interest under the initial capital management policy determined by the Company's executives. However, the Company's further expansions through new projects including "Baan Rock Garden Airport 3" and "Baan Rock Garden Arena-Nong Chok" which require a large amount of capital may pose risks of financial cost and affect the Company's liquidity because it is possible that the Company will have to seek more loans from financial institutions other than funds from its cash flow. The Company may have higher burdens incurred from the loan interest due to any obligations in the future. However, the Company takes into consideration overall financial structure and business cash flow to ensure that it is sufficient to pay for any possible obligations. It also plans for cash flow circulation in its investments such as making financial plans of the investment capitals obtained from quarterly sales revenue recognition in corresponding to its investment expenditure, so it may not have any problem concerning liquidity and financial cost for the Company's further expansion.

Details of Related Transaction

Details of Related Transaction at the end of December 31, 2018 and December 31, 2019

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, 2018	Dec 31, 2019		
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 Chinprapinporn: Holding 122,500 shares of ROCK GROUP (0.61% of paid-up registered capital) Mrs. Naowanit Silaparat: Holding 16,377,500 shares of ROCK GROUP (80.88% of paid-up registered capital) Mrs. Naowarat Suthamjariya: Holding 500,000 shares of ROCK GROUP (2.47% of paid-up registered capital) 	1. Office rental	0.90	1.05	<ul style="list-style-type: none"> BROCK is currently renting 3-floor space from ROCK GROUP, spanning 267.92 square meters, at 300, Floor 5, 7 Total rental fee 35,000 baht / month The contract starting Aug 31, 2019 until Jan 31, 2020. Water bill, security fee and other services 	<ul style="list-style-type: none"> The current rental rate of 300 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
		1.1 Office rental for Head Office				
		1.2 Service charge	0.45	0.45		
		1.3 Electricity charge	0.06	0.08	<ul style="list-style-type: none"> ROCK GROUP installed an electrical meter and charged the fee is based on actual usage. 	<ul style="list-style-type: none"> * 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, 2018	Dec 31, 2019		
B) Baan Rock Garden, Plc., Ltd. (BROCK) and Mrs. Naowanit Silaprarat	-Mrs. Naowanit Silaprarat concerned company of BROCK by Executive Director	- Office rental for Temporary Office	0.48	0.31	<p>-BROCK is currently renting from Mrs. Naowanit Silaprarat For a temporary office. The building is a 3 storey building. Spanning 230 square meters, price 44,000 per month, Has improved 4,000</p> <p>- Notice of cancellation ends 31 Jul. 62</p>	<p>- Because rockgroup of building improve ments. rates include office equipment. Comparison is not different.</p> <p>* The Audit Committee considers the rental charge rational. Furthermore, so that the Company can pay per actual usage just as other tenants do, the Audit Committee also determines that the charge is reasonable</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, 2018	Dec 31, 2019		
C) 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 Chinpraporn.	1. 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 Silaprarat 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 Silaprarat get make a book transfer the right in right of real estate ownership modifies aforementioned to Mr. Virat Chinpraporn. The loan was paid in full amount as of December 31, 2013. And end of December 31, 2019 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, 2018	Dec 31, 2019		
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 9,000,000 shares of Ratchthani PCL or accounting of 0.24% of paid-up registered capitals</p> <p>2. Mr. Surapol Satimanont, holding 13,467,470 shares of Ratchthani PCL or accounting of 0.36% of paid-up registered capitals</p>	1. short-term investment	113.00	58.00	<p>- This is the short-term deposits in the form of promissory notes with conditions to pay back at call and interest rate of December 31, 2019 : rate of 1.95% per annum (December 31, 2019 : 1.95% 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 approximately 0.80-1.20% per annum). If the company needs to use this investment, the company can call back anytime. Moreover, since Ratchthani transaction is considered to be general transaction of the company.</p> <p>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>	<p>- Such short-term investment is the deposit in the form of promissory notes with conditions to pay back at call and interest rate of 1.95% per annum (December 31, 2019 : 1.95% 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 approximately 0.80-1.20% per annum). If the company needs to use this investment, the company can call back anytime. Moreover, since Ratchthani transaction is considered to be general transaction of the company.</p> <p>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 the year 2017 it is interesting to the real estate sector that tend to grow. The positive factors will be good for the market. For example, the public sector investment has continued to grow, Promoting investment for integrated economic and social development, The AEC is still available to foreigners. And buy real estate in thailand, In the sector of exports and services is growing. Private consumption has improved One part comes from the expense of the first installment of auto loans that will end this year. This positive factor will result in increased purchasing power. Good for the real estate sector. In the past year, the company recognized 26 units, from project baan rock garden bypass 6 phase 1 and project baan rock garden airport phase 2.

year 2018 In the real estate sector Has an important part in driving the economy There is a lot of money circulating in the system. Increased employment and income Along with linking with other industries including such as Construction business, Construction material business, Financial institution business , Electrical appliance business, Furniture and decoration, here are a large number of businesses in the real estate system that compete in the same business category in the same target group. such as Consumers who want to live In the management of the company in 2018 Developing the Baan Rock Garden Airport 2 project , Baan Rock Garden Airport Phase 3 Project and Rock Garden House Project Arena - Nong Chok As a result, in 2018 the operating results were as follows.As a result, in 2018 the operating results were as follows.

For the year 2019, the real estate business has to face many factors including economic recession, trade war. Has a broad impact on household debt problems Causing the purchasing power to decrease, Government measures here include measures that have an impact on real estate: Is a housing loan control measure or LTV Causing the overall property market after the measures were reduced and problems with credit approvals more difficult. There is also competition in the same business in the Bangkok metropolitan region. And the area around the project There are new projects to produce new sales units in a variety of ways to be more targeted. In the business that has to compete more at the end of the year, measures from the governmentIn the promotion of real estate business in a matter of reducing mortgage fees Which price is not more than 3 million baht, This is due to many factors combined with the non-stop finding of market opportunities in the management of the company in 2019 Developing the Baan Rock Garden Airport 2 project , Baan Rock Garden Airport Phase 3 Project and Rock Garden House Project Arena - Nong Chok As a result, Causing in the year 2019 the operating results are as follows.



Revenues

The Company had the sales revenue of 90.49 million Baht, 126.22 million Baht and 152.32 million Baht in 2017, 2018 and 2019, respectively. The sales revenues from housing projects could be summarized as follows:

Sales Volume of Projects	2017		2018		2019	
	Units	Bt. Million	Units	Bt. Million	Units	Bt. Million
Baan Rock Garden Bypass 6 Phase 1	3	13	3	11.60	-	-
Baan Rock Garden Airport 2	23	77.49	17	53.06	3	8.83
Baan Rock Garden Airport 3	-	-	19	61.56	47	131.81
Baan Rock Garden Arena - Nong Chok	-	-	-	-	6	11.68
Total	26	90.49	39	126.22	56	152.32

In 2017, the Company had the sales revenue of 90.49 Million Baht, increase from year 2016 by approximately 28.64 Million Baht or 46.31%. The revenue was mainly generated from Baan Rock Garden Airport phase 2. and project baan rock garden bypass 6 phase 1

For 2018, the Company had the sales revenue of 126.22 Million Baht, increase from year 2017 by approximately 35.73 Million Baht or 39.49%. The revenue was mainly generated from Baan Rock Garden Airport phase 2. , project baan rock garden bypass 6 phase and Baan Rock Garden Airport phase 3.

For 2019, the Company had the sales revenue of 152.32 Million Baht, increase from year 2018 by approximately 26.10 Million Baht or 20.68%. The revenue was mainly generated from Baan Rock Garden Airport phase 2. , Baan Rock Garden Airport phase 3 and Baan Rock Garden Arena - Nong Chok.

In 2017, the Company had other incomes of 5.66 Million Baht, comprising of interest incomes of approximately 4.38 Million Baht. and other incomes of 1.28 Million Baht.

For 2018, the Company had other incomes of 4.61 Million Baht, comprising of interest incomes of approximately 4.07 Million Baht. and other incomes of 0.54 Million Baht.

For 2019, the Company had other incomes of 7.46 Million Baht, comprising of interest incomes of approximately 2.47 Million Baht, Reversal of Estimate from Prosecuted Cases 4.19 Million Baht and other incomes of 0.80 Million Baht.

Cost of sales and expenses

Cost of Sales

The costs of sales are summarized in the table below.

(Unit: million Baht)

Projects	2017	2018	2019
Baan Rock Garden Bypass 6 Phase 1 :			
Cost of land	0.56	0.47	-
Cost of project development	4.80	4.22	-
Cost of allocation of public properties in the project	1.16	0.99	-
Baan Rock Garden Airport 2 :			
Cost of land	7.31	4.20	0.77
Cost of project development	38.54	25.67	4.13
Cost of allocation of public properties in the project	4.81	3.03	0.51
Baan Rock Garden Airport 3 :			
Cost of land	-	6.08	12.80
Cost of project development	-	30.77	61.77
Cost of allocation of public properties in the project	-	3.22	6.76
Baan Rock Garden Arena - Nong Chok :			
Cost of land	-	-	0.80
Cost of project development	-	-	6.01
Cost of allocation of public properties in the project	-	-	1.10
Total	57.18	78.65	94.65

In 2017, the cost of sales was recorded at 57.18 Million Baht, increase from year 2016 by approximately 18.73 Million Baht or 48.71%, Revenue recognition has increased from 2016. as a result costs increased proportionately.

For 2018, the cost of sales was recorded at 78.65 Million Baht, increase from year 2017 by approximately 21.47 Million Baht or 37.55%, Revenue recognition has increased from 2017. as a result costs increased proportionately

For 2019, the cost of sales was recorded at 94.65 Million Baht, increase from year 2018 by approximately 15.99 Million Baht or 20.33%, Revenue recognition has increased from 2018. as a result costs increased proportionately

Selling and administrative expenses

In 2017, the company had the selling and administrative expenses of approximately 34.34 Million Baht, increased of approximately 4.37 Million Bath or 14.58% from the 2017 figure. The main cost in 2016 include (1) commission fee of approximately 3.40 Million Baht (2) marketing and advertising expenses of approximately 1.98



Million Baht (3) salaries of management and employees of approximately 6.47 Million Baht (4) specific business tax of approximately 3.14 Million Baht and (5) office rental fees of 2.29 Million Baht.

For 2018, the company had the selling and administrative expenses of approximately 36.59 Million Baht, increased of approximately 3.04 Million Bath or 9.00% from the 2018 figure. The main cost in 2018 include (1) commission fee of approximately 5.25 Million Baht (2) marketing and advertising expenses of approximately 2.24 Million Baht (3) salaries of management and employees of approximately 6.63 Million Baht (4) specific business tax of approximately 4.34 Million Baht and (5) office rental fees of 1.89 Million Baht.

* In the budget for the year ending 31 December 2019 Classified by auditor in accordance with accounting standards selling and administrative expenses is approximately 33.55 million baht (as in Note 3 to the financial statements).

For 2019, the company had the selling and administrative expenses of approximately 41.90 Million Baht, increased of approximately 8.35 Million Bath or 24.89% from the 2018 figure. The main cost in 2019 include (1) commission fee of approximately 6.93 Million Baht (2) marketing and advertising expenses of approximately 2.40 Million Baht (3) salaries of management and employees of approximately 7.56 Million Baht (4) specific business tax of approximately 5.49 Million Baht and (5) office rental fees of 1.89 Million Baht.

Interest expenses

In 2017, 2018 and 2019 the interest expense was recorded at 0.09 Million Baht, 0.07 Million Baht and 0.48 Million Baht respectively due to liabilities under financial lease agreement. The figures proved that the Company attempted to use own funds most, the make debt to least. To reduce the risk of the Company's liquidity. Which is an important factor in managed services.

Gross profit

In 2017, the Company's gross profit margin valued of approximately 33.31 Million Baht, increased of approximately 9.91 Million Baht from the 2016, or of approximately 42.35%, recognition of revenue increases from 2016,resulting in a gross profit margin as a proportion.

For 2018, the Company's gross profit margin valued of approximately 50.84 Million Baht, increased of approximately 17.53 Million Baht from the 2017, or of approximately 52.63%, recognition of revenue increases from 2017,resulting in a gross profit margin as a proportion.

* In the budget for the year ending 31 December 2019 Classified by auditor in accordance with accounting standards Gross profit in the comparative financial statements is approximately 47.56 million baht (as in Note 3 to the financial statements).

For 2019, the Company's gross profit margin valued of approximately 57.67 Million Baht, increased of approximately 10.11 Million Baht from the 2018, or of approximately 21.26%, recognition of revenue increases from 2018,resulting in a gross profit margin as a proportion.

Operating profit and net profit

In 2017, the Company had the operating profit and the net profit by approximately 4.54 Million Baht and 3.48 Million Baht, respectively, the company's turnover decreased from 2016, due to Other higher than 2017

For 2018, the Company had the operating profit and the net profit by approximately 18.55 Million Baht and 18.14 Million Baht, respectively, the company's turnover decreased from 2017, due to Other higher than 2018

For 2019, the Company had the operating profit and the net profit by approximately 23.18 Million Baht and 16.22 Million Baht, respectively.

Return to shareholders

In 2017, the Company's return to equity ratio decreased to 0.28% due to lower sales volume and net profit, compared to the 2016 figure.

For 2018, the Company's return to equity ratio increase to 1.46% due to Other higher volume and net profit, compared to the 2017 figure.

For 2019, the Company's return to equity ratio increase to 1.31% due to lower sales volume and net profit, compared to the 2018 figure.



Financial Statement Analysis

Assets

The main components of the Company's assets in 2017, 2018 and 2019 were development costs and undeveloped-land costs, accounting for about 78.19%, 85.83% and 88.79% of the total assets, respectively. In 2019, the development costs and undeveloped land costs were at 25.07% and 63.71% of the total assets, respectively. The details of the aforementioned costs were summarized below:

(Unit: Bt. million)

Costs of property development :	2017	2018	2019
● Project under development – net: Baan Rock Garden Bypass 6 Phase 1	6.29	-	-
● Project under development – net: Baan Rock Garden Airport 2	43.72	13.45	5.89
● Project under development – net: Baan Rock Garden Airport 3	126.31	212.18	203.11
● Project under development – net: Baan Rock Garden Arena - Nong Chok	-	79.57	109.33
Total	176.32	305.20	318.33
Undeveloped land :			
● Vacant land: approximately 40 rais - Bangsaothong, Srisajorakenoi, Samuthprakarn	-	-	-
● Vacant land: approximately 3.5 rais - Soi Vacharapol, Bangkok	38.18	38.18	38.18
● Vacant land: approximately 508 rais - Pa-Klog, Talang, Phuket	513.08	513.08	513.08
● Vacant land: approximately 212 rais – Ratsada, Muang, Phuket (Baan Rock Garden Bypass 6 Phase 2-10)	196.51	196.51	196.51
● Vacant land: approximately 104 rais - Baan Pae, Muang, Rayong	61.18	61.18	61.18
Total	808.95	808.95	808.95

At the end of 2017, the Company's cost of the property development reduced to 176.32 million Baht, or 73.55 million Baht 71.57% increased than that of 2016. The Company Development of the property in the Baan Rock Garden Airport 3 and continued to develop the Baan Rock Garden Airport 2 and Baan Rock Garden Bypass 6 Phase 1 project.

At the end of 2018, the Company's cost of the property development reduced to 305.20 million Baht, or 128.88 million Baht 73.09% increased than that of 2017. The Company Development of the property in the Baan Rock Garden Airport 3 and the Baan Rock Garden Arena-Nonk Chok project.

At the end of 2019, the Company's cost of the property development reduced to 318.33 million Baht, or 13.13 million Baht 4.30% increased. The Company Development of the property in the Baan Rock Garden Airport 3 and the Baan Rock Garden Arena-Nonk Chok 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 2017, the Company had cash inflow from operating activities in an amount of 20.87 million Baht because the Company did not launch any new projects but continued to develop the existing ones, resulting in cash inflow in 2017.

For 2018, the Company had cash inflow from operating activities in an amount of (96.80) million Baht because the Company did not launch any new projects but continued to develop the existing ones, resulting in cash inflow in 2018.

For 2019, the Company had cash inflow from operating activities in an amount of (16.52) million Baht because the Company did not launch any new projects but continued to develop the existing ones, resulting in cash inflow in 2018.

In 2017, the Company's cash flow for investment activities was approximately 38.22 million Baht. The overall investment in 2017 covered , short-term investment of 45 million Baht, interest receipt of about 4.38 million Baht, respectively.

For 2018, the Company's cash flow for investment activities was approximately 89.17 million Baht. The overall investment in 2018 covered , interest receipt of about 4.04 million Baht, respectively.

For 2019, the Company's cash flow for investment activities was approximately 55.05 million Baht. The overall investment in 2019 covered , interest receipt of about 1.42 million Baht, respectively.

In 2017, the Company had cash flow from financing of 13.40 times Current assets increase from 2016

For 2018, the Company had the liquidity ratio of 8.38 times, due to Current liabilities increased from 2017.

For 2019, the Company had the liquidity ratio of 15.32 times, due to Current liabilities increased from 2018.

Sources of funds**-Liabilities-**

As of 31 December 2017, the Company had the total liabilities of 32.72 million Baht, decreasing by approximately 3.46 million Baht or increased 11.83%, could be summarized as follows.

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

As of 31 December 2018, the Company had the total liabilities of 52.44 million Baht, decreasing by approximately 20.22 million Baht or increased 61.81% , could be summarized as follows.

- (1) Accounts payable of 6.08 million Baht (normal accounts payable or other parties)



(2) Loan interest of approximately of 6.63 million Baht (The Company paid interest of long-term loans to creditors in a form of land.)

As of 31 December 2019, the Company had the total liabilities of 28.65 million Baht, decreasing by approximately 24.29 million Baht or increased 45.89% , could be summarized as follows.

(1) Accounts payable of 3.36 million Baht (normal accounts payable or other parties)

(2) Loan interest of approximately of 6.63 million Baht (The Company paid interest of long-term loans to creditors in a form of land.)

In the year 2017, 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.

For the year 2018, the Company had debt to equity ratio of 0.04 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.

For the year 2019, the Company had debt to equity ratio of 0.02 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 2017, the Company had the shareholders' equity of 1,260.17 million Baht, increased by approximately 6.90 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 19.35 million Baht which increasing of 0.20 million Baht from the year 2016 and the retained earnings of 149.83 million Baht, respectively.

As of 31 December 2018, the Company had the shareholders' equity of 1,245.28 million Baht, increased by approximately 17.83 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 20.35 million Baht which increasing of 1.00 million Baht from the year 2017 and the retained earnings of 166.66 million Baht, respectively.

As of 31 December 2019, the Company had the shareholders' equity of 1,241.01 million Baht, increased by approximately 4.27 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 21.25 million Baht which increasing of 0.90 million Baht from the year 2018 and the retained earnings of 161.48 million Baht, respectively.

The Responsibility For The Financial Reporting of The Board of Directors

The Board of Directors is responsible of Baan Rock Garden Public Company Limited and the Financial Statement of the company, including financial data presenting in this Annual Report. And In preparing the Financial Statements of the Company have used appropriate accounting standards policies and consistently applied. The Financial Statements are adequately disclosed of significant data in notes to Financial Statements, also audited with unqualified opinion from independent auditors, thus, reflects a true and fair view of Balance Sheet, Income Statement and Cash Flow Statement of the Company and subsidiaries.

The Board of Directors set up and maintained effective internal control system to ensure that the Company keep accounting records which disclose with reasonable accuracy, completeness and adequacy of financial positions to safeguard assets of the Company and its subsidiaries, to be aware of weakness, and to prevent any risk from material irregularities.

In this regard, the Board of Directors appointed the Audit Committee taking responsibilities of the quality of Financial Statements and effective Internal control System. This is to ensure the correct, adequate timely accounting booking and also to prevent fraud or materially irregularity. The opinion of the Audit Committee has shown in Audit Committee Report attributed in this Annual Report.

The Board of Directors believes that the Company's overall internal control system has performed to a satisfactory level to lend credibility and provide reliability to Baan Rock Garden Public Company Limited, the financial statements for the year ended 31st December 2019 have been presented fairly for both operating results and cash flow in all material respects.



(Mr. Virat Chinrapinporn)

Chairman of the Board



(Mr. Surapol Salimanon)

Chairman of the Audit Committee



(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of BAAN ROCK GARDEN PUBLIC COMPANY LIMITED. ("the Company"), which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BAAN ROCK GARDEN PUBLIC COMPANY LIMITED as at 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Inventories

Inventories, mentioned in Note to the Financial Statements No. 8, comprised of the costs of real estate development for sale and real estate under development. As at 31 December 2019, the carrying amount of the inventories is Baht 318.33 million. Since the inventories is material to the financial statements and comprised of the costs from various activities such as the cost of land acquisition, land development cost, construct cost and public utility development cost that involved in recording complex transactions, therefore, my audit is concentrated on this area.

Key audit procedures included

- Assess and test the efficiency of internal control system relating to the purchase cycle, the subcontracting cycle and the transaction recording process for the cost of real estate development by making inquiry of responsible persons, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Inspect the transaction recording for the cost of real estate development by selecting representative samples to test against the supporting documents such as agreements, invoices and original receipts.
- Cut-off for the cost of real estate development recorded against the supporting documents occurred near the end of the accounting period and after the accounting period.
- Test the allocation for cost of real estate development per unit.
- Observe the projects to evaluate whether the recorded costs correspond with the progress of each project.
- Assess the sufficiency of the information disclosed under the financial reporting standards.



Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

(Miss Waraporn Intaraprasit)

Certified Public Accountant Registration No. 7881

CWWP Company Limited

Bangkok,

21 February 2020



BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	31 December 2019	31 December 2018
		Baht	Baht
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	18,800,698.11	1,198,575.47
Temporary Investments	27.3	58,000,000.00	113,000,000.00
Other Current Receivables	7	2,053,846.45	1,717,339.70
Inventories	8	318,330,601.57	305,199,936.79
TOTAL CURRENT ASSETS		397,185,146.13	421,115,851.96
NON-CURRENT ASSETS			
Land Held for Development	9	808,954,462.23	808,954,462.23
Property, Plant and Equipment	10	5,897,620.76	6,681,577.61
Deferred Tax Assets	11	2,647,614.36	5,610,415.74
Deposit at Bank used as Collateral	12	54,573,320.74	53,842,765.05
Other Non-Current Assets		397,541.50	2,020,396.58
TOTAL NON-CURRENT ASSETS		872,470,559.59	877,109,617.21
TOTAL ASSETS		1,269,655,705.72	1,298,225,469.17

Notes to the financial statements are an integral part of this financial statements.



BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	31 December 2019	31 December 2018
		Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and Other Current Payables	13	16,980,612.31	22,752,555.95
Current Portion of Liabilities under Financial			
Lease Agreements	15	407,591.20	383,530.54
Current Income Tax Payable		1,156,019.15	2,503,962.90
Provision-Accrued Interest	27.3	6,627,996.31	6,627,996.31
Estimate from Prosecuted Cases	14	759,465.00	18,000,000.00
TOTAL CURRENT LIABILITIES		25,931,683.97	50,268,045.70
NON-CURRENT LIABILITIES			
Liabilities under Financial Lease Agreements	15	177,313.45	584,904.65
Non-Current Provisions for Employee Benefit	16	1,794,118.97	1,598,422.97
Other Non-Current Liabilities		746,631.42	493,364.46
TOTAL NON-CURRENT LIABILITIES		2,718,063.84	2,676,692.08
TOTAL LIABILITIES		28,649,747.81	52,944,737.78

Notes to the financial statements are an integral part of this financial statements.



BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	31 December 2019	31 December 2018
		Baht	Baht
SHAREHOLDERS' EQUITY			
Share Capital	17		
Authorized Share Capital			
1,231,099,916 Ordinary Shares @ Baht 1.00		1,231,099,916.00	1,231,099,916.00
Issued and Paid-Up Share Capital			
1,025,000,181 Ordinary Shares @ Baht 1.00		1,025,000,181.00	1,025,000,181.00
Share Premium on Ordinary Shares		32,123,707.55	32,123,707.55
Retained Earnings			
Appropriated			
Legal Reserve		21,250,000.00	20,350,000.00
Unappropriated		161,482,602.53	166,657,376.01
Other Components of Shareholder's Equity		1,149,466.83	1,149,466.83
TOTAL SHAREHOLDERS' EQUITY		1,241,005,957.91	1,245,280,731.39
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,269,655,705.72	1,298,225,469.17

Notes to the financial statements are an integral part of this financial statements.



BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	31 December 2019	31 December 2018
		Baht	Baht
Revenue from Sales		152,317,883.65	126,217,800.00
Costs of Sales		(94,646,432.87)	(78,653,507.38)
GROSS PROFIT		57,671,450.78	47,564,292.62
Other Incomes		3,273,193.07	4,614,023.33
Reversal of Estimate from Prosecuted Cases	14	4,185,599.45	-
Distribution Costs		(17,086,423.28)	(12,185,430.99)
Administrative Expenses		(24,815,813.61)	(21,368,144.72)
Finance Costs		(48,473.04)	(71,109.80)
PROFIT BEFORE INCOME TAX EXPENSE		23,179,533.37	18,553,630.44
Tax (Expense) Income	21	(6,955,304.67)	(417,404.05)
PROFIT FOR THE YEAR		16,224,228.70	18,136,226.39
OTHER COMPREHENSIVE INCOME (EXPENSE)			
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO			
PROFIT OR LOSS			
Gain (loss) on Remeasurements of Defined Benefit Plans - Net of Tax		-	(310,900.00)
TOTAL ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO			
PROFIT OR LOSS - NET OF TAX		-	(310,900.00)
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		-	(310,900.00)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		16,224,228.70	17,825,326.39
 BASIC EARNINGS PER SHARE	 22	 0.016	 0.018

Notes to the financial statements are an integral part of this financial statements.

BAAN ROCK GARDEN PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2019

	Notes	Issued and Paid-up Share Capital	Share Premium on Ordinary Shares	Retained Earnings		Other Components of Shareholder's Equity		Total
				Appropriated Legal Reserve	Unappropriated	Surplus from Change in Shareholders Structure	Baht	
		Baht	Baht	Baht	Baht	Baht	Baht	
Balance as at 1 January 2018		1,024,999,930.00	32,123,085.07	19,350,000.00	149,832,049.62	1,149,466.83	1,227,454,531.52	
Comprehensive Income (Expense) for the Year								
Profit for the Year		-	-	-	18,136,226.39	-	18,136,226.39	
Other Comprehensive Income (Expense)		-	-	-	(310,900.00)	-	(310,900.00)	
Total Comprehensive Income (Expenses) for the Year		-	-	-	17,825,326.39	-	17,825,326.39	
Transactions with Owners								
Contributions by and Distributions to Owners								
Increase of Ordinary Share	17	251.00	622.48	-	-	-	873.48	
Total Contributions by and Distributions to Owners		251.00	622.48	-	-	-	873.48	
Total Transactions with Owners		251.00	622.48	-	-	-	873.48	
Appropriated Legal Reserve	18	-	-	1,000,000.00	(1,000,000.00)	-	-	
Balance as at 31 December 2018		1,025,000,181.00	32,123,707.55	20,350,000.00	166,657,376.01	1,149,466.83	1,245,280,731.39	
Balance as at 1 January 2019		1,025,000,181.00	32,123,707.55	20,350,000.00	166,657,376.01	1,149,466.83	1,245,280,731.39	
Comprehensive Income (Expense) for the Year								
Profit for the Year		-	-	-	16,224,228.70	-	16,224,228.70	
Total Comprehensive Income (Expense) for the Year		-	-	-	16,224,228.70	-	16,224,228.70	
Transactions with Owners								
Contributions by and Distributions to Owners								
Dividend payment	20	-	-	-	(20,499,002.18)	-	(20,499,002.18)	
Total Contributions by and Distributions to Owners		-	-	-	(20,499,002.18)	-	(20,499,002.18)	
Total transactions with Owners		-	-	-	(20,499,002.18)	-	(20,499,002.18)	
Appropriated Legal Reserve	18	-	-	900,000.00	(900,000.00)	-	-	
Balance as at 31 December 2019		1,025,000,181.00	32,123,707.55	21,250,000.00	161,482,602.53	1,149,466.83	1,241,005,957.91	

Notes to the financial statements are an integral part of this financial statements.



BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	31 December 2019	31 December 2018
		Baht	Baht
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Income Tax Expense		23,179,533.37	18,553,630.44
Adjustment to Profit before Income Tax Expense for Cash Received (Paid)			
from Operations			
Doubtful debts		-	62,573.21
Loss on Decline in Value of Inventories		2,230,832.11	418,735.59
Written-off of Withholding Tax		88,304.01	-
Depreciation		1,409,606.79	1,309,553.89
Loss on Disposal of Fixed Assets		13,550.44	18,785.05
(Reversal) Estimate from Prosecuted Cases		(4,185,599.45)	-
Inventories Reduced to be Costs of Sales		92,415,600.76	78,234,771.79
Employee Benefit Expenses		195,696.00	209,596.92
Interest Income		(2,468,033.95)	(4,065,375.13)
Interest Expense		48,473.04	71,109.80
Profit from Operating Activities before Changes in Operating Assets			
and Liabilities		112,927,963.12	94,813,381.56
(Increase) Decrease in Operating Assets			
Other Current Receivables		(47,407.88)	15,063.34
Inventories		(107,777,097.65)	(207,530,457.01)
Other Non-Current Assets		1,404,750.93	(1,273,332.93)
Increase (Decrease) in Operating Liabilities			
Trade and Other Current Payables		(5,771,943.64)	17,315,212.71
Estimate from Prosecuted Cases		(13,054,935.55)	-
Other Non-Current Liabilities		253,266.96	168,130.81
Cash Received (Paid) from Operating Activities		(12,065,403.71)	(96,492,001.52)
Cash Received from Interest Income		756,666.58	26,235.14
Cash paid for Interest		(3.58)	-
Cash Received for Income Tax		129,800.14	1,301,465.49
Cash Paid for Income Tax		(5,340,447.04)	(1,639,107.65)
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		(16,519,387.61)	(96,803,408.54)

Notes to the financial statements are an integral part of this financial statements.



BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	31 December 2019	31 December 2018
		Baht	Baht
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Paid for Temporary Investments		(5,000,000.00)	-
Cash Received from Temporary Investments		60,000,000.00	107,000,000.00
Cash Received from Disposal of Fixed Assets		34,551.96	11,214.95
Cash Paid for Purchase of Fixed Assets		(673,752.34)	(564,729.20)
(Increase) Decrease in Deposit at Bank used as Collateral		(730,555.69)	(21,320,584.89)
Cash Received from Interest Income		1,422,268.50	4,039,139.99
NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		55,052,512.43	89,165,040.85
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Paid for Liabilities under Financial Lease Agreements		(432,000.00)	(432,000.00)
Cash Received from Issuance of Ordinary Shares		-	873.48
Cash Paid for Dividends		(20,499,002.18)	-
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		(20,931,002.18)	(431,126.52)
NET CASH AND CASH EQUIVALENTS INCREASE (DECREASE)		17,602,122.64	(8,069,494.21)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,198,575.47	9,268,069.68
CASH AND CASH EQUIVALENTS AT ENDING OF THE YEAR		18,800,698.11	1,198,575.47

Notes to the financial statements are an integral part of this financial statements.



BAAN ROCK GARDEN PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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 Company’s major shareholder is the Chinrapinporn family is a shareholder, holding 21.01% (2018 : 21.01%) Silaprarat family, holding 19.73% (2018 : 20.50%) and Chonecadeedumrongkul family is a shareholder, holding 15.57% (2018 : 16.90%) of the issued and paid-up share capital.

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 of Financial Statements

2.1 The financial statements have been prepared in accordance with Financial Reporting Standards 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 of brief particulars must be contained in financial statements.

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. Applied New and Revised Financial Reporting Standards

The Company has adopted the new and revised financial reporting standards which are effective for accounting periods beginning on or after 1 January 2019. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. The adoption TFRS 15 Revenue from Contracts with Customers, the Company has adopted new accounting policies as follows:

- 3.1 Commission paid to obtain a contract, the Company has determined that commission paid to obtain a customer contract should be recorded as an asset. if the asset amortization period exceed 1 year and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition and commission paid to obtain a contract, the Company recognized as expenses when the transaction occurred. if the asset amortization period is 1 year or less, under the concession in practice.
- 3.2 Promotion expenses specified in the contracts with customers are given to customers when they register the transfer of houses, including free of charge items. The Company has considered that the free of charge items are component parts of houses, which are the main performance obligations under the contracts. Therefore, the Company is to record these costs as costs of sales, not selling expenses as previously recorded.
- 3.3 Consideration paid to customers, the Company pays registration fee for the transfer of houses or pays common area fee to the juristic person of house projects on behalf of customers when the customers register the transfer of houses. The Company has considered that these transactions are consideration paid to customers. Therefore, they should be recorded as net offsetting with revenue from sales, not selling expenses as previously recorded.



In addition, the Company has reclassified certain items in the statements of comprehensive income for the year ended 31 December 2018 have been reclassified as below, for comparison purpose without any affecting to net profit or shareholders' equity previously reported, as follows:

	As previously reported	Reclassification	(Unit : Baht) TFRS 15
Statement of comprehensive income			
for the year ended 31 December 2018			
Revenues from Sales	127,813,630.00	(1,595,830.00)	126,217,800.00
Costs of Sales	(76,977,281.30)	(1,676,226.08)	(78,653,507.38)
Distribution Costs	(15,457,487.07)	3,272,056.08	(12,185,430.99)

4. New Financial Reporting Standards Not Yet Effective

The Federation of Accounting Professions issued new accounting standards, financial reporting standards and financial reporting standard interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Group of Financial Instruments Standards

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

These group of standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), the calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These standards will supersede the standards and interpretations relating to the financial instruments upon its effective date.

TFRS 16 Leases

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

The management of the Company is currently evaluating the impact of these standards on the financial statements.

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 Instrument

Financial assets which recognized in the statement of financial position include cash and cash equivalents, investments and trade and other current receivables. Financial liabilities which recognized in the statement of financial position include trade and other current payables and liabilities under financial lease agreements. 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 Other Current Receivables and Allowance for Doubtful Debts

Other Current receivables are stated at cost net of allowance for doubtful debts. Allowance for doubtful debts are estimated which is assessed primarily on analysis of payment and review of all outstanding amounts at the end of the reporting period.



5.5 Inventories

Inventories consisted of cost of real estate development for sale and under development are 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 to public utility system and direct other expenses.

5.6 Land Held for Development

Land held for development 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 cost and other related expense so as to acquire the land.

5.7 Property, Plant and Equipment

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

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

Replacement cost will be capitalized 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 will be depreciated by the basis of approximate useful lives. Repair and maintenance expenses are recognized as expense in profit or loss for the period that they incurred.

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 when incurred.

5.8 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 depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

5.9 Trade and Other Current Payables

Trade and Other Current Payables are stated as cost.



5.10 Employees Benefit

Short-term Employee Benefits

Salaries, wages, bonus and contributions to the social security fund are recognized as expenses when incurred.

Post-employment Benefits

- Defined Contribution Plan

The Company operates a provident fund which is funded by payments from employees and by the Company. The fund's asset of the provident fund is separated from the Company's asset and has been managed by a fund manager. Contributions to the provident fund are recognized as expense 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 by 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 and presents as non-current liabilities. Hereby, the costs associated with employee benefits will be recognized as expense in profit or loss so as to spread the cost over the employment period. All actuarial gains and losses are recognized in other comprehensive income.

5.11 Provision

The Company is 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.

5.12 Long-term 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 assets acquired under finance leases while depreciation is carried throughout the useful lives of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful lives of leased assets or lives 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 lessor are classified as operating leases. Payments made under operation leases (net of any incentives received from the lessor) 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 lessor by way of penalty is recognized as an expense in the period in which termination takes place.

5.13 Recognition of Revenues

- Revenues from sales of land and houses

The Company is recognized revenues from sales of land and houses as income when control of the real estate is transferred to the buyer that the Company retains neither continuing managerial involvement nor effective control over the land and house sold, directly and indirectly. The recognized amount revenue and cost incurred in respect of the transaction can be measured reliably. The initial down payment and the installment received that have not yet fit the criteria for revenue recognition shall be record under deposits received from sales of land and houses.

Consideration paid to customers, the Company is recongnized registration fee for the transfer of houses or paids common area fee to the juristic person of house projects on behalf of customers as net offsetting with revenue from sales.



- Costs to obtain a contract

The Company is recognized commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognized to the extent that the carrying amount of an asset recognized exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

- Interest income is recognized on the effective interest rate.

5.14 Recognition of Cost

Cost of land and houses sold consist of cost of land, land improvement, design fees, construction, public utilities and other related cost.

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

Promotion expenses specified in the contracts with customers are given to customers when they register the transfer of houses, including free of charge items are component parts of houses, which are the main performance obligations under the contracts. Therefore, the Company is to record these costs as costs of sales when the customers register the transfer of houses.

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognized when sale incurred.

5.15 Recognition of Expenses

- Expenses are recognized on accrual basis.

5.16 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 is recognized 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 is recognized deferred tax 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 such deduction temporary difference can be utilized. At the end of each reporting period, deferred tax assets are reduced to the extent that the related tax benefit will be realized.

5.17 Earnings per Share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares held by outside shareholders outstanding during the year and diluted earnings per share is calculated by dividing profit for the year adjustment with the effect of item related to diluted ordinary shares by the weighted average number of already issued and fully paid shares during the year plus number of ordinary shares which may be issued in order to convert all diluted ordinary shares to ordinary shares.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.



All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 – Inputs are quoted prices in active market for identical assets or liabilities that the Company can access at the measurement date.

Level 2 – Input are other observable inputs either directly and indirectly, for the assets or liabilities, other than quoted price included within Level 1 inputs.

Level 3 – Input are unobservable inputs for the assets and liabilities.

At the end of each reporting period, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5.19 Significant Accounting Judgments for Estimates Used

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 the financial statements, therefore the actual result may differ from the estimated amount. Significant judgments and estimates used are as follows:

Leases

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

Allowance for Doubtful Debts

In determining an allowance for doubtful debts, the management needs to make judgment in estimating the potential loss which may incurred from each receivable with considering the 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 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

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 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.

Allowance for Impairment of Land Held for Development

The Company treat land held for development as impaired when the management judges that there has been a significant decline in the fair value below their cost. The management determines the devaluation of land held for development based on net recognized value. The determination of what is "significant" and such devaluation requires the management to exercise judgement.

Deferred Tax Assets

The management of the company has to use judgment in the consideration to recognize deferred tax assets by estimating the future taxable profit in each period and assess the probable that the Company will have sufficient future taxable profit which can be utilized.



Post-Employment Benefits Under Defined Benefit Plans

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, turnover rate and other demographic factors etc. However, actual post-employment benefits that may be different from those estimated.

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:

	As at 31 December 2019	As at 31 December 2018
	Baht	Baht
Cash	43,365.00	45,830.00
Saving Deposit Accounts	1,815,716.59	1,504,489.50
Current Deposit Accounts	16,941,616.52	(351,744.03)
Total	<u>18,800,698.11</u>	<u>1,198,575.47</u>

7. Other Current Receivables

Consist of:

	As at 31 December 2019	As at 31 December 2018
	Baht	Baht
Other Receivables	115,328.66	157,228.52
Advance-Subcontractor	2,454,553.61	2,454,553.61
Advance-Staff	138,900.50	78,542.40
Prepaid Expense	1,510,518.42	1,481,568.78
Accrued interest	289,098.87	-
Total	4,508,400.06	4,171,893.31
<u>Less</u> Allowance for Doubtful Debts	(2,454,553.61)	(2,454,553.61)
Net	2,053,846.45	1,717,339.70

For the year ended 31 December 2019 and 2018, allowance for doubtful debts have the movement as follows:

	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht
Beginning Carrying Amount	(2,454,553.61)	(2,391,980.40)
Increased during the Year	-	(62,573.21)
Ending Carrying Amount	(2,454,553.61)	(2,454,553.61)



8. Inventories

Consist of:

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Cost of Real Estate Development for sale		
Demonstration Land and Houses	16,346,244.54	14,669,684.76
Land and Houses	220,074,849.49	121,679,397.55
Cost of Real Estate Under Development		
Land	47,996,522.06	113,089,268.65
Construction in Progress	1,210,125.37	39,299,988.38
Deferred Utilities	36,759,351.66	18,287,256.89
Total	322,387,093.12	307,025,596.23
<u>Less</u> Allowance for Decline in Value of Inventories	(4,056,491.55)	(1,825,659.44)
Net	318,330,601.57	305,199,936.79

For the year ended 31 December 2019 and 2018, allowance for decline in value of inventories have the movement as follows:

	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Beginning Carrying Amount	(1,825,659.44)	(1,406,923.85)
Increased during the Year	(2,230,832.11)	(418,735.59)
Ending Carrying Amount	(4,056,491.55)	(1,825,659.44)

As at 31 December 2018, the Company has 13 plots of land under the seizure by the Samutprakarn Legal Execution Office. The cost value of the land is Baht 3.70 million.

9. Land Held for Development

Consist of:

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Cost of Land	808,954,462.23	808,954,462.23

As at December 2019 and 2018, the Company has the land held for development with cost of Baht 38.18 million equally for both years, which is mortgaged as collateral for credit facilities of bank overdraft, long-term borrowings 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 for both years, which the land pending development has not been transferred to the director. However, the Company has estimated the accrued interest in amount of Baht 6.63 million as in Note 27.3



10. Property, Plant and Equipment

Consist of:

	Land	Building	Office Equipment	Fixture and Building Improvements	Vehicles	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Costs						
As at 1 January 2018	92,836.04	2,508,672.57	3,689,039.59	1,046,264.68	11,137,510.82	18,474,323.70
Purchase of Assets	-	-	172,469.20	122,770.00	269,490.00	564,729.20
Disposal of Assets	-	-	-	-	(90,000.00)	(90,000.00)
As at 31 December 2018	92,836.04	2,508,672.57	3,861,508.79	1,169,034.68	11,317,000.82	18,949,052.90
Accumulated Depreciation						
As at 1 January 2018	-	(1,115,639.98)	(3,029,476.65)	(925,684.24)	(5,947,120.53)	(11,017,921.40)
Depreciation for the Year	-	(164,403.87)	(154,096.73)	(32,132.34)	(958,920.95)	(1,309,553.89)
Accumulated Depreciation for Disposal of Assets	-	-	-	-	60,000.00	60,000.00
As at 31 December 2018	-	(1,280,043.85)	(3,183,573.38)	(957,816.58)	(6,846,041.48)	(12,267,475.29)
Carrying Amount						
As at 31 December 2017	92,836.04	1,393,032.59	659,562.94	120,580.44	5,190,390.29	7,456,402.30
As at 31 December 2018	92,836.04	1,228,628.72	677,935.41	211,218.10	4,470,959.34	6,681,577.61
Depreciation for the year ended 31 December 2018 (Included in Administrative Expenses)						1,309,553.89

	Land	Building	Office Equipment	Fixture and Building Improvements	Vehicles	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Costs						
As at 1 January 2019	92,836.04	2,508,672.57	3,861,508.79	1,169,034.68	11,317,000.82	18,949,052.90
Purchase of Assets	-	120,680.00	505,102.34	47,970.00	-	673,752.34
Disposal of Assets	-	-	(70,100.00)	-	(61,000.00)	(131,100.00)
As at 31 December 2019	92,836.04	2,629,352.57	4,296,511.13	1,217,004.68	11,256,000.82	19,491,705.24
Accumulated Depreciation						
As at 1 January 2019	-	(1,280,043.85)	(3,183,573.38)	(957,816.58)	(6,846,041.48)	(12,267,475.29)
Depreciation for the Year	-	(172,338.93)	(217,153.37)	(55,097.49)	(965,017.00)	(1,409,606.79)
Accumulated Depreciation for Disposal of Assets	-	-	25,420.85	-	57,576.75	82,997.60
As at 31 December 2019	-	(1,452,382.78)	(3,375,305.90)	(1,012,914.07)	(7,753,481.73)	(13,594,084.48)
Carrying Amount						
As at 31 December 2018	92,836.04	1,228,628.72	677,935.41	211,218.10	4,470,959.34	6,681,577.61
As at 31 December 2019	92,836.04	1,176,969.79	921,205.23	204,090.61	3,502,519.09	5,897,620.76
Depreciation for the year ended 31 December 2019 (Included in Administrative Expenses)						1,409,606.79



As at 31 December 2019 and 2018, a part of plant and equipment has been fully depreciated but still in use has the cost before deducting accumulated depreciation of above assets in amount of Baht 11.19 million and Baht 11.14 million respectively.

As at 31 December 2019 and 2018, the Company has vehicles under the finance lease agreements at the carrying amount of Baht 1.21 million and Baht 2.06 million respectively.

11. Deferred Tax Assets

Consist of:

	As at 31 December 2018	Recognized in the profit (loss) for the year	Recognized in the other comprehensive income (expense)	As at 31 December 2019
	Baht	Baht	Baht	Baht
<u>Deferred Tax Assets</u>				
Inventories	365,131.89	446,166.42	-	811,298.31
Provision - Accrued Interest	1,325,599.26	-	-	1,325,599.26
Estimate from Prosecuted Cases	3,600,000.00	(3,448,107.00)	-	151,893.00
Non- Current Provisions of				
Employee Benefit	319,684.59	39,139.20	-	358,823.79
Total	5,610,415.74	(2,962,801.38)	-	2,647,614.36
	As at 31 December 2017	Recognized in the profit (loss) for the year	Recognized in the other comprehensive income (expense)	As at 31 December 2018
	Baht	Baht	Baht	Baht
<u>Deferred Tax Assets</u>				
Inventories	281,384.77	83,747.12	-	365,131.89
Provision - Accrued Interest	1,325,599.26	-	-	1,325,599.26
Estimate from Prosecuted Cases	-	3,600,000.00	-	3,600,000.00
Non- Current Provisions of				
Employee Benefit	200,040.21	41,919.38	77,725.00	319,684.59
Total	1,807,024.24	3,725,666.50	77,725.00	5,610,415.74

12. Deposit at Bank used as Collateral

As at 31 December 2019 and 2018, the Company constitutes fixed deposit with a commercial bank in amount of Baht 54.57 million and Baht 53.84 million respectively, as collateral maintenance fees for public utilities or public services.

13. Trade and Other Current Payables

Consist of:

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Trade Payables	3,362,908.59	9,410,775.67
Other Current Payables	13,617,703.72	13,341,780.28
Total	<u>16,980,612.31</u>	<u>22,752,555.95</u>

Other Current Payables consist of:

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Retention form Building Contractor	11,186,585.41	6,493,270.00
Deposits Received from Sales of Land and Houses	395,089.00	900,000.00
Prepaid Cheque	168,316.88	250,447.75
Advance Received	-	2,600,000.00
Accrued Expenses	1,551,070.17	2,395,739.60
Others	316,642.26	702,322.93
Total	<u>13,617,703.72</u>	<u>13,341,780.28</u>



14. Estimate from Prosecuted Cases

As at 31 December 2019 and 2018, the Company 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 Company submitted an objection to the lawsuit because the plaintiff has already known the fact that the ownership of the project's road belonged to an outside person. The legal easement has been registered for the project real property to use as access way. The real estate agent, authorized for the selling of the land together with the house, has already informed the plaintiff regarding this legal easement. 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, and proceeding to file a petition for stay of execution. In August 2017, the court has no injunction to authorize a petition. The case is dissolution.

On 13 September 2017, the Company has filed the request to inform the Court on the execution in compliance to the court order that the Company has already performed the execution in compliance to the court order and is negotiating with the landowner.

On 7 December 2017, the Civil Case Enforcement Bangkok Office 1 issued the attaching of claim notification for savings deposit at bank, where Baht 552,653.80 of 2 bank savings accounts, Rayong branch are under the attachment on 9 January 2018 and 11 January 2018. On 7 May 2018,

the Samutprakarn Legal Execution Office issued the seizure of immovable property notification for 13 plots of land which cost value of the land is Baht 3.70 million and order the Company to deliver the original land title-deeds to the executing officer within 30 days from the receipt of notification date.

On 7 June 2018, the Company submitted a motion to the Civil Court to remove the attachment of claim on money and seizure of assets, and stay of execution on the secondary nature of the execution. The Company requested the removal of the attachment of claim on the money and seizure of 13 plots of land since the Company has continuously executed in compliance with the court order without negligence as stated in the motion submitted to the court dated 13 September 2017. However, the said execution is involved a large number of land owners and require longer time period for the execution to be completed. The Company has requested for the court to stay the execution for 1 year after the date of the court order.

On 7 August 2018, the Civil Case Enforcement Bangkok Office 1 issued the attaching of claim notification for 3 saving deposit accounts at bank. Baht 500,000.00 in savings account at Thanachart Bank, Srivara sub-branch are under the attachment from 10 August 2018, Baht 103,333.97 in savings account at Thanachart Bank, Pracha-uthit branch are under the attachment on 10 September 2018, and Baht 141,458.16 in savings account at Bank of Ayudhya, Thiam Ruam Mit branch are under the attachment on 25 September 2018.

On 24 September 2018, the court issued an order to temporary stay the execution of the attachment of claim on money and seizure of assets until the 24 October 2018 and on 24 October 2018, the court issued an order to dismiss the motion to temporary stay the execution of the attachment of claim on the Company's money and seizure of the Company's assets and the court should revoke the previously issued writ of execution dated 20 September 2017 and issued a new writ of execution dated 20 November 2018, which the content of the judgement has been revised to correspond with the judgement of the Court of Appeals.

On 22 March 2019, the Civil Case Enforcement Bangkok Office 1 issued the attaching of claim notification on bank deposit, Baht 95.75 in savings account at Thanachart Bank, Pracha-uthit branch are under the attachment on 28 June 2019, Baht 64,019.11 in savings account at Thanachart Bank, Phuket branch are under the attachment on 13 July 2019, Baht 16,475.75 in savings account at Thanachart Bank, Srivara sub-branch are under the attachment on 23 July 2019, Baht 30,991.81 in



savings account and current account at Bank of Ayudhya, are under the attachment on 24 July 2019, The total number of deposit accounts under the attachment is 7 accounts and the total sum is Baht 1,409,028.35.

On 18 July 2019, the Company had negotiated and paid Baht 10.80 million of compensations to 11 plaintiffs (excluded the first plaintiff). The plaintiffs submitted the motion for the Civil Case Enforcement Bangkok Office 1 to remove the attachment of claim on money and seizure of assets for the Company. On 20 August 2019, the Civil Case Enforcement Bangkok Office 1 issued a judgment debt notification that the Company shall pay the first plaintiff for compensation, less the portion under the attachment of claim on bank deposit and has already been sent to the plaintiff. The remaining compensation to be paid to the plaintiff is Baht 509,662.22, and the payment has been made on 3 September 2019. The total of the compensation paid to all plaintiffs under the litigation aggregated to Baht 13.81 million. Therefore, the Company recorded Baht 4.19 million in reversal of estimate from prosecuted case.

As at 31 December 2019, the Company has estimate from prosecuted case in outstanding court fees and legal counsel fee at approximately Baht 0.76 million.

15. Liabilities under Financial Lease Agreements

Consist of:

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Minimum Lease Payments under Finance Lease Agreements		
- Within 1 year	432,000.00	432,000.00
- Over 1 year but not over 5 years	180,000.00	612,000.00
Total	612,000.00	1,044,000.00
<u>Less</u> Deferred Interest	(27,095.35)	(75,564.81)
Net	584,904.65	968,435.19

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Present Value of Minimum Lease Payments under Finance Lease Agreements		
Current Liabilities		
- Within 1 year	407,591.20	383,530.54
Non-Current Liabilities		
- Over 1 year but not over 5 years	177,313.45	584,904.65
Total	<u>584,904.65</u>	<u>968,435.19</u>

16. Non-Current Provisions for Employee Benefits

Non-Current Provisions for Employee Benefits has detail as follows:

	For the year ended 31 December 2019 Baht	For the year ended 31 December 2018 Baht
Non-Current Provisions for Employee Benefits at Beginning of Year	1,598,422.97	1,000,201.05
Included in Profit or Loss:		
Current Service Cost	155,364.00	79,443.96
Past Service Cost	-	106,833.00
Interest Expenses	40,332.00	23,319.96
Included in Other Comprehensive Income:		
Gain (Loss) on Remeasurement of Defined Benefit Plans		
Financial Assumptions Changes	-	(50,045.00)
Demographic Assumptions Changes	-	239,157.00
Experience Adjustments	-	199,513.00
Non-Current Provisions for Employee Benefits at End of Year	<u>1,794,118.97</u>	<u>1,598,422.97</u>



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

	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht
Administrative Expenses	195,696.00	209,596.92

As at 31 December 2019 and 2018, the weighted average duration of the non-current provisions for employee benefits is 6 years.

For the year ended 31 December 2019 and 2018, the key assumptions used for the purposes of the actuarial valuation are summarized as follows:

	(Unit : % per annum)
Discount rate	2.30
Average salary increase rate	2.42
Proportion of employees opting for early retirement	0.00 - 14.00

Sensitivity Analysis

Reasonably possible changes to each relevant actuarial assumption, holding other assumptions constant, would have affected non-current provisions for employee benefit which are summarized as follows:

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Discount rate		
Rate increase 0.50%	(32,418.00)	(36,570.00)
Rate decrease 0.50%	33,610.00	37,983.00
Average salary increase rate		
Rate increase 0.50%	41,822.00	37,298.00
Rate decrease 0.50%	(40,641.00)	(36,259.00)
Turnover Rate		
Rate increase 1%	(92,553.00)	(82,600.00)
Rate decrease 1%	98,802.00	88,095.00

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which was announced in the Royal Gazette on 5 April 2019. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company have additional liabilities for non-current provisions for employee benefits. The Company has recorded the effect of the change by recognizing past service costs as expenses in the income statement for the year 2018.



17. Share Capital

Consist of:

	Par Value Baht	For the year ended 31 December 2019		Par Value Baht	For the year ended 31 December 2018	
		Number of Share	Amount		Number of Share	Amount
		Share	Baht		Share	Baht
Authorized Share Capital						
Beginning Ordinary Shares	1.00	1,231,099,916	1,231,099,916.00	1.00	1,231,099,916	1,231,099,916.00
Ending Ordinary Shares	1.00	1,231,099,916	1,231,099,916.00	1.00	1,231,099,916	1,231,099,916.00
Issued and Paid-up Share Capital						
Beginning Ordinary Shares	1.00	1,025,000,181	1,025,000,181.00	1.00	1,024,999,930	1,024,999,930.00
Issue of Ordinary Shares						
from Warrant	-	-	-	1.00	251	251.00
Ending Ordinary Shares	1.00	1,025,000,181	1,025,000,181.00	1.00	1,025,000,181	1,025,000,181.00

During the second quarterly 2018, have expressed intention to exercise the right to exercise the warrant (BROCK-W1) 250 units converted to common stock 251 ordinary shares, of Bath 3.48 per share which be the cause of an increase of share premium on ordinary in amount of Baht 622.48.

18. Legal Reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company has to appropriate the legal reserve at least 5% of net profit, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. This shall not be distributed as dividend.

For the year ended 31 December 2019 and 2018, the Company has appropriated net profit amounting to Baht 0.90 million, according to the board of directors' meeting of the Company held No. 1/2020 on 21 February 2020 and amount of Baht 1.00 million, according to the board of directors' meeting of the Company held No. 1/2019 on 15 February 2019, respectively to the legal reserve.

19. 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 2019 and 2018, the debt to equity ratio in 0.02:1 and 0.04:1 respectively.

20. Dividend Payment

In accordance with the Annual General Meeting of Shareholders No.1/2019, on 5 April 2019, has resolved to approve the dividend payment for operation for the year ended 31 December 2018 and retained earnings unappropriated at Baht 0.02 per share amount of Baht 20.50 million.

21. Tax (Expense) Income

21.1 Tax (Expense) Income is recognized in the profit (loss) for the year, consist of:

	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht
Current Tax		
Tax (Expense) Income for Current Year	(3,992,503.29)	(4,143,070.55)
Deferred Tax		
Deferred Tax (Expense) Income	(2,962,801.38)	3,725,666.50
Tax (Expense) Income Recognized in Profit (loss) for the Year	<u>(6,955,304.67)</u>	<u>(417,404.05)</u>



The difference between tax (expense) income which was calculated from accounting profit at the tax rate for the year ended 31 December 2019 and 2018, in 20%, can be presented as follows:

	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht
Profit before Income Tax	23,179,533.37	18,553,630.44
Tax (Expense) Income by Tax Rate at 20%	(4,635,906.67)	(3,710,726.09)
Expenses that are not Deductible for Income Tax	(2,319,398.00)	(306,677.96)
Temporary differences in prior period which is unrecognized	-	3,600,000.00
Tax (Expense) Income Recognized in Profit (loss) for the Year	(6,955,304.67)	(417,404.05)

21.2 Tax (Expense) Income which is recognized in other comprehensive income (expense) consists of:

	Amount Before Tax Baht	Tax (Expense) Income Baht	Amount Net Tax Baht
For the year ended 31 December 2018			
Gain (Loss) on Remeasurements of Defined Benefit Plans	(388,625.00)	77,725.00	(310,900.00)

22. Earnings Per Share

Basic Earnings (Loss) per Share

For the year ended 31 December 2018, the Company has calculated basic earnings (loss) per share by dividing profit for the year with the weighted average number during the year of ordinary shares as follows:

	For the year ended 31 December 2018
Profit (Loss) for the Year (Baht)	18,136,226.39
Weighted Average Number of Ordinary Share During the Year (Shares)	1,025,000,181
Basic Earnings per Share (Baht)	0.018

23. Provident Fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act.B.E. 2530, which comprise of the employees' contribution to the fund minimum 3% of their basic salary and the Company also contribute to the fund at 3% for the employees with less than 1 year of service and 5% for the employees with more than 1 year of service. The provident fund is managed Provident Fund. The benefit will be paid to the employees whom retire in accordance to the fund's regulations.

For the year ended 31 December 2019 and 2018, the Company has paid contribution to provident fund in amount of Baht 0.30 million equally for both years.

24. Expenses by Nature

Consist of:

	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht
Construction Materials and Construction Fee	107,777,097.65	207,530,457.01
Change in Cost of Real Estate Development for Sale and Under Development	(15,361,496.89)	(129,295,685.22)
Loss for Decline in Value of Inventories	2,230,832.11	418,735.59
Depreciation	1,409,606.79	1,309,553.89
Doubtful Debts	-	62,573.21
Employee Benefit Expenses	6,118,146.73	5,409,867.98
Management's Remuneration	4,893,887.78	4,905,992.48
Sales Compensation and Advertising	9,332,376.59	7,490,526.58
Specific Business Tax	5,485,827.00	4,226,177.00
Other	14,662,392.00	10,148,884.57
Total	136,548,669.76	112,207,083.09



25. Segment Information

The Company operates in only one main sector, namely business of real estate development in type of allotted house for sale and operate in one geographic which is Thailand. Thus all income profit and assets as shown on the financial statements were related to the business sector and geographical area as already said and for the year 2019 and 2018, the Company have no major customer with revenue of 10% or more of the Company's revenue.

26. Financial Instruments

26.1 Financial Risk Management Policy

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

26.2 Interest Rate Risk

The interest rate risk is a result of future fluctuation in market interest rates that will affect the results of the Company operation and cash flows. The Company exposure to interest rate risk primarily related to its cash at banks, temporary investments and financial lease agreements liabilities as follows:

(Unit : Baht)

	As at 31 December 2019				
	Floating	Fixed	Non-interest		Interest Rates
	Interest Rate	Interest Rates	bearing	Total	(%)
<u>Financial Assets</u>					
Cash and Cash Equivalents	18,706,218.99	-	94,479.12	18,800,698.11	0.20 – 0.70
Temporary Investments	-	58,000,000.00	-	58,000,000.00	1.90
Deposit at Bank used as Collateral	-	54,573,320.74	-	54,573,320.74	0.08 – 1.375
<u>Financial Liabilities</u>					
Financial Lease Agreements					
Liabilities	-	584,904.65	-	584,904.65	6.10

(Unit : Baht)

	As at 31 December 2018				
	Floating Interest Rate	Fixed Interest Rates	Non-interest bearing	Total	Interest Rates (%)
<u>Financial Assets</u>					
Cash and Cash Equivalents	1,075,745.64	-	122,829.83	1,198,575.47	0.20 – 0.70
Temporary Investments	-	113,000,000.00	-	113,000,000.00	1.95
Deposit at Bank used as Collateral	-	53,842,765.05	-	53,842,765.05	0.08 – 1.50
<u>Financial Liabilities</u>					
Financial Lease Agreements					
Liabilities	-	968,435.19	-	968,435.19	6.10

26.3 Foreign Exchange Rates Risk

The Company is not exposed to any risk from foreign exchange rate fluctuations because its main enterprise is conducted locally.

26.4 Credit Risk

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

26.5 Fair Value

Due to the fact that financial assets and liabilities are mainly in short-term maturity, their carrying amounts in the statement of financial position approximate their fair value.

26.6 Fair Value Hierarchy

Financial assets and liabilities not recognized at fair value

Book value of financial assets and liabilities which consists of cash and cash equivalents, temporary investments, other current receivables, deposit at bank used collateral, trade and other current payables, liabilities under finance leased contract, does not differ from their values since these financial assets and liabilities are matured in near term.



27. Transactions with Related Persons and Parties

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

27.1 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 or 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 person and party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company's major shareholder is the Chinrapinporn family is a shareholder, holding 21.01% (2018: 21.01%) Silaprarat family, holding 19.73% (2018: 20.50%) and Chonecadeedumrongkul family is a shareholder, holding 15.57% (2018: 16.90%) of the share capital of the Company. Transactions related to companies in which the Chinrapinporn family, Silaprarat family and Chonecadeedumrongkul family are the principal shareholders or directors are recognized as related parties to the Company.



<u>Name of Related Persons and Parties</u>	<u>Relationship</u>
Ratchthani Leasing Public Co., Ltd.	Common directors and some shareholders
Omnoi Massage Co., Ltd.	Common directors and some shareholders (the completeness of liquidation on 25 December 2018)
Rock Garden Group Co., Ltd.	Common directors and some shareholders
Khun Virat Chinprapinporn	Directors of the Company and Shareholder
Khun Naowanit Silaprarat	Directors of the Company and Shareholder
Khun Naowanart Jamornmarn	Shareholder
Khun Naowaruji Brennan	Shareholder

27.2 Inter-Transactions

		For the year ended 31 December 2019	For the year ended 31 December 2018
	Pricing Policies	Baht	Baht
Inter-Transaction with Related Companies			
Interest Income	Annual Interest Rate at 1.90- 1.95% per annum	1,420,875.36	3,594,357.54
Rental and Service Fee	Contract Price	1,586,373.04	1,407,418.00
Entertainment Expense	Cost Price Plus Margin	-	320,000.00
Inter-Transaction with Related Persons			
Rental and Service Fee	Contract Price	308,000.00	480,000.00
Disposal of Assets	Mutually Agreed Price	41,200.00	-



27.3 Inter-Outstanding Balances

	As at 31 December 2019 Baht	As at 31 December 2018 Baht
Temporary Investments		
Related Company		
Ratchthani Leasing Public Company Limited		
Beginning Balance	113,000,000.00	220,000,000.00
Increase during the year	5,000,000.00	-
Decrease during the year	(60,000,000.00)	(107,000,000.00)
Ending Balance	<u>58,000,000.00</u>	<u>113,000,000.00</u>
Advance Received		
Related Person	-	2,600,000.00
Deposit of Land		
Related Persons	-	150,000.00
Provision-Accrued Interest		
Related Person		
Beginning Balance	6,627,996.31	6,627,996.31
Increase during the year	-	-
Decrease during the year	-	-
Ending Balance	<u>6,627,996.31</u>	<u>6,627,996.31</u>

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

As at 31 December 2019 and 2018, the temporary investments are loans inform of at-call promissory note and carried interest rate at 1.90% per annum and 1.95% per annum, respectively.

Provision-accrued interest, the Company estimates this provision base on the loans from shareholders as in Note 9.

27.4 Commitments with Related Persons and Parties

As at 31 December 2019 and 2018, 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 and service fee under these agreements amounting to approximately Baht 0.14 million per month and Baht 0.11 million per month, respectively.

As at 31 December 2018, the Company has entered into lease agreements for temporary office space with one related person for 1 year with options to renew. The Company constitutes obligation commitment that has to repay for such rental fee under these agreements amounting to approximately Baht 0.04 million per month.

27.5 Key Management Personnel Remuneration

	For the year ended 31 December 2019	For the year ended 31 December 2018
	Baht	Baht
Short-term Employee Benefits	4,705,500.00	4,751,000.00
Post-Employment Benefits		
- Defined Contribution Plans	90,000.00	87,000.00
- Defined Benefit Plans	98,387.78	67,992.48
Total	<u>4,893,887.78</u>	<u>4,905,992.48</u>



28. Cash Flow Information

Changes in Liabilities arising from Financing Activities

For the year ended 31 December 2019 and 2018, changes in liabilities arising from financing activities have the movement as follows:

	For the year ended 31 December 2019		
	As at	Changes from	Other Changes
	1 January 2019	Financing Cash Flows	31 December 2019
	Baht	Baht	Baht
Liabilities under Finance Lease Agreements			
- Current	383,530.54	(432,000.00)	456,060.66
- Non-Current	584,904.65	-	(407,591.20)
Total	<u>968,435.19</u>	<u>(432,000.00)</u>	<u>584,904.65</u>
	For the year ended 31 December 2018		
	As at	Changes from	Other Changes
	1 January 2018	Financing Cash Flows	31 December 2019
	Baht	Baht	Baht
Liabilities under Finance Lease Agreements			
- Current	360,890.20	(432,000.00)	454,640.34
- Non-Current	968,435.19	-	(383,530.54)
Total	<u>1,329,325.39</u>	<u>(432,000.00)</u>	<u>968,435.19</u>

29. Obligations

In addition to the liabilities presented in the statements of financial statements, as at 31 December 2019 and 2018, the Company has obligations as follows:

- 29.1 As at 31 December 2019 and 2018, the Company constitutes obligation commitment in the project development and property construction by amount of Baht 3.69 million and Baht 41.08 million, respectively.
- 29.2 As at 31 December 2019 and 2018, the Company constitutes letter of guarantee which issued by a bank to guarantee the repayment of land allotment by total Baht 59.96 million equally for both years.
- 29.3 As at 31 December 2019 and 2018, 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 held for development are collateral and there is the Company's directors guarantee.

- 29.4 As at 31 December 2019 and 2018, the Company has security contracts with several companies. A period of one year, the Company has an obligation under the agreement at the rate of Baht 0.19 million per month and Baht 0.16 million per month, respectively.
- 29.5 As at 31 December 2019 and 2018, the Company has design contracts for the project New Rock Gardens Housing Prototype with a company. The obligation to pay under the agreement value in amount of Baht 0.90 million equally for both years.
- 29.6 As at 31 December 2019 and 2018, the Company has architecture design contracts and demonstration house interior design contracts with a company. The obligation to pay under the agreement value in amount of Baht 0.83 million and Baht 0.71 million, respectively.
- 29.7 As at 31 December 2019 and 2018, the Company has sales management agreement with a company. The obligation to pay compensation at the rate 3% - 4.5% of contract price equally for both years.

30. Event after the Reporting Period

In accordance with the Board of Directors of Meeting No.1/2020, on 21 February 2020, has resolved to approve the dividend payment for operation for the year ended 31 December 2019 and retained earnings unappropriated at Baht 0.02 per share and resolved to appropriate the yearly net profit as legal reserve in the amount of Baht 0.90 million. This matter shall be proposed to the Meeting of shareholders for consideration and approval.

31. Approval of the Financial Statements

The financial statements have been approved for issue by company's Board of Directors of the Company on 21 February 2020.



BAAN ROCK GARDEN
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