

Rhom Bho Property

Annual Report 2017

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED





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Message from the Chairman

In the previous year, Rhom Bho Property Public Company Limited or “TITLE” was allowed by the Securities and Exchange Commission (SEC) to introduce an Initial Public Offering or IPO to the general public, which was also approved by the Market for Alternative Investment (MAI). Considered the first step of achievement and pride for the Board of Directors, executives, and employees, the amount of money obtained from such fundraising practice had inspired us to generate greater business development in an efficient and substantial manner, particularly since it aimed to provide all shareholders with the highest benefit in the future.

For many people, TITLE may be a small-sized real estate developer. In fact, we are totally different from other real estate companies in the industry. We have set out sight to attract tourists from all over the world, who truly appreciate beautiful sceneries of Phuket and have a passionate desire to possess the best-ever real estate available in this seaside city. With a large number of travellers from over 40 countries, we have been recognized as a Thailand-based real estate developer who successfully brings tremendous amounts of foreign currencies into the country, representing the similarity of tourism and export transactions. Everyone in the company, including the Board of Directors, executives, and employees, remains extremely pleased to be part of successful development for Thailand, despite being a newcomer in the real estate industry.

This year, we have determined our Five-Year Business Development Strategy (2018-2022) aiming to become the biggest leader of “Alternative Real Estate” in Phuket province. This is considered a new challenge for TITLE, where the Board of Directors, executives, and employees are required to collaborate with one another based on good corporate governance principles as committed to the Thai society, as part of our ambitious goal to generate business stability and prosperity, making all tasks achievable as planned.

On behalf of everyone in Rhom Bho Property Public Company Limited, We would like to thank the SEC and the MAI for providing a great opportunity as well as putting their confidence and trust in TITLE to become an outstanding real estate company listed on the Stock Exchange of Thailand (SET). I would also like to extend my sincerest appreciation to the press, shareholders, and stakeholders for their continuous support and guidance through time.



(Mr. Suvit Lamsam)

Chairman of the board of Director



Company information

Rhom Bho Property Public Company Limited

Main Office Address	:	No. 53 Sukhonhasawat rd. Lat Phrao, Lat Phrao Bangkok 10230
Tel	:	02-907-8140-2
Fax	:	02-907-8144
Registration Number	:	0107559000478
Type of business	:	Property Development
Website	:	www.rhombho.co.th
E-Mail	:	info@rhombho.co.th
Accounting Periods	:	1 January - 31 December
Registered capital	:	200 Million Baht
Paid-in Capital	:	200 Million Baht
Par Value	:	0.50 Baht
Subsidiary Company Information	:	none

“Investors can find out more information about the companies listed on the
Annual Registration Statement (Form 56-1) of the company listed in
www.sec.or.th Or company website”



Summary of Financial Statements

List	2015	2016	2017
Assets (Million Baht)			
Inventories	1.45	0.55	0.53
Total Assets	606.60	526.83	969.59
Liabilities & Shareholders' Equity (Million Baht)			
Current Liabilities	451.91	288.31	386.89
Non-Current Liabilities	5.06	6.27	57.68
Total Liabilities	456.97	294.58	444.56
Paid up Share Capital	70.00	140.00	200.00
Shareholders' Equity	149.63	232.25	525.03
Operation's Result (Million Baht)			
Sales			
Total Revenue	131.28	366.38	301.22
Gross Profit	60.80	182.94	130.57
Net Profit	10.22	90.98	40.88
Per Share Figure (Baht)			
Net Profit (Loss)	0.08	0.48	0.13
Book Value	213.75	0.83	1.31
Par Value	100.00	0.50	0.50
Liquidity Ratio			
Current Ratio	0.99	1.42	1.78
Quick Ratio	0.03	0.13	0.61
Profitability Ratio			
Gross Profit Margin	0.48	0.50	0.44
Operation Profit Margin	0.07	0.31	0.16
Net Profit Margin	0.08	0.25	0.14
Return on Equities	0.07	0.48	0.11
Efficiency Ratio			
Return on Asset	0.02	0.16	0.05
Financial Policy Ratio			
Debt to Equity Ratio	3.05	1.27	0.85
Interest Coverage Ratio	(628.47)	35.23	36.28
Number of Outstanding Shares (Million Shares)	0.70	280.00	400.00



Board of Directors and managers' information

Order	Name-Surname/position	Age (year)	Education / Training	proportion Shareholding in company (%)	Family relationship between Directors and executives	Work Experiences			
						Time	Position	Name of organization/ company	Type of business
1.	Mr. Suvit Lamsam - Chairman - Chairman of the Audit Committee - Director	58	- Master Degree (MBA) Abilene Christian University USA - Bachelor's Degree in Accounting, Kasetsart University - Director Accreditation Program (DAP) 114/2015 - Updated COSO Enterprise Risk Management Integrating with Strategy and Performance	0.10	none	2014 – present	- Chairman of the board of Director - Chairman of the Audit Committee - Independent Director - Assistance Director agency transformation	Rhom Bho Property Public Company Limited AIA Company Limited	Property Development Insurance
2.	Mr. Viroj Hutajuta - Director (Authorized Director)	81	- Master Degree (MS) MATHS – Master of Science Mathematics - Mindanao University Philippines - Bachelor's Degree in Bann Somdet Chaopraya Rajabhat University - Director Accreditation Program (DAP) 118/2005	1.48	Father- Mr. Dendanai Hutajuta and Mr. Darong Hutajuta	2006 – present 2000 – present	- Director - Director	Rhom Bho Property Public Company Limited Sam Thunwa Company Limited	Property Development Selling Timber and logs

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						1996 - present	- Assistance Director agency transformation	AIA Company Limited	Insurance
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Policy and Overall Business Operations

Rhom Bho Property Public Company Limited, or "TITLE", was established on September 27, 1989 with a registered capital of 1 million Baht by Miss Sirirat Sarttrapai, whose initial purpose was to trade speculative land in the Phuket area under the name of "Country Club Company Limited", the group of Mr. Dendanai Hutajuta, who is knowledgeable and experienced in real estate development, realized the opportunity that the land occupied by the company has its potential, he has acquired shares from Miss Sirirat Satrapai's Group, the shareholders. The main purpose is to develop the land owns by the company as real estate for sale. After that, he started to develop real estate business from 2007 onward and changed the name to Rhom Bho Property Public Company Limited.

After the management of Mr. Dendanai Hutajuta, the company has pioneered and developed real estate. It started with the development of the Luxury Class on Rawai Beach in 2008, but based on market research and consumer behavior studies, condominium products are more suited to the needs of consumers. The company then has adjusted its business plan to focus on condominium development and launched a condominium project under the name "The Title" which is a low rise 4 floors condominium in 2011 on Rawai Beach, Phuket. The business was strengthened by the development of the company's land and with an outstanding location, unique design of the project, the quality of construction, the environment of the project emphasizes the tranquility and sense of relaxation as the hotel or resort. The goal is to create value and impression to customers. Therefore, the projects developed by the company have received good response from customers continuously. After the title of The Title Phuket, Rawai Phase 1 ("The Title Rawai Beach Phase 1") was launched in 2011, achieved in terms of sales. The Title Phuket Rawai Phase 2 ("The Title Rawai Beach Phase 2"), The Title Phuket, Rawai Phase 3 ("The Title Rawai Beach Phase 3") and The Title Residences Naiyang Phuket Phase 1 ("The Title Naiyang Beach Phase 1") and The Title Residences Naiyang Phuket Phase 2 ("The Title Naiyang Beach Phase 2") continue to be available for the 2012-2013 period. In addition, the company is under development. The Title Phuket, Rawai Phase 5 Zone 1 (The Title, Rawai Beach Zone 5 Zone 1) and The Title Phuket Condominium, Rawai Phase 5 Zone 2 ("The Title Rawai Beach 5 Zone). 2), and continues to explore the potential for property development in other potential locations.

As of December 31, 2017, the Company has a registered capital of 200 million baht and paid up capital of 200 million baht. the company then has its main office at 53 Sukontasawat Road Ladprao Ladprao Bangkok.



Vision, Mission, Target and Goals

Company Vision and missions as follows

Vision

Commitment to create a living together with tourism.

Mission

- Management based on good governance. Focus on the moral and ethical good in Buddhism.
- Create quality products to impress the residents.
- Create a new society and environment that is compatible with nature.
- Pay attention and give the after sale service to ensure the warmth and confidence for the residents.
- Control the operation management to meet the target, to maximize shareholder profits.





Nature of Business

1. Revenue Structure

Revenue structure of the company Classified by project type from 2015 -2518.

Revenues from sales and services ^{1/}	Financial Statement (Audited)					
	Year 2015		Year 2016		Year 2017	
	value (Million baht)	proportion (percent)	value (Million baht)	proportion (percent)	value (Million baht)	proportion (percent)
The Title Rawai Phase 1	35.92	27.36	7.48	2.04	-	-
The Title Rawai Phase 2	42.29	32.21	7.56	2.06	-	-
The Title Rawai Phase 3	49.73	37.88	347.76	94.92	293.94	97.56
Total revenues from sales and services	127.94	97.46	362.80	99.02	293.94	97.56
Other Revenues ^{2/}	3.34	2.54	3.58	0.98	7.34	2.44
Total Revenues	131.28	100.00	366.38	100.00	301.28	100.00

Note: ^{1/} Revenues from sales and services include revenue from sales of real estate and related income from the sale of real estate such as income from furniture and condominiums. Revenue from utilities.

^{2/} Other income includes income from breach of contract, interest income, rental income from the guarantee scheme. The company started its marketing plan with a guaranteed return on condo sales in The Title Rawai Phase 3 in 2016 for the first year, resulting in an increase in other revenues in 2016 compared to 2015-2019

2. Product Characteristics and Service

Rhom Bho Property Public Company Limited (TITLE) is a property development company for sale especially the development of residential condominium projects in the potential areas. It focuses on the unique design of the project, quality of the construction, the environment of the project emphasizes the tranquility and sense of relaxation as in the hotel or resort. The aim is to create value and impression for customers to meet the needs of target groups both Thai and foreigners. The progress of each project as of December 31, 2016 is as follows.



The sales status, the transfer of ownership, and the construction of the Company's project as of December 31, 2017.

Project	Location	Project characteristics	Month / Year of Reservation / Sales	Month / Year of construction completed or expected to be completed	Project area (rai-nga-wa)	Project Value (1)		ขายได้รวม ^{1/} (2)		โอนได้รวม ^{2/} (3)		ขายได้รวม (1)-(2)		Percentage of construction progress	Percentage of revenue recognition (3)/(1)
						number (unit)	value (Million baht)	number (unit)	value (Million baht)	number (unit)	value (Million baht)	number (unit)	value (Million baht)		
1.The Title Rawai Phase 1	Rawai Beach, Phuket	condominium 4 floors	Sep 2011	Dec 2013	4.2-66.8	160	494	155	465	155	465	5	29	100.00	94.28
2.The Title Rawai Phase 2	Rawai Beach, Phuket	condominium 4 floors	Jul 2012	Feb 2014	4.2-91.8	120	452	120	452	120	452	-	-	100.00	100.00
3.The Title Rawai Phase 3	Rawai Beach, Phuket	condominium 4 floors	Oct 2013	Dec 2015	7.2-87	240	1,117	188	846	160	717	52	271	100.00	64.19
4.The Title Nai Yang Phase 1	Saku, Thalang, Phuket	condominium 7 floors	Apr 2016	Oct 2018	4.2-55.1	252	602	241	562	-	-	11	40	29.38	-
5.The Title Nai Yang Phase 2	Saku, Thalang, Phuket	condominium 5,7 floors	Oct 2017	Oct 2018	4.3-8	220	812	45	164	-	-	175	648	29.38	-

Note : ^{1/}The sale consists of units that are booked and / or contracted to buy and sell. And / or condominium units.

^{2/} Transfer and accumulation is a unit with ownership transfer.



Table showing the proportion of customers by number of holding units.

Target customers	Proportion of customers by ownership per year (%)				
	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Thai	89.41	37.65	22.86	21.43	18.84
Asians (Except Thai)	5.88	42.59	54.29	44.05	66.67
European and others	4.71	19.75	22.86	34.52	14.49
Total	100.00	100.00	100.00	100.00	100.00

Target customers	Proportion of customers by ownership per year (%)				
	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Freehold	100.00	100.00	100.00	88.10	53.6
Leasehold	-	-	-	11.90	46.4
Total	100.00	100.00	100.00	100.00	100.00

Not transfer of ownership's units

As of December 31, 2017, the Company had 314 units reserved and/or entered into sale contracts but not transfer the ownerships which consider to be an amount of 855 million Baht as follows:

Project	Project Value (Million Baht)	Number (units)	Progress in Construction	Number of units sold but not delivered		Expected time to transfer ownership
				number (unit)	value (Million baht)	
The Title Rawai Phase 1	494	160	100.00%	-	-	-
The Title Rawai Phase 2	452	120	100.00%	-	-	-
The Title Rawai Phase 3	1,117	240	100.00%	28	129	2 nd quarter of 2018
The Title Nai Yang Phase 1	602	252	29.38%	241	562	4 th quarter of 2018
The Title Nai Yang Phase 2	812	220	29.38%	45	164	4 th quarter of 2018
Total	3,451	992	-	314	855	-



Summary of Thai Economy and Real Estate Industry Overview

Real Estate Research and Appraisal Agency Thailand, Agency for Real Estate Affairs company limited (www.area.co.th) had surveyed real estate market which showed that only the housing market traded in the year 2017 has a total sales value of 576,396 million baht, of which 113,280 million baht was bought by foreigners or about 20%. The foreigners bought most of the housing in Bangkok and its vicinities. Foreign trade volume reached 83,170 million baht, second place was Pattaya 6,524 million baht and third place was Phuket in 2017. Foreigners bought a total of 5,448 million baht from the total trade of 18,161 million baht. most of the foreigners that bought properties in Thailand are Japanese Europe, Scandinavia, Russia and China.

Tourism Industry in Thailand

For Thailand's international tourism trend in 2017, the Tourism Department expects to continue to grow following the expansion of world tourism. This is a positive factor from Low ticket prices Dollars and Euros are likely to increase. the Opening new routes is expected that the number of flights will increase from 2017, which will help increase the number of tourists from Korea, Myanmar, Russia, China, Germany, Iran, Oman. also the tourist attractions in Turkey that has expanded to Thailand, the expansion of three airports, namely Don Mueang International Airport Phuket international Airport and U-Tapao, will further enhance the capacity of tourists, as well as expand the international routes of low cost carriers for short flight. In addition, the tourism sector is benefiting from positive factors in other countries, such as strategic implementation. Travel Marketing Plan of 2560 of the Department of the tourism of Thailand that focuses on the local experiences in various levels, such as the presentation of traveling to the 12 must-go cities and 12 must-go Cities plus to the groups of tourists in addition from the main tourist attractions.

Tourism industry in Phuket

Phuket is one of the provinces with the most beautiful natural resources, attracting tourists, such as white sandy beaches, clear waters and bright sunshine. And the convenience of travel, accommodation, restaurants or colorful shows, etc. So, when talking about the tourist city. "Phuket" is still the main destination for tourists from around the world. The Tourism Authority of Thailand (TAT) has revealed that the number of Thai and foreign tourists traveling to Phuket is expected to grow annually from 11,958,603 in 2014 to 13,410,658 in 2016. (Source: Tourism Marketing Research Institute, Tourism of Thailand) In December 2015, the number of tourists both Thai and foreign travel to Phuket is 1,464,242, 499,798 were Thai and 964,444 were foreigners, resulting in an income of 48,443.85 million baht in Phuket. This was a result of Thai tourists of 5,686.2 million baht and income from foreign tourists. 42,757.65 million baht (preliminary information as of 5 February 2018 based on the year 2016 Source: Ministry of Tourism and Sports)

Condominium market in Phuket

For real estate In the past few years, has been a slowdown, so in 2017 there will be many factors that will stimulate real estate in Phuket especially the trend Investment of foreign investors that are confident in the potential of Phuket and Thailand and start to back in hand with Thai investors. Whether it is a Russian or a Chinese, now began to buy land and prepare to expand. This group of investors is quite a number and most interested in investing in luxury villas and condominiums

Local investors are likely to see more growth also, from the research showed that Low-rise homes are not sufficient to meet the demand. In 2017, low-rise units invested by local investors occurred in several projects, with 2-3 projects in the first quarter of the year. And throughout the year there are



at least 5 projects that occur. However, this year's projects will not be very large. The number of units will be lower than in the previous year. The project value is not less than 5,000 million Baht.

In 2017, Phuket's real estate growth prospects are likely to improve but still not as high compares to the past 4-5 years that have grown a lot. It is a good sign to grow more than a year ago.

The growth of real estate also depends on the growth of tourism. The better the tourism the better of Real Estate and related business will be better too.

Real Estate Information Center of The Government Housing Bank reported the data of the condominium development industry during the past four years. In the years 2013 - 2016, the number of condominium development projects was 91 projects, 98 projects, 99 projects and 75 projects, which had grewed in 2014 and 2015, respectively to the past year as 7.69% and 1.02%. The number of condominium units in Phuket totaled 16,925 units, 19,710 units and 21,334 units, respectively. For the year 2016, the number of projects and the growth rate decreased because of the slowdown, but in 2017, the trend has improved. This reflects the condition of condominium supply in Phuket that continues to enter the market.

Units of condominium in Phuket

	Year 2013	Year 2014	Year 2015	Year 2016
Number of Projects Sold (Projects)	91	98	99	75
Growth rate (%)	-	7.69	1.02	(24.23)
Number of Units Sold (Units)	16,925	19,710	21,334	16,311
Growth rate (%)	-	16.45	8.24	(23.54)
Number of Units Unsold (Units)	5,979	5,455	4,301	3,110
Growth rate (%)	-	(8.76)	(21.15)	(27.69)

Source: Real Estate Information Center GHB

Real estate development competition in Phuket

The competition in the real estate development business in Phuket is quite competitive due to its many competitors. Therefore, the company has aggressive marketing policy. Marketing communication in a variety of ways to target customers to recognize the name and information of the company. The sales team, both inside and outside the company, will provide information on the project by organizing special events and regular activities in order to be able to generate sales to meet the target. However, the company's management believes that with its outstanding location, unique design of the project and the quality of construction, the environment of the project emphasizes the tranquility and sense of relaxation as in the hotel or resort. The objective is to create value for money and to impress the customers as the company's core strengths, which will drive the company to increase its market share and competitiveness in this market environment. Government-funded investment projects such as the Light Rail or Tram project from Tha Nua Railway Station. Phang Nga - Phuket Airport - Chalong Five Cheddar, Phuket is a new railway line linking 3 southern provinces. "Surat Thani - Phang Nga - Phuket" The development of Phuket Airport Phase 3 to accommodate 18 million passengers per year, etc., and private investment such as The expansion of department stores such as Central Department Store, Emporium, King Power etc. are all positive results that will make Phuket a more potential tourist destination, and have a great opportunity to invest real estate. Reflecting on the rise in land prices and rental rates in many areas of Phuket during the period 2014-2016, this opportunity is likely. After the opening of the AEC, Thailand became a country that attracted more foreign investors. It will continue to Phuket to be another attractive investment property market of foreign investors.



Basics Infrastructure development plan in Phuket, 2015 – 2021

Project	Project Value	Operate	Project Information
Passage Way at Dara Samut Junction (Highway 402-4020)	599 Mi. Bht	2015(completed)	600 meters long with 3 lanes each 3.5 meters
Phuket International Airport Expansion	5,791 Mi. Bht	2015	The operation of Phuket International Airport X-Terminal with passengers of 2,000 persons/day
Expansion of Yatch Port	372 Mi. Bht	2015	Developed Chlong bay to be the Yatch and Boat port for 40-45 yatches and 4-5 super yatches
Passage Way at Samgong-Lotus Junction	800 Mi. Bht	2016	Road 402 and Yaowaraj Rd. with passage of 4 lanes with 800 meters long and 5.5meter height
Passage Way at Yak Bang do(Koh Kaew)(Highway402 - ThepKraSat Rd.and Phuket Bypass)	600 Mi. Bht	2017	The road leads to many attractions such as Pa Tong Beach Kata Beach Karon Beach Prom Tepp Cape etc. so the traffics is bad especially in the morning
Passage at Chlong Junction (Highway 4021-4024-4028 and Thessaban Rd.)	800 Mi. Bht	2017	The passage with 2 lane 2 ways with 4 meters wide with divided line of 0.5 meters includes road stud and flexible pole and walkway for maintenance and emergency 1 meters each side, the distance inside is 10.50 meters long and 5 meters height at least.
Passage at the Airport Junction (Highway 402-4026)	400 Mi. Bht	Will be completed and operated in 2019	N/A
U-Turn at Mud Dok Kow junction	100 Mi. Bht	Will be completed and operated in 2019	N/A
U-Turn at KohKaew-Tarue (Highway 402)	100 Mi. Bht	Will be completed and operated in 2019	N/A
Light Rail Train at Tha noon and Ha Yak Chlong	23,499Mi. Bht	2021	60 Kilometes includes 20 stations with 100 km/hour
Express way passage at Kratu-Patong	10,000Mi. Bht	Waiting for the EIA and started the construction in 2016 and will be completed in 2021	Elevation Road with Tannel of 3.98 km. and another tennels at Nakkerd Mt. of 1.85 km.

Source : TerraBKK Research



Risk Factors

Risk factors for the Company's business operations that may affect the Company's performance and financial position. The Company's return on investment in the Company's ordinary shares can be summarized as follows:

1. Risks in project development and business operation in highly competitive industries.

The current business plan of the company is to focus on the development of condominiums in a prime location in Phuket. This is the area where the company has researched and understood the behavior of consumers so well. In the future, if the company expands its development to other regional markets, the company has never developed a project or has a customer base may cause the company to face a number of risks, such as the lack of brand awareness of consumers, the location of the project does not meet the needs of consumers, regulations are varied in each province. However, before the construction of each project, the company will carefully study the feasibility of investment projects such as the overall economy, competition in the location of the project development company and the real estate industry at the location.

2. The risk of earnings depends on the success of the project being developed.

As of December 31, 2017, the company has projects under construction and is expected to recognize revenue when the ownership transfer of a total of 1 project consists of The Title Naiyang Beach Phase 1 and Phase 2 project value of about 602 million baht and 812 million baht, respectively. The project is expected to be completed and transferred to customers. As a result, the Company may be exposed to the risk of not realizing the expected results if there is uncertainty about the construction or success of the project.

However, the Company has been monitoring and analyzing the economic situation in the country that may affect many factors such as the change of interest rate, inflation Modification of lending rules of commercial banks Including industry's real estate. Other factors That affects the success of the project. The company will be able to strategically tailor its changing environment and respond to the needs of the market in a timely manner.

3. The risk of future performance is not met because the customer does not transfer the date specified in the contract.

Companies are aware of such risks. The company has set a policy to pay the contract and down payment to the company before the transfer of ownership. For Thai customers, payment is required. Contracts and down payment to the company at least approximately 10.00 - 15.00 percent of the value of condominium before transfer. Meanwhile, foreign customers are more likely to track payment than Thai customers because they are domiciled in foreign countries. And it will be easy to transfer ownership when traveling to Thailand on a tourist season. Payment must be made. Contracts and down payments to the Company account for at least 50.00 - 75.00% of the condominium unit's value before the transfer of ownership in accordance with the terms and conditions of the agreement, which will allow the Company to sell the condominium units to customers who wish to purchase residential property. Real demand, more than customers who want to book for speculation. For Thai customers, customers must make payment. to the Company on a monthly basis from the date of the contract. The project will be completed by the end of the project while the foreign customer will pay the down payment according to the construction period. The remaining amount will be paid on the



transfer date, which is approximately 85.00 - 90.00 percent of the value of the condominium units for Thai customers and 25.00 - 50.00 percent of the condominium unit price respectively. Payment the Board of Directors assigned the Operations Department to prepare monthly follow-up reports for customers, and assigned the Financial Accounting Department to be responsible for tracking outstanding customers

Down payment delinquency	Performance
More than 30 days from the due date.	Follow-on Calls via Email, Phone Calls, and Line Application
More than 90 days from the due date.	Follow-on Calls via Email, Phone Calls, and Line Application and Notice letter
More than 120 days from the due date.	Send a down payment notice letter and take down the down payment.

Number of units reserved by the customer / contract of sale, but not transferred to the project as of December 31, 2017

Project	Number of units sold but not delivered			Expected date of ownership transfer
	Number (Units)	Value (M. THB)	Proportion to total value Approximately(%)	
- The Title Rawai Phase 1	-	-	-	-
- The Title Rawai Phase 2	-	-	-	-
- The Title Rawai Phase 3	28	129	15	2 nd quarter of 2018
- The Title Nai Yang Phase 1	241	562	66	4 th quarter of 2018
- The Title Nai Yang Phase 2	45	164	19	4 th quarter of 2018
Total	314	855	100	

4. The risk from the continuation of revenue and the risk from recognition of revenue from condominium real estate business.

The Company has revenues from the development of real estate projects which are condominiums. As of December 31, 2016, the Company has developed three projects, between 2013 and 2016, the Company's revenues were reliant on the development of real estate projects which accounted for more than one percent of condominium projects. 90.00 of the total revenue, therefore, the Company may be at risk if the condominium market in the target group saturated. This may have a significant impact on the Company's performance. In addition, according to the Company's accounting policy, the Company recognizes revenue from the sale of immovable property upon completion of the contract and transfers significant risks and rewards of ownership to the buyer. As of December 31, 2017, the Company has completed two completed projects, namely The Title, Rawai Phase 3, valued at Baht 129 million and the transfer of ownership.

The sale value of Baht 271 million and The Title of Rawai Beach Phase 1, which has a residual value of Baht 29 million, while The Title Nai Yang Phase 1 and Phase 2 projects are under development. The project has been sold and transferred to the owner in the fourth quarter of 2018 with a value of Baht 726 million and the sale value of Baht 688 million. The Title Naiyang Beach Phase 1, if the customers of The Title, Rawai Beach 1 and The Title projects Rawai Beach 3 can not transfer the unit. The company can not sell the condominium units in the project as planned



Value Sold and Transferable (Million Baht) and resale value of the project as of 31 December 2016

Project	Value Sold and Transferable (Million Baht)	Resale Value (Million baht)	Status
The Title Rawai Phase 1	-	29	Ready to sell and transfer ownership.
The Title Rawai Phase 3	129	271	Ready to sell and transfer ownership.
The Title Nai Yang Phase 1	562	40	Completed and ready for transfer in Q4 2018.
The Title Nai Yang Phase 2	164	648	Completed and ready for transfer in Q4 2018.
Total	855	988	

5. Risk from fluctuation of construction material price

The rise in price index of building materials increased every year. The Company has realized the risk and able to control the construction work according to the plan through the construction control department. The Construction Control Department is responsible for determining the quality and standard of construction materials used in the project. The Construction Control Department will evaluate and calculate the total cost of all construction materials, including brick, lime stone, sand and steel, and will calculate the volatility of the construction material costs in the cost of the project. Construction budget to reduce the impact of the price of building materials may change in the future.

6. Risks from land acquisition for future development

To prevent the risk of not being able to procure land for future development. The company has also sought additional land supply channels such as land acquisition from land brokers. Investigation of the land by the company's management, who are experienced in real estate. And there are good connections with people in various businesses. As well as the provision of land through auction of assets from financial institutions, which are collateral as non-revenue collateral. The operations and juristic acts will pay special attention to the origin of land ownership, as land in Phuket often has a proprietary nature. Then the company will consider the potential of the location and analyze the efficiency and suitability of the size and shape of the land that can develop real estate projects, such as consumers want to purchase the housing. In locality that area the infrastructure development in that area is sufficient. There are attractive points in the area such as beaches, tourist attractions, shopping centers, schools, hospitals etc.

7. Regulatory risk change and the law may affect the real estate business of company.

Companies are aware of such risks. The operations and Juristic acts department has assigned to study and follower the changes of laws strictly. For the company complies with the requirements always and no problem in the future. The company to adjust and correct operations in a timely manner and there is not special to modify the plan project in the future. It does not follow changes of the rules about that which causes a higher cost to the company.

8. Natural disasters risk

That area is previously affected by tsunami. The main cause of the earthquake in the Indian Ocean. Indonesia by the vibration. Has caused extensive damage over 14 countries and affect the tourism industry in Thailand. Especially in Phuket, Phang Nga, Ranong, Krabi, Trang and Satun, which are located in the southern Andaman coast. As a result, the company has natural disasters risk again. May be affect to the sale and transfer of the condominium company.



9. Lower risk gross margin company due to cost of land for project development is higher.

The first phase of the company's operations since 1989 to 2007 was mainly objective to business. Speculative land trading in the Phuket area. Later, in 2008, the group of Mr. Dennyai Hutasu the opportunity the land of company then considered to buy land from older shareholders. The purpose is to bring the land held by the company to develop into a real estate for sale. Therefore in the future If the company develops the project using land elsewhere. That not a land acquisition in the past, may be the company is lower risk gross margin.

However, before considered to Invest in any project. The company should be know about that project and carefully such as marketing, finance, building or about laws related. When the correct study result of project it demonstrate potential for project development and can compensation reasonable of the company. The company will set the purchase price and Negotiations to buy land from the owner of the property.

10. Risk dependence on sales agent

Since the main customer base of the company is a foreign customer, so the sales team of the company. The company also has other sales channels. The company employs an agent to represent the customer. There are both corporate and expert agents and a foreign customer base. The company has a duty to advise and analyze the marketing and customer visits. Loss of such partners. This could significantly affect the company's revenue. The sales agent has no relationship as a director and / or management. The controlling person, including related persons of such person.

The main reason that the company uses the channel through the sales agent. Since the sales representative is a reputable company and has been in the business of sales agents for a long time, it has a global customer base in the world. The sales representative is experienced in marketing and has a diverse customer base that will further expand the company's customer base.

11. Risk from financing sources and fluctuations in interest rates

As at December 31, 2017 the company had total liabilities of Baht 444.56 million. The liabilities were interest-bearing debts of Baht 75 million or 16.87% of total liabilities. The loans are from financial institutions and insurance companies for used to develop projects. Development project in the future had a necessity to find additional sources of funding and if future interest rates are higher. It will also affect future development costs.

So, the Company is able to raise funds from the initial public offering of its shares. It will reduce dependency on loans from financial institutions and insurance companies. This will reduce the impact on the Company's interest payment.

12. Risk from the Company's major shareholders influencing the management policy.

As of December 31, 2017, the outstanding group of Mr. Dendanai Huttajuta is a main shareholder of the Company. The Company holds 64.65% of the issued and paid-up share capital. Therefore, the company and minority shareholders may be exposed to the risk that Mr. Dennisai Huttajuta can control almost all shareholders' resolutions, such as the appointment of directors. Or the resolution of other matters requiring the main of the shareholders meeting. Except that the law or the company's Articles of Association stipulates that 3 in 4 of the shareholders' Therefore, other shareholders may not be able to collect votes to balance the power of the group. Huta Juda the authorized signatories of the company are currently comprised of Mr. Dendanai Huttajuta, a prominent member of the Board of Directors. As the representative of the main shareholders of the company.



The company is aware of such risks. As a result, the company has appointed 3 independent directors from all 8 directors. The Audit committee and the Independent directors are independent persons to help balance the management of the company. Qualification and qualifications, they also have the knowledge and ability to protect minor shareholders. In addition, the decision to commit or refrain from any action. The Board of Directors has a policy to operate in the interests of the shareholders, and if the company has a need for transactions with persons who may have conflicts. The company will strictly follow the procedures for approval of related party transactions and the rules announced by the Securities and Exchange Commission. In addition, according to the Company's Articles of Association and the criteria for selection and nomination of directors, the company has the right to vote on the nomination and appointment of the Board of Directors. Listed on the stock market. Therefore, it is an opportunity for external shareholders to participate in the qualification and screening of qualified directors. This will help balance the management of the company.

13. Risk of dependence on key executives.

The company's management is a group of executives who have pioneered and developed the real estate business since the early stages of project development including Mr. Dendanai Huttajutha, Mr. Darong Huttajutha, Mr. Sasipong Pinkeaw and Mr. Prasert wannacharoen. He is an experienced and expert in real estate development. It has contributed to the success of the company over the past few years. The principal executives are experienced in selecting land for the development of potential projects at reasonable prices, experience in project cost management. Experience in defining marketing strategies, including product placement. In the event of such change, the principal executive it may affect the Company's business risk. Nevertheless, the company is aware of the potential risks and sets out guidelines for mitigating risk by setting up a framework for staffing the company to replace it by sending employees into various courses. To increase the knowledge and capability of the employees. The company has a policy of recruiting talented personnel to work with the company in accordance with the business plan. This approach will reduce the risk of dependence on key executives and sustainability for the company in the future.



Shareholding Structure and Management

1. Registered capital The Company's paid-up capital as of December 31, 2017 is as follows:

Registered capital	:	200,000,000 Baht
Paid-up capital	:	200,000,000 Baht
Divided into ordinary shares	:	400,000,000 Stocks
Par value	:	0.50 Baht

2. Shareholders

Name of shareholders of the Company As appeared in the list of shareholders as of October 20, 2017:

No	Name of shareholders	Numbers of stocks (Stocks)	Proportion of stocks shareholders (%)
1	Mr.Dendanai Hutajuta	237,300,000	59.33
	Mr.Darong Hutajuta	15,400,000	3.85
	Mr.Viroj Hutajuta	5,900,000	1.48
	Grouping of Mr.Dendanai Hutajuta	258,600,000	64.65
2	Mr.Sasipong Pinkaew	15,400,000	3.85
3	BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED	10,000,000	2.50
4	Mr.Mai Mang Lee	8,000,000	2.00
5	Miss Cheraya Udomvongsup	6,000,000	1.50
6	Mr.Supoj Wannaroj	5,000,000	1.25
7	Mrs.Sarunrat Simanvanichkul	4,000,000	1.00
8	Miss Ninrat Autthakraweesuntorn	3,500,000	0.88
9	Miss Marinee Tosakul	3,500,000	0.88
10	Mr.Niwat Pruk Wongwan	3,400,000	0.85
	Other shareholders	82,600,000	20.64
	Total	400,000,000	100
	Total paid-up capital	200,000,000.00 baht	
	Thai shareholders	391,813,000	97.95
	Foreign shareholders	8,187,000	2.05



3. Dividend Policy

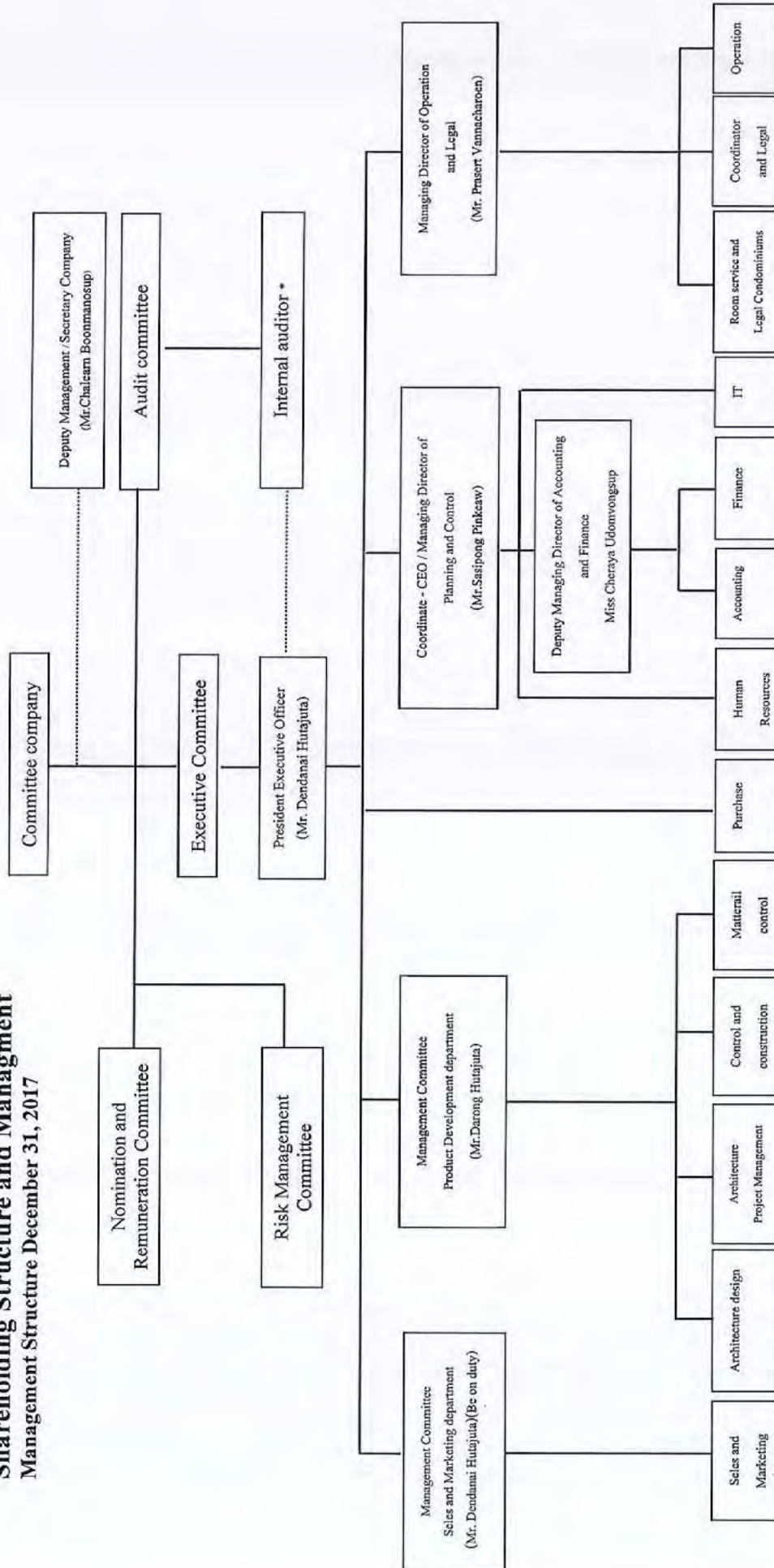
The company has a policy to pay dividends at the rate of not less than 40.00% of net profit after corporate income tax for the separate financial statements and after the various reserves all types of law and company. And the dividend payment has no impact on normal operation of the company. so the dividend payment may be to change depending on the performance and financial status of the company liquidity of the company business expansion plan necessity and suitability in the future and others factors about the management of the company as the board of Directors and / or the shareholders of the company appropriate and that operated to maximize benefit to the shareholders.

4. Public donation policy

The company has to donation to public policy. At more than 10.00 percent of net profit after corporate income tax for the separate financial statements in the previous year and after the various reserves all types of law and company and donation it has no impact on the normal operation of the Company. The donation to the public charity may change depend on the performance and financial status of the company. Liquidity of the company business expansion plan necessity and suitability in the future and other factors. Relevant in the management of the company. The Board of Directors And / or shareholders of the company. All public donations must be approved by the shareholders' meeting.



Shareholding Structure and Management Management Structure December 31, 2017



*The Company hired Office Profes One Co., Ltd. as an internal auditor. (Outsource) services are provided on a yearly basis. The Audit Committee of the Company will be responsible for selecting and appoint a qualified internal auditor annually.



The corporate structure of the Company as at December 31, 2017 consists of the Board of Directors, Audit Committee Executive Committee Nomination and Remuneration Committee and the Risk Management Committee. The list and scope of authority are as follows.

1. Board of Directors

The Board of Directors consists of 8 members.

Name of committees	Position
1. Mr. Suvit Lamsam	Chairman of the board of Director / Chairman of the Audit Committee / Independent Director
2. Mr. Viroj Hutajuta	Director
3. Mr. Dendanai Hutajuta	Director
4. Mr. Sasipong Pinkaew	Director
5. Miss Cheraia Udomvongsup	Director
6. Mr. Darong Hutajuta	Director
7. Mr. Chaivuth Chittrakhani	Member of audit committee / Independent Director
8. Mrs. Jittima Sajjavani Intujunyoung	Member of audit committee / Independent Director

Mr. Chareon Boonmanosup is the Company Secretary.

Note: All directors are trained - Director Accreditation Program (DAP) Thai Institute of Directors Association

Authorized Director

Authorized Signatories of the Company is 1. Mr.Dendanai Hutajuta signature too with Mr.Viroj Hutajuta or Mr.Sasipong Pinkeaw or Mr.Darong Hutajuta or Miss Cheraia Udomvongsup Include two people and seal the company 2. Mr.Viroj Hutajuta, Mr.Sasipong Pinkaew, Mr.Darong Hutajuta, Miss Chereay Udomvongsup These three directors jointly sign with the Company's seal affixed. Unless the case etc.

For specific cases such as permission for building and construction all types, application for permission, land Permit application, application for consolidation and separate the title deeds, permission to divide ownership, application for permission to divide the title deeds, permission to share ownership, permission to have a house number, permission to use and transfer electricity and water supply, lent of telephone number, permission to use and transfer electricity and water supply, renting of telephone numbers, permission to connect and drain, request for permission to cut stone, land surveillance and certification, application for registration of condominiums, application for registration of condominiums, application for permission. Building, consenting to use commercial premises, giving statements, filing and receiving documents related to the Revenue Department, filing complaints to the Office of the The inquiry officer or Withdraw petition Compromise for words etc.Mr.Dendanai Hutajuta or Mr.Darong Hutajuta or Mr.Sasipong Pinkeaw anyone must sign and company seal.



Details of attendance of Committees name for the year 2016 – 2017 include.

Committees name	Meetings number / All meetings after the reception position.	
	2016	2017
1. Mr. Suvit Lamsam ²	7/7	5/5
2. Mr. Viroj Hutajuta	6/7	5/5
3. Mr. Dendanai Hutajuta ^{1/}	7/7	5/5
4. Mr. Sasipong Pinkaew ^{1/}	7/7	5/5
5. Mr. Darong Hutaju ^{1/}	7/7	5/5
6. Miss Cheraya Udomvongsup	7/7	5/5
7. Mr. Chaivuth Chittrakhani ^{2/}	7/7	5/5
8. Mrs. Jittima Sajjavanij Intujunyoung ²	7/7	5/5

Note: 1/ Appointed as Director at the Extraordinary General Meeting of Shareholders No. 1/2011 on May 12, 2014.

2/ Appointed as Director at the Extraordinary General Meeting of Shareholders No. 3/2011 on November 15, 2014.

2. Audit Committee

The Audit Committee consists of 3 persons include

Audit Committee name	Position
1. Mr. Suvit Lamsam	Chairman of the Audit Committee / Independent Director
2. Mr. Chaivuth Chittrakhani	Member of audit committee / Independent Director
3. Mrs. Jittima Sajjavanij Intujunyoung	Member of audit committee / Independent Director

The audit Committee consists of 3 person had qualifications to be the Audit Committee in accordance with the criteria set by the Stock Exchange and Mr. Suvit Lamsam and Mr. Chaivuth Chittrakhani is the audit committee those who have knowledge in accounting and finance. So Mr. Suvit Lamsam is Chairman of the board of Director and Chairman of the Audit Committee. However, the Audit Committee structure of the company still consists of 2 free committee, who will the responsibilities audit committee operations of company and have independent to help balance management of the company.

Details attendance of Member of audit committee for the year 2016 – 2017 include.

Audit Committee name ^{1/}	Meetings number / Total number of meetings	
	2016	2017
1. Mr. Suvit Lamsam	5/5	4/4
2. Mr. Chaivuth Chittrakhani	5/5	4/4
3. Mrs. Jittima Sajjavanij Intujunyoung	5/5	4/4

Note: 1 / Appointed the Member of Audit Committee at the Board of Directors' Meeting No. 7/2558 on January 24, 2015.

3. Risk Management Committee

Risk exclusive management committee consists of 3 person include

Risk Management Committee name ^{1/}	Position
1. Mr. Chaivuth Chittrakhani	Chairman of the Risk Management Committee
2. Mr. Prasert Vannacharoen	Risk Management Committee Member
3. Mr. Sasipong Pinkeaw	Risk Management Committee Member

Note: 1 / Appointed the Risk Management Committee at the Board of Directors' Meeting No. 16/2558 on June 29, 2015.

In 2017, the Risk Management Committee attended and chaired the meeting to review and manage the risk of the Company on December 21, 2017.



4. Nomination and Compensation Committee

Nomination and Compensation Committee consists of 4 persons include

Nomination and Compensation Committee name ¹	Position
1. Mrs. Jittima Sajjavanij Intujunyoung	Chairman of the Nomination and Compensation Committee
2. Mr. Chaivuth Chittrakhani	Nomination and Compensation Committee member
3. Mr. Dendanai Hutajuta	Nomination and Compensation Committee member
4. Mr. Sasipong Pinkaew	Nomination and Compensation Committee member

Note: 1 / Appointed as the Nomination and Compensation Committee Member at the Board of Directors' Meeting No. 16/2558 held on June 29, 2015.

In the year 2017, the Nomination and Compensation Committee attended the meeting and was responsible for recruiting and determining the remuneration of the Company on December 21, 2017.

5. Executive Committee

Executive Committee consists of 3 persons include

Executive Committee Name	Position
1. Mr. Dendanai Hutajuta	Chairman of the Executive Committee
2. Mr. Darong Hutajuta	Executive Committee
3. Mr. Sasipong Pinkaew	Executive Committee

Board of Directors

The Company's management is in accordance with the Notification of the Securities and Exchange Commission No.17/2008 dated 15 December 2008 consist 5 persons include

First name - Last name	Position
1. Mr. Dendanai Hutajuta	Chairman of the Executive Committee / Managing Director of Sales & Marketing (Acting)
2. Mr. Sasipong Pinkaew	Coordinate - CEO / Managing Director of Planning and Control
3. Mr. Darong Hutajuta	Managing Director of Product Development
4. Mr. Prasert Vannacharoen	Managing Director of Operation and Legal
5. Miss Cheraya Udomvongsup	Deputy Managing Director of Accounting and Finance

Note: The Company is in the process of recruiting qualified persons for Managing Director, Sales & Marketing had already will put in the personal information system. And then bring information on the name of directors and management of the company.

Company Secretary

At the Board of Directors 'Meeting No. 18/2015 held on November 16, 2015 and the Board of Directors' Meeting No. 7/2016 on November 2, 2016 (the first time after conversion), the Board of Directors approved the appointment of Mr. Chareon Boonmanosup as Company Secretary it has the following important responsibilities:

1. Prepare and keep the following documents.
 - 1.1 Registration Committee
 - 1.2 Invitations to the committee Meeting Meeting committee Report and Annual Company Report
 - 1.3 Invitation to the Annual Meeting of Shareholders and Meeting Shareholders Report
2. Maintain the report by Committee or Executives



3. Operation the committee and executive shall prepare reports on their interests in accordance with Section 89/14 of the Securities and Exchange Act and related persons. These are related to the management of the business of the company or its subsidiaries in accordance with the law.
4. Maintain a report of interest reported by a Committee or Executives and a copy sending report of the under section 89/14 shall be sent to the President and the President of the Audit Committee within seven (7) days from the date of receipt of the report.
5. Provide a document retention system or evidence related to the display of information and correct maintain, complete and verifiable records and documents for a period of not less than ten (10) years from the date on which such document or information is prepared.
 - 5.1 Preservation of documents and evidence this includes any storage by computer system or any other system that can be viewed without the text not change.
 - 5.2 Information resolutions for the Shareholders' Meeting.
 - 5.3 Financial Statements and Reports on Financial Position and Performance of the Company or any other required to be disclosed under section 56, section 57, section 58 or section 199 of the Securities and Exchange Act.
 - 5.4 Opinion the company when the Offeror has made a tender offer from the shareholders.
 - 5.5 Providing information or other reports concerning the business of the company to disseminate to the shareholders or the public according Capital Market Supervisory Board.
6. Other operate as prescribed by the Capital Market Supervisory Board.
7. Provide information, advice and communication about law compliance with the rules, regulations and of the company relevant regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand Include knowledge about Corporate Governance to directors and related parties also ensures that the directors, executives, and executives are properly and consistently observed significant changes are reported to the directors.
8. Contact coordinator the Company also informs about the document to Executives and President of the company to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
9. Prepare agenda invitation letter including the annual report the documents of Annual General Meeting of Shareholders and the President Committee Meeting Company.
10. Hold Shareholders' Meeting the Board of Directors meeting shall be in accordance with the law company regulations and good practices.
11. Coordinate with shareholders on various proposals to bring the management committee and president consider.
12. Prepare the shareholders' meeting for the president in the shareholders' meeting.
13. Attend the shareholders' meeting and take care the shareholders' meeting goes legally valid.
14. Recording Shareholders' Meeting and the President Committee Meeting also follow up the resolution of the shareholders' meeting and President Committee Meeting Company.
15. Maintain each policy recording and the Company's regulations have been properly and completely verified by the and President Committee.
16. Ensure that information is disclosed and reported to the agency responsible. Directing the company in accordance with the rules and regulations of the agency, providing information and advice to directors and executives. To make reports according to the laws or regulations. It requires disclosure to the public for transparency like reporting securities holdings.



Directors and Executive's Remuneration

The Company has a policy to pay directors and management incentives at an appropriate level. The Company's performance is based primarily on its performance. And consistency with the same business / industry. This includes the appropriateness of the duties and responsibilities of each director and executive.

1. Directors Remuneration

Monetary remuneration

Remuneration for the Board of Directors

The Annual General Meeting of Shareholders for the year 2017, held on February 28, 2017, resolved to fix the remuneration of directors in the year 2017 in the form of meeting allowance and annual compensation the total amount is not over 2 million baht.

Committee	Allowance		Monthly	
	President Committee	Committee	President Committee	Committee
Company's Committee	20,000	15,000	15,000	12,000
Company's audit committee	15,000	10,000	15,000	12,000

For committee who are also position of the Audit Committee: (a) In the case where the monthly remuneration of both positions is the same get paid monthly at a certain location. In case the remuneration is not the same rate to receive monthly remuneration at a higher rate and (b) for meeting allowances. If there is a meeting of the Audit Committee and the President committee's company on the day the meeting allowance is only one place in the event that the remuneration of the two positions is the same to receive meeting allowances in any position. However, if the meeting allowance is unequal. To receive meeting allowances at higher rates. If the meeting of the Audit Committee and the President committee's company does not take place on the same day. To receive the meeting allowance of both positions.

In respect of bonuses or other rewards the President committee's company has the power to determine and allocate the dividend to the income of the company responsibilities the remuneration for the year 2017 will be within the limit of Baht 2,000,000 with the remuneration paid to the President committee's company until the shareholders' meeting it approve.

Remuneration for directors for the year 2016-2017 is summarized as follows:

Committee name	2016			2017			
	Allowance	Monthly	Total	Allowance	Monthly	Bonus Committee	Total
1 Mr. Suwit Lamsam ²	140,000	75,000	215,000	100,000	180,000	100,000	380,000
2.Mr. Viroj Hutajuta	90,000	50,000	140,000	75,000	144,000	100,000	319,000
3.Mr. Dendanai Hutajuta ¹	-	-	-	-	-	200,000	200,000
4.Mr. Darong Hutajuta ¹	-	-	-	-	-	200,000	200,000
5.Mr. Sasipong Pinkaew ¹	-	-	-	-	-	200,000	200,000
6.Ms. Chera Udomvongsup	-	-	-	-	-	-	-
7.Mr. Chaivuth Chitrakhan ²	105,000	50,000	155,000	75,000	144,000	100,000	319,000
8.Mrs. Jitima Sajavanij Intujunyoung	105,000	50,000	155,000	75,000	144,000	100,000	319,000
Total	440,000	225,000	665,000	325,000	612,000	1,000,000	1,937,000

Note : 1 / Appointed the director at the Extraordinary General Meeting of Shareholders No. 1/2011 on May 12, 2014.

2 / Appointed the director at the Extraordinary General Meeting of Shareholders No. 3/2011 on November 15, 2014.



2. President Compensation

Detail	2015	2016	2017
President Compensation consists 5 persons	17,566,185	16,075,868	18,823,586

President Compensation include monthly, bonus, contribution to provident fund retirement benefits and other benefits such as welfare, utilities Homes staff

Other Remuneration

-No-

Personnel

Total Employees

Total number of employees (Excluding management) as at 31 December 2016 and 31 December 2017, there were 51 persons and 70 persons, respectively, consisting of the following employees:

Department	31 December 2016	31 December 2017
Seles and Marketing	7	15
Purchase	3	3
Architecture design	3	3
Architecture Project Management	2	3
Control and construction	6	11
Material control	1	2
Human Resources	1	1
Accounting	8	10
Finance	2	2
IT	2	2
Room service and legal Condominiums person	6	7
Coordinator and Juristic acts	3	3
Operate	6	7
Company Secretary	1	1
Total	51	70

Employee Remuneration

The remuneration of employees (excluding executives) in the year 2016 and 2560 is Baht 23.48 million and Baht 29.97 million, respectively, in the form of salary, bonus, welfare, social security, provident fund and provident fund. Social security Retirement benefits, etc.

Provident Fund

The Company has established a provident fund K MASTER Fullfund under the management of Kasikornthai Management Co., Ltd., for Management Company according to the provident fund 1987 (as amended) from 1 April 2016, the employees participating in the provident fund the company will pay a contribution of 2.00% of the employees' salaries and employees pay the fund at the rate of 2.00% of the salary each person.



Important Labor disputes

As at December 31, 2017, the company has no labor disputes.

Personel development policy

The Company has a policy to organize seminars to improve the personel skills and can also request external seminars or as necessary and appropriate for the supervisor.

The Corporate Governance

Corporate Governance Policy

The Company has a code of Best Practice for enhance transparency and is beneficial to the business of the company. This will create confidence among the shareholders, investors and all related parties. Therefore, the committee of company has set the principles of corporate governance. That is guideline with good corporate governance as specified by the Stock Exchange of Thailand. The Company's corporate governance to 5 sections:

Section 1 the Rights of Shareholders

The Board of Directors of company recognizes and values the standard rights of shareholders as the owner of the company and as an investor in securities, such as the rights for buy, sales or transfer the securities they hold the right to receive company information. The rights to receive share of profits from the company. Rights in the shareholders meeting right to comment. The rights to make important decisions about the company, such as the allocation of dividends appointment or removal of directors appointment of auditors. In addition to the above fundamental rights, the company also conducts various business transactions. This is to facilitate for the rights of the shareholders.

Shareholders Meeting

1. The company will hold an annual general meeting within four (4) months of the end of each fiscal year. The invitation letter will be sent and information for the meeting on various agenda. The shareholders acknowledge 7 days prior to the meeting date in case of important agenda, the shareholders will be informed 14 days prior to the meeting date for the shareholders to have time to consider for example, the agenda for the shareholders to approve the offering of newly issued shares to the limited company (PP) at a low price, the offering of newly issued shares to the directors and employees (ESOP) of company connected transaction Acquisition or disposition of significant assets. The newspaper will announce the invitation date for three (3) consecutive days prior to the meeting date. Each agenda item will contain the Board's opinion.
2. If the shareholders can not attend the meeting on their own the company gives shareholders the opportunity to appoint independent directors or other persons for join the meeting instead one of the Proxy Forms sent by the company together with the invitation letter. Prior to the meeting, the Company provided opportunities for shareholders to send their comments, suggestions, and questions in advance of the meeting via the advisor's email address at charoen.b@rhombho.co.th
3. The company has a policy to facilitate the shareholders. The venue for the shareholders' meeting is convenient for traveling. Include the appropriate date and time in the meeting.
4. In the meeting, the company will allow shareholders to ask questions give feedback or to comment on the issues at the shareholders' meeting, the directors and related executives will attend the meeting to answer the questions and provide details of the meeting.



5. The company will prepare the report weeting for the Shareholders to the Stock Exchange of Thailand within fourteen (14) days from the date of the shareholders meeting according to the regulations of the Stock Exchange of Thailand and disseminate and recording of the meeting in full.

Section 2 The Equitable Treatment of Shareholders

The company has a policy to treat and protect the rights of all shareholders equitably and fairly both executive and non- executive shareholders. Thai shareholders and foreign shareholders major Shareholders and Minor Shareholders Institutional shareholders the opportunity for shareholders to have the rights equal basic.

1. If the shareholders can not attend the meeting on their own the company gives shareholders the opportunity to appoint independent directors or other persons join the meeting instead.
2. The company has recorded the right meeting report and appropriately after the report was sent to the Stock Exchange of Thailand and the Securities and Exchange Commission Fourteen (14) days after the meeting, the minutes were also posted on the Company's website.
3. The company has set up insider trading of related persons, which refers to committe, executives and employees in the related to internal information of the Company(including the spouse and minor children of such person) not the person involved in trading securities at least thirty (30) days prior to the quarterly disclosure of financial statements and annual financial statements.
4. The company provided information to the committee and executives are responsible for managing the company's securities and punishments the Securities and Exchange Act BE 1992 and according The Stock Exchange of Thailand.

Section 3 The Role of Stakeholders

The company attaches great importance to the rights of the stakeholders and to the fairness to all stakeholders the details:

Shareholder: The Company is committed to be a good representative of the shareholders in the business to maximize shareholder satisfaction. The operation is supervised to ensure that the company. good financial status and performance. The company's status report, financial status and financial status are presented accounting and other reports. Regularly and completely.

Employees: The Company recognizes the importance of its employees. This is a great resource. Therefore, provide fairness in terms of opportunities, returns, appointments, relocation as well as potential development. Treat employees with respect, honor, and privacy maintain a safe working environment for employees' lives and assets.

Competitor: The Company aims to achieve sustainable business goals. It is a leading company in the business sector, competing in the industry with integrity and ethics do not seek confidential information from your competitors with dishonest or inappropriate means for the benefit of the company.

Trading partner: The Company treats its trading partners honestly. Adhere to strict contractual and contractual commitments with partners and select partners with fairness under the criteria for evaluating and selecting partners to prevent fraud and misconduct at all stages of the process supply.

Customer: The Company recognizes the importance of the customer. Customer service is polite. Be enthusiastic, ready to serve with sincerity, willingness, willingness and caring, as well as prompt



service. Accurate and reliable. And maintain customer confidentiality. Do not use your customer information for your own benefit or the wrong person.

Creditor: The Company adheres to business principles and discipline to build credibility with the creditors, taking into account the maximum benefit of the company on the basis of fairness return to both parties. Avoid situations where conflicts of interest arise, negotiate solutions based on business relationships. Do not call or receive or pay any interest. Dishonest with creditors.

Community and Society: The Company is committed to the community and society. It recognizes that the company is like one that will contribute to social and environmental sustainability. Therefore, the Company has continued its community and social activities. In line with our commitment to the community and society.

Government Sector: The Company is committed to the law and regulations of the government to promote collaboration and support of public and private measures to combat corruption and the cost is unfairness.

Section 4 Disclosure and Transparency

The Company recognizes the importance of accurate, complete and transparent disclosure of information, financial information and general information to comply with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Other important information that affects the stock price of the company, which affects the decision making process of investors and stakeholders. The company disseminates information to shareholders, investors and the public through various channels and media of the Securities and Exchange Commission and the Stock Exchange of Thailand. Include the company's website. www.rhombho.co.th

Section 5 Responsibilities of the Board of Directors

The Company attaches great importance to the role of the Company and responsibilities of the Board to maintain the interests of shareholders and shareholders such as

1. Roles, duties and responsibilities of the Board

Board of Directors Contains a person with knowledge. Various skills and expertise. And leadership Acceptable the Board of Directors will participate in defining vision, mission, strategy, policy, business operation guidelines. To oversee the Company's operation in accordance with the law, objectives, articles of association and resolutions of the shareholders' meeting. For the purpose of monitoring and supervising the Company's operations closely. The Board of Directors has set up various committees. To monitor and oversee the operation of the company.

2. Prevention of Conflict of Interest

The Board of Directors has established a policy on conflict of interest on the principle that any decision business activities must be done for the best benefit of the company. Avoid operate that create conflicts. The person who is involved or connected with the item considered. The Company must inform the Company of its relationship or its related transactions. And do not participate in judging. Including no authority to approve the transaction.



3. Internal Control System

The Company has focused on the internal control system at the management level and operational level and to be effective in the operation. The Company has set the obligations the executives and executives' written statements are clearly written controlling the use of the company's assets to benefit and there is separation of duties follows control and evaluate each other appointment of Audit Committee to review the internal control system and internal audit to be appropriate and effective.

4. Risk Management

Since 2015, the Company has assessed the adequacy of existing internal control systems to consider ways to improve the operation in order to reduce the impact on the Company's business, the Company has to improve its efficiency.

5. Committee Report

The Audit Committee is responsible for reviewing financial reports. Accounting and Finance and the auditors come together to present financial reports to the Board of Directors quarterly.

6. Committee Meeting

1. The committee of company must be arrange a meeting knowledge the Company's performance for at least 3 per months.
2. The president committee or any person by the president appointed shall determine the date. Time and Place for Committee's company.
3. Secretary Committee company or the person appointed by the President must be sent the meeting invitation to all directors to know the date, time, place, and agenda delivery is made at least 7 days in advance. Unless necessary urgently to maintain the rights or benefits of the company.
4. President Committee Meeting must be at least half of the total of all committee at the meeting. The President Committee acting like the president in the meeting committee.
5. President Committee of Directors who have conflict of interest Prohibited from expressing opinions and having no right to vote on such matters.
6. The decision of the President Committee the majority of the directors attending the meeting one member has 1 vote.
7. President Committee may invite relevant persons such as sub-committees, executives, auditors, internal auditors, lawyers or employees of the Company and its subsidiaries (any) to attend the meeting, commend and asking.
8. Minutes the Secretary to the President Committee is responsible for preparing the minutes of the Board of Directors meeting.

7. Development of Directors and Executives

The Company has a policy to promote and facilitate the training and education the corporate governance system of the Company, such as directors, audit committee, executives and company secretary. In case of change of director or appointment of new committee will provide useful documentation and information on the performance of duties. Include business introduction and the Company's business direction to new directors.



Social and Environmental Responsibilities

Corporate Social Responsibility (CSR) or corporate social responsibility It is the company that adheres to and respects the duties and responsibilities of society and stakeholders including shareholders, customers, partners, employees, communities and society around the company. To create a commitment to the business. We are committed to doing business as a good example to society. The Code of Ethics and Principles of Good Corporate Governance to benefit society, environment and sustainable development.

Fairness business

The Company operates its business with fairness. Encourage confidence in the people involved that will benefit the company in the long run. Avoid operations that may cause conflict of interest. If there is a conflict of interest. It should be fair dealing and thorough disclosure of critical information. It does not support the conduct that is a violation of property intellectual or copyright.

Against corruption

The Company is committed to combating corruption of all kinds. The focus is to promote morality. Create a sense of values and values in the workplace. The Company is committed to combating corrupt practices and communicating with its directors, executives and employees. To build understanding and practice strictly.

Respect for human rights and fairness treatment of workers

The company supports and respects the protection of human rights. Encourage monitoring of compliance with human rights requirements. And encourages compliance with international human rights principles. And the company gives every employee the opportunity to show their full potential by offering the right pay. And motivation to work. In the form of salaries, bonuses and appropriate operating expenses in accordance with the Company's regulations.

Customer Responsibility and purchaser

The company takes into account the highest customer satisfaction. It is the buyer of goods and services from the company. Including consumers who use the products and services that the company produces. It is of high quality, responsive to customers and consumers, and is committed to improving the safety of our products and services. Consumer safety is paramount. The company has set up a warning sign. Ensure safety in the workplace, campaign and training employees on the safety of consumers strictly.

Environmental protection

The company cares for safety. And the hygiene of the personnel of the company. And the community around the establishment. The Company aims to promote and instill a sense of quality, safety, occupational health and the environment as a way of daily life of its personnel. For the benefit of everyone. Including community and society as a whole.



Social and Community Development

The Company is a company in society, without any separation from society. The Company is responsible for the development. And return to the community. And society as a whole. To make the company sustainable, according to the development of society. The company is the main policy and the focus of community and social activities, focusing on the development of society, the community, the environment, the maintenance of religion to create and conserve natural resources, and to support education for youth and to support public activities for disadvantaged communities to be a strong self-reliant community.

Innovation and dissemination for operate responsibility to society

The Company adapted the concept of social responsibility to deploy and innovate the business benefits. Competitiveness in business and society including the disclosure of innovations found in the benefits to society and the environment to encourage businesses and other operators.

Report society and environment

The company conducts disclosure of its compliance with social responsibility guidelines to benefit all stakeholders. Adherence to practices in social and environmental reporting comprehensive business operations. environmental, safety and social aspects, including accurate information and provide a variety of channels provides readers with easy access to information.

Social contribution activities

The company has continued to promote social activities every year to return profits to society. In the year 2017, the company has activities such as

1. Vaccine for cat and dog project at rawai and naiyang.



2. Danate clothes to students at Mhomjaojalearnjai Jitpong school Khun Nan, Chalerm Prakiat, Nan province





3. Treat food for fisherman activities, municipal staff and surrounding.



4. Dedication and feeding fish at Wat Jantaram (Tha Sung), Nam Saem District, Muang District, Uthaithani Province.





Internal Control and Risk Management

Rhom Bho Property Public Company Limited had recognized the importance of developing an effective internal audit system to empower the Company's business operations to run smoothly and efficiently. Hence, the Company had established the Internal Audit Committee and the Risk Management Committee to be responsible for the review and assessment of the internal audit system based on the principles of good corporate governance. The meetings of the Internal Audit Committee and the Risk Management Committee had been held to approve agendas related to internal audit of the Company, participated by a team of auditors, internal auditors, and the Board of Directors, in which the obtained information would be proposed to the Internal Audit Committee and the Risk Management Committee for acknowledgement and consideration. The meetings also aimed to monitor the progress of internal audit and seek solutions to related problems in a timely manner.

The Board of Directors' meeting No. 1/2018, dated February 24, 2018, was participated by the Internal Audit Committee. In the meeting, senior executives had come up with a number of inquiries on the assessment and adequacy of the internal audit system focusing on the following five areas.

- 1) Organization and Environment
- 2) Risk Management
- 3) Control of Management Performance
- 4) Information Technology and Communication System
- 5) Monitoring

The Board of Directors agreed that Rhom Bho Property's internal audit system was maintained at an adequate and appropriate level, backed by an efficient monitoring and control system that could protect the Company's assets from being misused by the management or lack of authorization. The promptness of the internal audit system could also facilitate the implementation of transactions for major shareholders, members of the Board of Directors, executives, and other parties involved.

Rhom Bho Property had successfully sought a team of professional internal auditors from an independent agency. In 2015, the company appointed Profess One Office Company Limited to provide highly specialized services on internal audit, with the monitoring of risk factors and prevention of unusual transactions.

Educational background and work experience of Mr. Pakin Virunhakul, Chief Internal Audit Officer, were detailed below:

Education

- Bachelor of Business Administration (BBA) in Accounting, Assumption University
- Certified Public Accountant (Thailand) No. 10876
- IACP Certification, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

Work Experience

- Business Partner, MMN Syndicate Office Company Limited (2008-present)
- Business Partner, Profess One Office Company Limited (2010-present)
- Assistant Audit Manager, EY Office Company Limited (2001-2007)

Rhom Bho Property also employed Siam Truth Audit Company Limited to offer quality services on the preparation and presentation of the Company's financial statements aiming for enhanced efficiency and accountability. Additionally, issues related internal audit had been acknowledged and reported to responsible parties for further resolution.



Related Party Transaction

Relationship

As Rhom Bho Property Public Company Limited had made various transactions with individuals, conflicts could possibly be expected. Obviously, conflicts could occur when transactions had been made with the Company's members of the Board of Directors, executives, and/or shareholders. Conflicts could also arise from third parties having difficulties with members of the Board of Directors, executives, and/or shareholders of the Company. Aspects and values of related party transactions as of 2015, 2016, and 2017 could be summarized as follows:

Individuals / Parties of Conflict	Relationship
Sam Tunwa Company Limited	<ul style="list-style-type: none"> As of April 30, 2017, major shareholders of Sam Tunwa were executives of Rhom Bho Property, including Mr. Dendanai Hutajuta holding 23.20%, Ms. Jiraya Udomvongsup holding 40.00%, and Mr. Prasert Wannacharoen holding 3.60% of Sam Tunwa's shares. Ms. Jiraya Udomvongsup, Mr. Virot Hutajuta, and Mr. Prasert Wannacharoen were members of the Board of Directors, where one of them had signed and affixed the company's seal. Providing high-quality lumber and wood flooring products as well as excellent installation services.
Pana 1000 Tree Town Company Limited	<ul style="list-style-type: none"> As of April 30, 2017, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 100.00% of the company's shares. Mrs. Yupa Hutajuta, a relative of Mr. Dendanai Hutajuta, was named a member of the Board of Directors having signed and affixed the company's seal. Specializing in distributing plants and garden decoration (soft scape).
Mono Group Company Limited	<ul style="list-style-type: none"> As of April 30, 2017, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 100.00% of the company's shares. Mrs. Yupa Hutajuta, a relative of Mr. Dendanai Hutajuta, was named a member of the Board of Directors having signed and affixed the company's seal. Specializing in garden and landscape decoration (hard scape).
Mr. Dendanai Hutajuta	<ul style="list-style-type: none"> Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of December 31, 2017, the person held shares of 59.33% of the Company's registered capital.
Mr. Darong Hutajuta	<ul style="list-style-type: none"> Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of December 31, 2017, the person held shares of 3.85% of the Company's registered capital.
Mr. Virot Hutajuta	<ul style="list-style-type: none"> Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of December 31, 2017, the person held shares of 1.48% of the Company's registered capital.



Individuals / Parties of Conflict	Relationship
Ms.Cheraya Udomvongsup	<ul style="list-style-type: none">• Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of December 31, 2017, the person held shares of 1.50% of the Company's registered capital.
Mr. Prasert Vannacharoen	<ul style="list-style-type: none">• Be a Managing Director and a major shareholder of Rhom Bho Property. As of December 31, 2017, the person held shares of 0.35% of the Company's registered capital.



Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2015	Y2016	Y2017	
Sam Tunwa Company Limited	<p><u>Purchase of Equipment and Construction Materials</u> Rhom Bho Property purchased equipment and construction materials from Sam Tunwa Company Limited.</p> <p><u>Trade Account Payable</u> As of the ending date, the amount of payment of equipment and construction materials remained unpaid to Sam Tunwa Company Limited.</p>	37.20	0.39	0.08	<p>In 2015, Rhom Bho Property had purchased equipment and construction materials from Sam Tunwa Company Limited to be used in business operations, totaling 37.20 million baht, including:</p> <ol style="list-style-type: none"> 1) Ready-made wood flooring and wood products to be used for the construction and decoration of the condominium project named "The Title Rawai Beach Phase 3 situated in Phuket's Rawai Beach, with the total value of 36.48 million baht with reference to the market price. 2) Wood flooring used for the repair of the Title Rawai Beach Phase 1 and 2 in accordance with the warranty period, with the total value of 0.55 million baht with reference to the market price. 3) Wood products used for the construction of a conference panel for the head office in Bangkok as well as the renovation of accommodations and office building in Phuket, with the total values of 0.10 million baht and 0.07 million baht, respectively. The investment budgets were also approved with reference to the market prices. <p>As of December 31, 2015, Rhom Bho Property still owed the payment of equipment and construction materials at the total value of 4.76 million baht to Sam Tunwa Company Limited as the payment is not due during that time. At present, such amount has already been paid up.</p> <p>In 2016, Rhom Bho Property had purchased equipment and construction materials from Sam Tunwa Company Limited to be used for general business purposes, totaling 0.39 million baht, consisting of:</p>



Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2015	Y2016	Y2017	
	<p>Office Rental Fee Rhom Bho Property rented a space owned by Sam Tunwa Company Limited to establish its head office.</p>	0.28	0.48	0.48	<p>1) Wood flooring used for the repair of the Title Rawai Beach Phase 1 and 2 in accordance with the warranty period, with the total value of 0.38 million baht with reference to the market price.</p> <p>2) Wood products used for the repair of the office building valued 0.01 million baht with reference to the market price.</p> <p>In 2017, Rhom Bho Property had purchased equipment and construction materials from Sam Tunwa Company Limited to be used for general business purposes, totaling 0.08 million baht, consisting of wood flooring for the repair of the office building and accommodations of The Title Rawai Beach Phase 3 with reference to the market price.</p> <p>Rhom Bho Property rented a space, featured with other constructions, owned by Sam Tunwa Company Limited to establish its head office at No. 53 Sukhonhasawat Road, Lat Phrao sub-district, Lat Phrao district, Bangkok. With the size of 130 square meters, the rental fee was agreed at the rate of 40,000 baht per month, including electricity and water expenses. Rhom Bho Property had initially signed the rental agreement on May 28, 2015, for the rental period of 7 months during June 1-December 31, 2015. As the original agreement was due, Rhom Bho Property had proceeded with a yearly extension of the agreement during January 1-December 31, 2016 and January 1-December 31, 2017 at the same monthly rate, with reference to the market price (Rhom Bho Property had extended the rental agreement to be effective until December 31, 2017 at the same monthly rate). With reference to the market price, the paid monthly rental rate was highly reasonable as it already included electricity and water expenses. In addition, Rhom Bho Property was able to utilize the adjacent space as a parking area for employees and visitors.</p>

Opinions of the Internal Audit Committee

In accordance with the meetings of the Internal Audit Committee No. 1/2016 dated February 26, 2016, No. 1/2017 dated February 14, 2017, and No. 1/2018 dated February 24, 2018, the Internal Audit Committee had acknowledged the related party transactions with individuals or parties that might cause conflicts of interest. The above-mentioned related party transactions were deemed necessary and beneficial to Rhom Bho Property. All descriptions were approved in accordance with general trade terms. Rhom Bho Property had made similar related party transactions with other business partners by referring to the reliable market prices.



Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2015	Y2016	Y2017	
Pana 1000 Tree Town Company Limited	<u>Agreement of Plant Purchase</u> Rhom Bho Property signed an agreement with Pana 1000 Tree Town Company Limited to purchase plants for garden and landscape decoration.	10.50	-	1.05	In 2015, Rhom Bho Property had purchased plants from Pana 1000 Tree Town Company Limited for garden and landscape decoration for The Title Rawai Beach Phase 3, totaling 10.50 million baht, inclusive of plants and wood splitting, delivery, and implementation services with reference to the market price. In May 2015, the Company has signed an agreement with Pana 100 Tree Town Company Limited to purchase plants, valued 10.50 million baht (the plant distribution business is legally exempt from VAT). The Company had paid 8.59 million baht in accordance with the agreement in the same year. As of December 31, 2015, the amount of payment before VAT valued 1.91 million baht remained unpaid to Pana 1000 Tree Town Company Limited. However, in May 2016, the remaining amount of payment was fully paid up, prompting Rhom Bho Property to complete the remaining tasks.
	<u>Trade Account Payable</u> As of the ending date, the amount of payment of plants remained unpaid to Pana 1000 Tree Town Company Limited.	1.91	-	-	In April 2017, Rhom Bho Property had purchased plants from Pana 1000 Tree Town Company Limited for garden and landscape decoration for the surrounding areas of the sales office of The Title Naiyang Beach Phase 1 valued 1.05 million baht with reference to the market price.

Opinions of the Internal Audit Committee

In accordance with the meetings of the Internal Audit Committee No. 1/2016 dated February 26, 2016, No. 5/2016 dated November 2, 2016 (the first time after transformation), and No. 3/2017 dated July 31, 2017, the Internal Audit Committee had acknowledged the related party transactions with individuals or parties that might cause conflicts of interest. The above-mentioned related party transactions were deemed necessary and beneficial to Rhom Bho Property. All descriptions were approved in accordance with general trade terms. Rhom Bho Property had made similar related party transactions with other business partners by referring to the reliable market prices. In addition, with reference to the Board of Directors' resolution in the meeting No. 4/2016 dated June 21, 2016, it was approved to develop effective strategies and measures to avoid conflicts of interest that might occur in the future, stating that any related party transaction made with Pana 1000 Tree Town Company Limited or any authorized person in the said company was necessarily required to be reconsidered whether it was in the scope of the related party transaction or not, requiring the Internal Audit Committee's consideration and approval on the appropriateness of such transaction.



Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2015	Y2016	Y2017	
Mono Group Company Limited	<u>Agreement of Garden and Landscape Decoration Services</u> Rhom Bho Property signed an agreement with Mono Group Company Limited to obtain garden and landscape decoration services, consisting of lawn development, hard scape work, and electricity, for The Title Rawai Beach Phase 3. With reference to the market price, the agreement was signed in August 2015, valued 2.25 million baht. The Company paid 1.86 million baht to ensure the readiness of project implementation. As of December 31, 2015, the amount of payment before VAT valued 0.36 million baht remained unpaid to Mono Group Company Limited (totaling 0.39 million baht with VAT included). In May 2016, the remaining amount of payment was fully paid up, prompting Rhom Bho Property to complete the remaining tasks.	2.25	-	-	Rhom Bho Property had signed an agreement with Mono Group Company Limited to obtain garden and landscape decoration services, consisting of lawn development, hard scape work, and electricity, for The Title Rawai Beach Phase 3. With reference to the market price, the agreement was signed in August 2015, valued 2.25 million baht. The Company paid 1.86 million baht to ensure the readiness of project implementation. As of December 31, 2015, the amount of payment before VAT valued 0.36 million baht remained unpaid to Mono Group Company Limited (totaling 0.39 million baht with VAT included). In May 2016, the remaining amount of payment was fully paid up, prompting Rhom Bho Property to complete the remaining tasks.
	<u>Trade Account Payable</u> As of the ending date, the amount of payment of garden and landscape decoration services remained unpaid to Mono Group Company Limited.	0.36	-	-	



Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2015	Y2016	Y2017	
Mono Group Company Limited	<u>Purchase of Land, Building, and Equipment</u> Rhom Bho Property purchased land, building, and equipment from Mono Group Company Limited	6.16	-	-	<p>In the past, Rhom Bho Property and Mono Group Company Limited had a business relationship with each other. Some major shareholders of Rhom Bho Property used to be major shareholders of Mono Group. Hence, some properties, for instance, office building, land, automobile, and office equipment, were partially in possession of Mono Group. In 2015, the Company had decided to purchase properties deemed necessary for its business operations from Mono Group to avoid the occurrence of any conflict of interest in the future. The properties were detailed below:</p> <ol style="list-style-type: none"> 1) The Land Title Deed No. 101348, the Land No. 58, located in Rawai sub-district, Mueang Phuket district, Phuket province, together with constructions on the Land No. 469 Moo 6 Rawai sub-district, Mueang Phuket district, Phuket province, totaling 220.2 square wah, to facilitate the construction of the office building in Phuket province at the value of 5.06 million baht, which was lower than the total value estimated at 26.43 million baht by an independent appraiser named Sims Property Consultants Company limited authorized by the Securities and Exchange Commission (SEC). 2) Two trucks with the total value of 0.90 million baht, with reference to the market price. 3) Office equipment with the total value of 0.20 million baht with reference to the accounting valuation.



Opinion(s) of the Internal Audit Committee

In accordance with the meetings of the Internal Audit Committee No. 1/2016 dated February 26, 2016, and No. 5/2016 dated November 2, 2016 (the first time after transformation), the Internal Audit Committee had acknowledged the related party transactions with individuals or parties that might cause conflicts of interest. The above-mentioned related party transactions were deemed necessary and beneficial to Rhom Bho Property. All descriptions were approved in accordance with general trade terms. Rhom Bho Property had made similar related party transactions with other business partners by referring to the reliable market prices. In addition, with reference to the Board of Directors' resolution in the meeting No. 4/2016 dated June 21, 2016, it was approved to develop effective strategies and measures to avoid conflicts of interest that might occur in the future, stating that any related party transaction made with Mono Group Company Limited or any authorized person in the said company was necessarily required to be reconsidered whether it was in the scope of the related party transaction or not, requiring the Internal Audit Committee's consideration and approval on the appropriateness of such transaction.

Individuals / Parties of Conflict	Description	Value (Million Baht)		Necessity and Reasonableness
		Y2015	Y2016	
Mr. Prasert Vannacharoen	The person had signed an agreement to purchase a condominium unit No. F208 of The Title Rawai Beach Phase 3.	-	-	Mr. Prasert Vannacharoen, and executive of Rhom Bho Property, intended to purchase a condominium unit of The Title Rawai Beach Phase 3 by exercising the right to obtain a discount of 15% from the total selling value of 3,035,626 baht, estimated to remain at 2,580,282 baht, where the transfer of ownership was made on November 23, 2017.

Opinion(s) of the Internal Audit Committee

In accordance with the meeting of the Internal Audit Committee dated February 24, 2018, the Internal Audit Committee had acknowledged the related party transactions with individuals or parties that might cause conflicts of interest. The above-mentioned related party transactions were deemed necessary and beneficial to Rhom Bho Property. All descriptions were approved in accordance with general trade terms. Rhom Bho Property had made similar related party transactions with other business partners by referring to the reliable market price.



Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2015	Y2016	Y2017	
Mr. Virot Hutajuta Ms. Cheraya Udomvongsup	The two persons were guarantors of loans provided by a financial institution, totaling 304.50 million baht, consisting of: 1. The long-term loan of 290.00 million baht. 2. Working capital/overdraft of 10.00 million baht. 3. Loan for the payment of insurance loan guarantee of 4.50 million baht.	-	11.66	-	The guarantee was approved with land and constructions of Rhom Bho Property as well as personal guarantee of the Board of Directors complying with terms and conditions approved by a financial institution in 2014. For Mr. Virot Hutajuta and Ms. Cheraya Udomvongsup, there was no calculation on loan guarantee fee with the Company. However, as of February 1, 2016, the bank had released the guarantee obligations of the Board of Directors in full amount in accordance with the conditions agreed by the financial institution. As of March 28, 2017, the loans had been paid off in full amount.
Mr. Dendana Hutajuta Mr. Darong Hutajuta	The two persons were guarantors of loans provided by a non-life insurance company, totaling 119.00 million baht.	-	115.00	25.00	The guarantee was approved with land and constructions of Rhom Bho Property as well as personal guarantee of the Board of Directors complying with terms and conditions approved by a financial institution in 2016 to be used as an investment budget for the Company's business operations.

Opinion(s) of the Internal Audit Committee

In accordance with the meetings of the Internal Audit Committee No. 1/2016 dated February 26, 2016, No. 1/2017 dated February 14, 2017, and No. 1/2018 dated February 24, 2018, the Internal Audit Committee had acknowledged the related party transactions with individuals or parties that might cause conflicts of interest. The above-mentioned



related party transactions were deemed necessary and beneficial to Rhom Bho Property as they were approved under the terms and conditions of the financial institution/non-life insurance company. The loans were approved to facilitate the Company's business operations without the calculation on loan guarantee fee. However, in the future, if Rhom Bho Property may necessarily need to make these types of transactions, it is required to proceed with fairness and transparency based on the Internal Audit Committee's approval. The persons tending to have conflicts appear to support loan guarantees from a financial institution without any fee charge.



Measures and Procedures on Approval of Related Party Transactions

Rhom Bho Property Public Company Limited was previously incorporated as a limited company, related party transactions were unlikely to comply with the laws and requirements on securities and stock exchange. In the previous years, the Board of Directors and senior executives of Rhom Bho Property were the ones to consider the approval of related party transactions, taking into account substantial benefits of the Company.

Additionally, Rhom Bho Property had established newly developed measures and procedures to avoid potential conflicts of interest that might happen to individuals or parties tending to have such conflicts of interest in the future. With reference to the resolution of the meeting No. 4/2016 dated June 21, 2016, any transaction made with Mono Group Company Limited or authorized person of the said company and Pana 100 Tree Town Company Limited or authorized person of the said company were compulsorily required to be reconsidered whether it was a related party transaction or not. After the reconsideration, such transaction and other related documents would be required to be proposed to the Audit Committee for acknowledgement and consideration of reasonableness in making such transaction as the two companies had authorized persons recognized as close relatives of high-ranking executives of Rhom Bho Property.

Policies and Prospects of Future Related Party Transactions

Rhom Bho Property Public Company Limited might possibly have conflicts of interest towards related party transactions with Sam Tunwa Company Limited, Pana 1000 Tree Town Company Limited, and Mono Group Company Limited. If there were related party transactions made as normal transactions with general trade terms to support business operations, Rhom Bho Property would proceed with the aforementioned measures and procedures prior to entering into actual related party transactions, saying the implementation of related party transactions was required to comply with compulsory principles approved by the Board of Directors as stipulated in the Securities and Exchange Act, where all parties were required to strictly comply with all provisions stated in the agreement. At the same time, it was greatly necessary for all parties to clearly determine the agreed prices and other unbiased requirements by not causing any unfair or disapproved transfer of benefits.

In case where any future related party transaction was required to be made, Rhom Bho Property would proceed with the aforementioned measures and procedures to approve such related party transaction. However, in case where any related party transaction required any particular opinion from the Audit Committee in accordance with the Stock Exchange of Thailand's laws, rules, and regulations related to the implementation of related party transactions, the Company would request the Audit Committee to provide opinions deemed sufficient and appropriate for such related party transaction. Rhom Bho Property had no policy to provide loans to persons tending to have conflicts of interest or any other third party related to such persons, except it was deemed important and necessary for being part of the Company's employee welfares or in accordance with the authorization in providing operational management or financial assistance for any juristic person in which the Company possessed a proportion of shareholding. Additionally, in case where Rhom Bho Property was required to make any related party transaction with any individual or party mentioned earlier, the Company would request the Audit Committee to provide productive opinions and feedbacks on the appropriateness for making such related party transaction. Nevertheless, in case where the Audit committee was not proficient in considering such related



party transaction, the Company would seek a knowledgeable person with specialized expertise, for instance, an independent

auditor or property appraiser, to provide productive opinions and feedbacks on the appropriateness for making such related party transaction instead. The finalized opinions and feedbacks provided by the Audit Committee or a highly skilled person would be used to support the decisions of the Board of Directors or shareholders depending on cases, as part of the goal to ensure there would be no unfair or disapproved transfer of benefits among the Company and other related parties tending to have conflicts of interest. Such related party transactions would be made to ensure the highest benefits for shareholders as a whole.

Report of the Audit Committee

For Rhom Bho Property Public Company Limited, the Audit Committee consisted of three independent directors, considered qualified and experienced accountants and legal advisors.

The Audit Committee performed its responsible duties as assigned by the Board of Directors, where all duties were performed in an independent manner without restriction of access to information. With Rhom Bho Property's collaboration, the Audit Committee was able to comply fully with the requirements of the Stock Exchange of Thailand. In 2017, the Audit Committee held a total of four meetings, most of which were participated by certified auditors without the attendance of the Management. Besides, there were appropriate discussions and exchanges of business insights among senior executives, auditors, and internal auditors.

The Audit Committee helped ensure that the Board of Directors was capable of achieving responsible tasks, while being able to monitor and promote good corporate governance principles. Productive results of operations were explained below:

1. Review of Financial Statements of 2017

The Audit Committee reviewed and verified Rhom Bho Property's financial statements on a quarterly and yearly basis, thanks to the assistance of licensed auditors. The reviewed financial statements would be proposed to the Board of Directors for further approval. As inquiries were clarified, it unveiled that such financial statements were prepared in accordance with the financial statement reporting standards (generally accepted accounting standards), with accuracy, completion, and accountability. Also, effective accounting policies were applied appropriately, ensuring that the information related to financial statements was disclosed in an adequate manner.

2. Review of the Internal Audit System

The Audit Committee of Rhom Bho Property Public Company Limited, in collaboration with certified internal auditors, conducted reviews of the internal audit system and provided productive suggestions on effective internal control to ensure greater operational capacity and



efficiency. It could be said that the Company possessed adequate and appropriate internal control complying with changing situations, supported by the requirements and regulations related to the Company's business operations.

The Audit Committee also encouraged the Management to continually improve the internal control system.

3. Review of Disclosure of Information towards the Occurrence of Conflict of Interest

Obviously, the Audit Committee had efficiently monitored and reviewed the disclosure of related party transactions where conflicts of interest might take place. The disclosure of such information was deemed complete in compliance with the requirements of the Stock Exchange of Thailand. It was agreed that all related party transactions were deemed normal with general trade terms, which were made for the highest benefits of the Company. Also, internal auditors had been urged to strictly monitor and verify all related party transactions.

4. Review of Compliance with Public Laws and Regulations

The Audit Committee had remained firm to comply with the provisions of the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and other laws related to the business of Rhom Bho Property Public Company Limited. It was obvious that the Company operated its business by conforming to relevant laws, rules, and regulations fully and appropriately.

5. Supervision of Internal Audit

The Audit Committee held a discussion with internal auditors and reviewed internal audit results on a quarterly basis. The Audit Committee developed strategic methods in monitoring and supervising internal audit of Rhom Bho Property Public Company Limited by relying mainly on the advancement of information technology. It was understood that the Company's internal audit was implemented with enhanced efficiency and productivity, empowered by the sufficiency and appropriateness of the data security system. The Audit Committee also used significant issues to generate greater development of solutions to avoiding and reducing possible risks.

6. Good Corporate Governance

Rhom Bho Property Public Company Limited had recognized the importance of effective management based on good corporate governance principles, aiming for enhanced business efficiency supported by transparency, righteousness, and accountability to ensure greater confidence and trust among shareholders, investors, and stakeholders.

In 2017, the Audit Committee performed its responsible duties as assigned by the Board of Directors with full knowledge and independent performances without restriction in obtaining the required information from the Company's directors, executives, employees, and stakeholders. The Audit Committee also provided productive suggestions and feedbacks related



to the progress of internal audit, ensuring that shareholders would be provided with a number of substantial benefits equally and appropriately.

According to the Audit Committee, Rhom Bho Property Public Company Limited adhered to business ethics, where the Board of Directors and executives were strictly committed to performing their duties in a highly professional manner. The Company had prepared financial and performance reports with complete and accurate information, while the effective internal control and audit system was developed based on the principles of good corporate governance. With transparency, honesty, and responsibility towards successful business performances, the Company was capable of maximizing its competitiveness and compliance with relevant laws and requirements.

(Mr. Suwit Lamsam)

Chairman of the Audit Committee



AUDITOR'S REPORT

To the Shareholders of Rhom Bho Property Public Company Limited

Opinion

I have audited the accompanying financial statements of Rhom Bho Property Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2017, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rhom Bho Property Public Company Limited as at 31 December 2017, its financial performance and 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 to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the 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.

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><i>Cost of property development and land held for development</i></p> <p>Cost of property development and land held for development are significant high value transaction and comprised a various cost components such as cost of land, cost of land development, construction costs, related cost for property development and capitalized borrowing cost. As at December 31, 2017, the carrying amount of cost of property development and land held for development are of Baht 373.57 million and Baht 219.53 million, respectively, as disclosed in note 6 and note 8, respectively.</p>	<p>Other than making the inquiries, the audit procedures for cost of property development and land held for development included sampling test as follows:</p> <ul style="list-style-type: none"> - assessing the efficiency and test of internal control relates to the purchase system and property development system;



<i>The key audit matter</i>	<i>Audit Procedures</i>
<p><i>Cost of property development and land held for development</i></p> <p>I have identified this cost of property development and land held for development to be the key audit matters as its high value is significant to the financial statements and comprised a various cost components, which affects to the complicated records, allocations and computations.</p>	<ul style="list-style-type: none"> - inspecting the evidences relating to purchase of land between the Company and the seller for example; agreement to purchase and sell includes evidences of land payment and document communicated with the government; - inspecting the evidences relating to the property development which is from the distributor and subcontractor such as purchase and sell agreement, related contracts, invoices and evidence payment; - allocation test of cost of property development per unit; - assessing and calculation test of borrowing costs basing on the capitalized borrowing costs; - physical observation project of construction to determine the relationship between physical and accounting records.
<p><i>Recognition of revenue from sale</i></p> <p>Sale of property is significant high value transaction and affects to the operation of the Company. For the year ended December 31, 2017, sale of property was Bath 293.88 million.</p> <p>I have identified the sale of property to be the key audit matters as its high value is significant to the financial statements.</p>	<p>Other than making the inquiries, the audit procedures for sale of property included sampling test as follows:</p> <ul style="list-style-type: none"> - assessing the efficiency and test of internal control relates to the revenue system; - inspecting sale documents incurred during the year comprised purchase and sale agreement, receiving documents, ownership transfer document and other conditions specified in purchase and sale agreement; - testing the calculation of trade discount and discount from warranty; - sale cut-off with sale documents nearby before and after end of reporting period; - reviewing the adjustments relating to sale after end of reporting period.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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, matters 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 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 that 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 communication.

(Bunjong Pichayaprasat)
Certified Public Accountant
Registration No.7147

Siam Truth Audit Company Limited
Bangkok, February 24, 2018


RHOM BHO PROPERTY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017
Baht

	Note	2017	2016
Assets			
Current assets			
Cash and cash equivalents	5	236,653,977.42	36,560,779.54
Other receivables		26,917.00	23,667.00
Cost of property development	4, 6	373,570,473.92	345,907,944.80
Inventories		533,825.32	547,709.80
Other current assets	7	77,361,272.73	25,202,874.24
Total current assets		688,146,466.39	408,242,975.38
Non-current assets			
Restricted bank deposits		410,716.23	1,700,667.38
Land held for development	8	219,530,771.81	60,341,586.81
Property, plant and equipment	9	50,160,209.63	49,619,753.60
Intangible assets		1,318,097.03	1,675,246.86
Deferred tax assets	10	9,249,499.40	4,719,664.05
Other non-current assets		773,455.00	526,585.00
Total non-current assets		281,442,749.10	118,583,503.70
Total assets		969,589,215.49	526,826,479.08

The accompanying note are an integral part of these financial statements


RHOM BHO PROPERTY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017
Baht

	Note	2017	2016
Liabilities and shareholders' equity			
Current liabilities			
Short-term loan from other company	12	25,000,000.00	115,000,000.00
Trade and other payables	4, 13	18,989,149.19	3,179,113.76
Current portion of liabilities	14	341,383.77	12,106,843.04
Income tax payable		5,795,786.11	14,037,923.41
Advance received		327,395,172.50	138,627,540.00
Estimated cost of property development		4,974,488.96	3,802,324.52
Retention payables		1,545,888.85	400,349.50
Other current liabilities		2,844,013.11	1,156,401.14
Total current liabilities		386,885,882.49	288,310,495.37
Non-current liabilities			
Long-term loans from other company	16	50,000,000.00	-
Long-term liability under finance lease	17	201,346.50	538,591.19
Employee benefit obligations	18	7,476,073.03	5,726,917.03
Total non-current liabilities		57,677,419.53	6,265,508.22
Total liabilities		444,563,302.02	294,576,003.59
Shareholders' equity			
Share capital			
Authorized share capital			
400,000,000 ordinary shares, Baht 0.50 par value		200,000,000.00	200,000,000.00
Issued and paid-up share capital	19		
400,000,000 ordinary shares, in year 2017 and			
280,000,000 ordinary shares, in year 2016, fully paid-up		200,000,000.00	140,000,000.00
Premium on share capital	19	191,414,235.80	-
Retained earnings			
Appropriated to legal reserve	21	13,652,000.00	11,552,000.00
Unappropriated		119,959,677.67	80,698,475.49
Total shareholders' equity		525,025,913.47	232,250,475.49
Total liabilities and shareholders' equity		969,589,215.49	526,826,479.08

The accompanying note are an integral part of these financial statements


RHOM BHO PROPERTY PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
Baht

	Note	2017	2016
Revenues from sales and service	4	293,881,601.33	362,795,980.42
Cost of sales and service	23	(163,311,995.10)	(179,857,300.50)
Gross profit		130,569,606.23	182,938,679.92
Other income		7,340,287.77	3,586,289.50
Selling expenses	23	(17,403,541.35)	(18,942,795.61)
Administrative expenses	4, 23	(66,242,633.81)	(49,851,609.10)
Finance costs	24	(5,519,567.07)	(3,680,553.17)
Profit before income tax		48,744,151.77	114,050,011.54
Tax expense	25	(7,859,860.79)	(23,071,120.22)
Profit for the year		40,884,290.98	90,978,891.32
Earnings per share	3		
Basic earnings per share		0.13	0.48
Weighted average number of ordinary shares (shares)		304,328,767	188,904,110
Other comprehensive income :			
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gain	18	596,139.00	55,904.00
Income tax relating to items that will never be reclassified to profit or loss	25	(119,227.80)	(11,180.80)
Other comprehensive income - net of tax		476,911.20	44,723.20
Total comprehensive income		41,361,202.18	91,023,614.52

The accompanying note are an integral part of these financial statements



RHOM BHO PROPERTY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Legal reserve	Unappropriated	
Balance as at January 1, 2016		70,000,000.00	-	4,250,000.00	75,376,860.97	149,626,860.97
Increase in ordinary shares	19	70,000,000.00	-	-	-	70,000,000.00
Dividends paid	20	-	-	-	(78,400,000.00)	(78,400,000.00)
Legal reserve	21	-	-	7,302,000.00	(7,302,000.00)	-
Total comprehensive income		-	-	-	91,023,614.52	91,023,614.52
Balance as at December 31, 2016		140,000,000.00	-	11,552,000.00	80,698,475.49	232,250,475.49
Increase in ordinary shares	19	60,000,000.00	191,414,235.80	-	-	251,414,235.80
Legal reserve	21	-	-	2,100,000.00	(2,100,000.00)	-
Total comprehensive income		-	-	-	41,361,202.18	41,361,202.18
Balance as at December 31, 2017		200,000,000.00	191,414,235.80	13,652,000.00	119,959,677.67	525,025,913.47

The accompanying note are an integral part of these financial statements


RHOM BHO PROPERTY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
Baht

	2017	2016
Cash flows from operating activities		
Profit before income tax	48,744,151.77	114,050,011.54
Adjustments to reconcile income before income tax to net cash provided by (used in) operating activities		
Depreciation and amortization	9,716,118.75	6,457,879.51
Loss on written-off of equipments	42,019.75	1,458,882.15
Interest income	(494,493.65)	(168,863.15)
Finance costs	5,519,567.07	3,680,553.17
Cash flow before changes in working capital	63,527,363.69	125,478,463.22
Changes in working capital		
Other receivables	(3,250.00)	(23,667.00)
Cost of property development	(29,133,476.86)	111,084,897.23
Inventories	13,884.48	905,581.52
Other current assets	(52,158,398.49)	(6,345,572.74)
Restricted bank deposits	1,289,951.15	100,803.72
Other non-current assets	(246,870.00)	306,535.00
Trade and other payables	15,810,035.43	(34,839,218.68)
Advance received	188,767,632.50	(69,640,148.00)
Estimated cost of property development	1,172,164.44	998,536.60
Retention payables	1,145,539.35	(4,681,350.69)
Employee benefit obligations	2,345,295.00	2,090,487.00
Other current liabilities	1,687,611.97	386,277.21
Cash generated from operations	194,217,482.66	125,821,624.39
Interest received	494,493.65	168,863.15
Income tax paid	(20,751,061.24)	(12,776,633.00)
Net cash provided by operating activities	173,960,915.07	113,213,854.54

The accompanying note are an integral part of these financial statements

**RHOM BHO PROPERTY PUBLIC COMPANY LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2017*****Baht***

	2017	2016
Cash flows from investing activities		
Purchase of land held for development	(159,189,185.00)	-
Purchase of property, plant and equipment	(9,526,210.08)	(1,094,306.49)
Disposal of property, plant and equipment	2,803.74	-
Purchase of intangible assets	(197,008.40)	(1,049,668.93)
Net cash used in investing activities	(168,909,599.74)	(2,143,975.42)
Cash flows from financing activities		
Proceeds from short-term loans from other company	-	115,000,000.00
Repayments of short-term loans from other company	(90,000,000.00)	-
Proceeds from long-term loans from other company	50,000,000.00	-
Proceeds from long-term loans from financial institution	-	60,000,000.00
Repayments of long-term loans from financial institution	(11,663,714.94)	(244,479,177.25)
Repayments of liability under finance lease	(438,989.02)	(510,493.75)
Finance cost paid	(4,269,649.29)	(9,894,381.59)
Increase in ordinary shares	251,414,235.80	70,000,000.00
Dividend paid	-	(78,400,000.00)
Net cash provided by (used in) financing activities	195,041,882.55	(88,284,052.59)
Net increase in cash and cash equivalents	200,093,197.88	22,785,826.53
Cash and cash equivalents at the beginning of year	36,560,779.54	13,774,953.01
Cash and cash equivalents at the end of year	236,653,977.42	36,560,779.54

The accompanying note are an integral part of these financial statements



RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

Rhom Bho Property Public Company Limited ("the Company") is incorporated in Thailand and has its registered office at 53 Sukhonhasawat Road, Ladprao, Ladprao, Bangkok.

The Company has registered to convert to public company limited on October 11, 2016. The principal activities of the Company involve property development.

On November 2, 2017, the Company was listed on the Stock Exchange of Thailand in the "Market for Alternative Investment" (mai).

The financial statements have been approved for issue by the Company's Board of Directors on February 24, 2018.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"), including the related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements are presented in Thai Baht, which is the Company's functional currency. The preparation of these financial statements is in Thai and English language and issued for Thai reporting purposes.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS") requires management to make judgments estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Adoption of new and revised Thai Financial Reporting Standards

The FAP has issued the notifications, mandating the use of Thai Accounting Standards ("TAS"), Thai Financial Reporting Standards ("TFRS"), Thai Standard Interpretations ("TSIC"), Thai Financial Reporting Interpretations ("TFRIC") and account guidance ("AG") (revised 2016), which are effective for the financial statements, which its accounting period beginning on or after January 1, 2017 as follows:



TAS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Asset
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture



TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS	Topic
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC	Topic
TSIC 10 (revised 2016)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases-Incentives
TSIC 25 (revised 2016)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements :Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets-Web Site Costs



TFRIC	Topic
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Money brought to the state

AG Topic

Accounting guidance for derecognition of financial assets and financial liabilities

During the year, the Company has adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2017. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these TFRS does not have any significant impact on the financial statements of the Company.

New and revised Thai Financial Reporting Standards not yet effective

During the year, the Federation of Accounting Professions has issued a number of revised the notifications, mandating the use of Thai Accounting Standards ("TAS"), Thai Financial Reporting Standards ("TFRS"), Thai Standard Interpretations ("TSIC") and Thai Financial Reporting Interpretations ("TFRIC") (revised 2017), which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues

Sale of property

Sales of residential condominium units are recognized as revenue when the construction works are completed and the significant risks and rewards of ownerships have been transferred to the buyer.

Revenue perceived excluding VAT and net from trade discounts

Revenue is recognized in the statements of comprehensive income when the risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from rendering of services is recognised when services are rendered.

Interest income

Interest income is recognized as income on an accrual basis, based on the effective rate method.

Other income

Other income is recognized on an accrual basis.

Expenses

Operating leases

Payments made under operating leases are recognized in the statements of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statements of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statements of comprehensive income in the accounting period in which they are incurred.

Finance cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in the statements of comprehensive income using the effective interest rate method.

Expenses are recognized on an accrual basis.



Employee benefits

Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined contribution plan

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund and obligations to defined contribution plan are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits – defined benefit plan

The employee benefits obligations in relation to the severance payment under the labor law are recognised as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Company through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in the statements of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) immediately in other comprehensive income.

Termination benefits

The Company recognizes termination benefits as a liability and expense when the Company terminates the employment of an employee or group of employees before the normal retirement date.

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that



causes the Company to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity excluded deposits at bank on obligation.

Other receivables

Other receivables are stated at their invoice value less allowance for doubtful accounts.

Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables.

In determining an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Cost of property development

Cost of property development are stated at the lower of cost or net realisable value, which is the value after recognized the cost of property sold. Cost comprises cost of land, construction costs, including the capitalized borrowing cost for property development.

The details of cost calculation

Land	- Purchase price of land, cost for the acquisition and development of land using the average method and allocating based on salable area for each project.
Construction	- Construction cost comprises the design fees, cost of construction of condominiums, utilities and public facilities. Direct cost relating to project development are allocated based on salable area.
Capitalized borrowing cost	- Interest expense and fee from loans incurred in bringing the project development, arising before the property development will be fully developed, are allocated based on salable area.

Net realizable value is the estimated selling price in the normal course of business less estimated costs to make the sale.

Selling expenses such as specific business tax and transfer fee are recognized in the period that sales incur.

Loss on devaluation of projects are recognized in the statement of comprehensive income.



In determining the cost of property sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed on the basis of the salable area.

Cost of property development are estimated from the total cost incurred until the project fully completed, considering by their experiences in property business. The estimation are also regularly reviewed.

Inventories

Inventories are stated at the lower of cost using first-in, first-out cost method or net realizable value.

Cost comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the normal course of business less the costs to make the sale.

Capitalization of interest cost

Interest cost especially from loan incurred in bringing land and project development, is capitalized as part of the cost of those assets until the projects is completed or break down or when the construction is condition necessary for it to be capable of operating for their intended use. The capitalization of interest shall be resumed when the project is re-activated.

Land held for development

Land held for development which is to be developed in the future is stated at cost less allowance for impairment (if any). Cost comprises of cost of land and related expenses.

Loss on impairment of assets is included in the statements of comprehensive income.

Property, plant and equipment

Owned assets

Land is stated at cost, and plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income or other expenses in profit or loss.

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease,



less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and constructions	2 - 20 years
Furniture and office equipment	5 years
Vehicle	5 years

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

No depreciation is provided on freehold land and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.



Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Software licences	5 years
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No amortization is provided on assets under development.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortization, if no impairment loss had been recognized.



Finance lease

The Company recognized finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Estimated cost of property development

The cost of utilities and public facilities under construction of residential condominium units, that the revenue from sales have been already recognized, are estimated by calculating the quantity and value of materials used in each project, including labor cost and other related expenses necessary used to complete the project. The changes of materials price, labor cost and other related expenses are also determined. The estimated cost are regularly reviewed and at each time that actual cost incurred are materially different from the cost estimates.

Dividends

Dividend and interim dividend payment are recorded in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Premium on share capital

Section 51 of the Public Limited Companies Act B.E.2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("premium on share capital"). Premium on share capital is not available for dividend distribution.

Basic earnings per share

Basic earnings per share for the years ended December 31, 2017 and 2016 are calculated by dividing net profit for the years by the weighted average number of ordinary shares issued and paid-up during the year, after adjusting the number of ordinary shares for the year ended December 31, 2016 to reflect the impact of the par value changing (see note 17). The prior year's basic earnings per share had been recalculated as if the changes in par value had been distributed at the beginning of the earliest period reported as follows:



	2017	2016
Profit for the year (Baht)	40,884,290.98	90,978,891.32
Weighted average number of ordinary shares (Shares)		
Ordinary shares at the beginning of year	280,000,000	140,000,000
Effect of ordinary shares issued	24,328,767	48,904,110
Weighted average number of ordinary shares	304,328,767	188,904,110
Basic earnings per shares (Baht)	0.13	0.48

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 applied 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 measured fair value using valuation techniques that are appropriate in the circumstances and maximises 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 categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determined 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

4. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties. These parties are related through common shareholders and/or directorships or a close family member. Transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

Transactions with related parties for the years ended December 31, 2017 and 2016 were as follows:



		<i>Baht</i>
	2017	2016
Revenues from sales		
Prasert Vannacharoen	2,580,282.00	-
Purchase of materials and equipments of construction		
Pana 1000 Trees Town Co., Ltd.	1,050,000.00	-
Mono Group Co., Ltd.	-	25,273.95
Sam Tunwa Co., Ltd.	41,436.29	-
Rental for building		
Sam Tunwa Co., Ltd.	480,000.00	480,000.00
Repair expense		
Sam Tunwa Co., Ltd.	42,468.30	391,743.05

The significant balances of assets and liabilities with related parties as at December 31, 2017 and 2016 were as follows:

		<i>Baht</i>
	2017	2016
Other payable		
Sam Tunwa Co., Ltd.	41,436.29	-

The Company entered into the office rental agreement with Sam Tunwa Co., Ltd. for a period of twelve months with the monthly rental of Baht 0.04 million.

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2017 and 2016 consisted of:

		<i>Baht</i>
	2017	2016
Short-term benefits	17,391,678.46	14,688,790.96
Post-employment benefits	1,431,907.00	1,387,077.00
Total	<u>18,823,585.46</u>	<u>16,075,867.96</u>

Directors' remuneration

Directors' remuneration represents benefits paid to the directors of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the years ended December 31, 2017, the Company paid directors' remuneration in the amount of Baht 1.94 million (year 2016: Baht 0.67 million).



Nature of relationship

Name of company/person	Country/ nationality	Relation	Type of relation
Sam Tunwa Co., Ltd.	Thailand	Related company	Common directors and/or shareholders
Pana 1000 Trees Town Co., Ltd.	Thailand	Related company	Directors and/or shareholders are a close family member
Mono Group Co., Ltd.	Thailand	Related company	Directors and/or shareholders are a close family member
Prasert Vannacharoen	Thailand	Related person	Shareholders and chief executive

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Revenues from sales	Net sales for the employee discount rate of 15 % of net selling price (employee benefits)
Office rental	Stipulate in the agreement
Repair expenses	Market price
Purchase of materials and equipments of construction	Market price

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 consisted of:

	2017	2016
Cash on hand	700,000.00	300,000.00
Cash at banks	235,953,977.42	36,260,779.54
Total	236,653,977.42	36,560,779.54



6. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>
	2017	2016
Property for sale		
Condominium units	140,991,295.81	257,160,259.49
Interior decoration	12,865,765.39	22,816,658.08
Total	153,857,061.20	279,976,917.57
Property development		
Land	43,187,594.34	25,618,440.54
Construction in progress and other costs	176,295,681.39	40,312,586.69
Capitalized interest cost	230,136.99	-
Total	219,713,412.72	65,931,027.23
Grand total	373,570,473.92	345,907,944.80

The significant movements of cost of property development for the years ended December 31, 2017 and 2016 were as below:

			<i>Baht</i>
	Note	2017	2016
Transfer in from land held for development	8	-	38,877,043.53
Transfer out to property, plant and equipment	9	(221,029.96)	(1,710,921.60)
Cost of sale and interest expense		131,240,136.54	(154,057,084.00)
Capitalized interest cost	24	230,136.99	6,213,828.00

During the year 2017, the Company's ownership of existing condominium units and to be constructed in the future of project are mortgaged as collateral for long-term loans from other company in credit limit of Baht 300 million (see note 16).

On March 28, 2017, the Company had terminated the credit limit of loan from a financial institution of Baht 294.50 million and bank overdraft of Baht 10 million, including revoked the collateral (see notes 11 and 15).



7. OTHER CURRENT ASSETS

Other current assets as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Additional cost to obtain the contract	75,198,743.78	23,528,478.20
Prepaid expenses	644,770.79	1,605,538.34
Advance payment for purchase goods	1,331,736.71	-
Others	186,021.45	68,857.70
Total	<u>77,361,272.73</u>	<u>25,202,874.24</u>

8. LAND HELD FOR DEVELOPMENT

Movements of land held for development for the years ended December 31, 2017 and 2016 were as follows:

		<i>Baht</i>
At cost	<u>Note</u>	
Balance as at January 1, 2016		101,441,304.54
Purchase/ transfer in		-
Disposal/ transfer out		-
Transfer out to property, plant and equipment	9	(2,222,674.20)
Transfer out to cost of property development	6	<u>(38,877,043.53)</u>
Balance as at December 31, 2016		60,341,586.81
Purchase/ transfer in		159,189,185.00
Disposal/ transfer out		-
Balance as at December 31, 2017		<u>219,530,771.81</u>

The Company's land held for development are mortgaged as collateral for short-term and long-term loans from other company (see notes 12 and 16).



9. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the years ended December 31, 2017 and 2016 consisted of:

		Building and	Furniture and		Assets under	<i>Baht</i>
	Land	property	office equipment	Vehicles	construction	Total
At cost						
Balance as at January 1, 2016	3,759,402.36	48,457,637.86	5,498,815.07	4,562,145.00	-	62,278,000.29
Purchase/ transfer in	-	81,320.00	538,509.62	-	474,476.51	1,094,306.13
Transfer in from land held for development	-	2,222,674.20	-	-	-	2,222,674.20
Transfer in from investment property	-	1,691,721.63	-	-	19,200.00	1,710,921.63
Disposal/ transfer out	-	(3,411,211.34)	(85,956.48)	-	-	(3,497,167.82)
Balance as at December 31, 2016	3,759,402.36	49,042,142.35	5,951,368.21	4,562,145.00	493,676.51	63,808,734.43
Purchase/ transfer in	-	8,106,371.76	2,134,544.79	-	7,390,438.29	17,631,354.84
Transfer in from cost of property development	-	-	-	-	221,029.96	221,029.96
Disposal/ transfer out	-	-	(74,380.22)	-	(8,105,144.76)	(8,179,524.98)
Balance as at December 31, 2017	3,759,402.36	57,148,514.11	8,011,532.78	4,562,145.00	-	73,481,594.25
Accumulated depreciation						
Balance as at January 1, 2016	-	7,615,143.38	1,744,535.15	728,269.07	-	10,087,947.60
Depreciation	-	4,566,737.82	1,083,512.16	489,069.28	-	6,139,319.26
Disposal/ transfer out	-	(2,000,668.42)	(37,617.61)	-	-	(2,038,286.03)
Balance as at December 31, 2016	-	10,181,212.78	2,790,429.70	1,217,338.35	-	14,188,980.83
Depreciation	-	7,342,843.25	1,292,586.74	530,269.47	-	9,165,699.46
Disposal/ transfer out	-	-	(33,295.67)	-	-	(33,295.67)
Balance as at December 31, 2017	-	17,524,056.03	4,049,720.77	1,747,607.82	-	23,321,384.62
Net book value						
Owned assets	3,759,402.36	38,860,929.57	3,160,938.51	1,192,757.18	493,676.51	47,467,704.13
Assets under finance leases	-	-	-	2,152,049.47	-	2,152,049.47
Balance as at December 31, 2016	3,759,402.36	38,860,929.57	3,160,938.51	3,344,806.65	493,676.51	49,619,753.60
Owned assets	3,759,402.36	39,624,458.08	3,961,812.01	1,227,978.91	-	48,573,651.36
Assets under finance leases	-	-	-	1,586,558.27	-	1,586,558.27
Balance as at December 31, 2017	3,759,402.36	39,624,458.08	3,961,812.01	2,814,537.18	-	50,160,209.63



Depreciation for the years ended December 31 2017 and 2016 is recognized in the statements of comprehensive income were as follows:

	<i>Baht</i>	
	2017	2016
Depreciation for the years ended December 31 was included in administrative expenses	<u>9,165,699.46</u>	<u>6,139,319.26</u>
As at December 31, The gross carrying amount of fully depreciated that is still in use	<u>285,807.56</u>	<u>283,767.56</u>

The Company's land including existing construction and to be constructed in the future were mortgaged as collateral for short-term loans from other company (see note 12).

10. DEFERRED TAX

Deferred tax as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Deferred tax assets	<u>9,249,499.40</u>	<u>4,719,664.05</u>

Movements of deferred tax assets occurred during the years were as follows:

	January 1, 2016	Profit	Other comprehensive loss	December 31, 2016	Profit	Other comprehensive loss	December 31, 2017
Deferred tax assets							
Provision	497,109.00	266,552.11	-	763,661.11	231,236.68	-	994,897.79
Employee benefit obligations	738,466.81	403,720.39	(11,180.80)	1,131,006.40	483,436.01	(119,227.80)	1,495,214.61
Property, plant and equipment	451,450.07	390,157.65	-	841,607.72	780,385.22	-	1,621,992.94
Guarantee return	-	1,983,388.82	-	1,983,388.82	3,154,005.24	-	5,137,394.06
Total	<u>1,687,025.88</u>	<u>3,043,818.97</u>	<u>(11,180.80)</u>	<u>4,719,664.05</u>	<u>4,649,063.15</u>	<u>(119,227.80)</u>	<u>9,249,499.40</u>



11. BANK OVERDRAFT

Credit limit from financial institution as at December 31, 2016 consisted of:

	<i>Million Baht</i>	Referred interest rate
Type of credit	Credit limit	(Percentage per annum)
Bank overdraft	10.00	MOR

During the year 2017, the Company had terminated limit of bank overdraft of Baht 10 million, including revoked the collateral (see note 6).

12. SHORT-TERM LOAN FROM OTHER COMPANY

The Company has short-term loans from other company as at December 31, 2017 and 2016 consisted of:

<i>Million Baht</i>	Period	Referred interest rate	
Credit limit	of repayment	per annum (%)	Repayment
119	Within April 2018	MLR	Repayment of principal when the ownership of condominium units, are transferred and the remaining amount repayment within April 2018

Movements of short-term loan other company for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Beginning balance	115,000,000.00	-
Increase	-	115,000,000.00
Decrease	(90,000,000.00)	-
Ending balance	25,000,000.00	115,000,000.00

The Company's land held for development and land including existing construction (see notes 8 and 9) were mortgaged as collateral for credit limit loan and the director of the Company guaranteed against this loan.

**13. TRADE AND OTHER PAYABLES**

Trade and other payables as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>
	2017	2016
Trade payables	9,524,039.17	390,088.97
Other payables		
Accrued expenses	4,410,608.18	2,227,484.79
Other payables	5,054,501.84	561,540.00
Total	9,465,110.02	2,789,024.79
Grand total	18,989,149.19	3,179,113.76

14. CURRENT PORTION OF LIABILITIES

Current portion of liabilities as at December 31, 2017 and 2016 consisted of:

			<i>Baht</i>
	Note	2017	2016
Loans from financial institution	15	-	11,663,714.94
Liabilities under finance lease	16	341,383.77	443,128.10
Total		341,383.77	12,106,843.04

15. LOANS FROM FINANCIAL INSTITUTION

Loans from financial institution as at December 31, 2016 consisted of:

	<i>Baht</i>
Loans from financial institution	11,663,714.94
Less current portion	(11,663,714.94)
Long-term loans from financial institution	-



The details of loans from financial institution

Financial institution	Credit limit	Million Baht Principal	Period of repayment	Referred interest rate per annum(%)	Repayment
Commercial	4.50	0.38	Within March, 2017	MLR	Monthly repayment of principal with interest of Baht 0.14 million.
Bank	290.00	11.28	Within March, 2017	MLR	Repayment of principal 70% of agreement to purchase and sal, when the ownership of condominium units are transferred for revoking. Monthly repayment of interest.
Total		<u>11.66</u>			

Movements of loans from financial institutions for the years ended December 31, 2017 and 2016 were as follows:

	Baht	
	2017	2016
Beginning balance	11,663,714.94	196,142,892.19
Increase	-	60,000,000.00
Decrease	(11,663,714.94)	(244,479,177.25)
Ending balance	<u>-</u>	<u>11,663,714.94</u>

The Company's ownership of condominium units were mortgaged as collateral for loans (see note 6)

During the year 2017, the Company had terminated the credit limit of loan from a financial institution of Baht 294.50 million, including revoked the collateral (see note 6).

16. LONG-TERM LOAN FROM OTHER COMPANY

The Company has long-term loans from other company as at December 31, 2017 consisted of:

Million Baht Credit Limit	Period of repayment	Referred interest rate per annum (%)	Repayment
300	Within November 2021	MLR-1	Principal repayment First installation November 2019 not less than Baht 100 million Second installation November 2020 not less than Baht 100 million Third installation November 2021 not less than Baht 100 million



Movements of long-term loan other company for the year ended December 31, 2017 was as follows:

	<i>Baht</i>
Beginning balance	-
Increase	50,000,000.00
Decrease	-
Ending balance	<u>50,000,000.00</u>

The Company's property development and land held for development (see notes 6 and 8) were mortgaged as collateral for credit limit of loan.

17. LIABILITY UNDER FINANCE LEASE

Liability under finance lease as at December 31, 2017 and 2016 consisted of:

	2017			2016		
		Deferred	Minimum		Deferred	Minimum
Year	Present value	interest	lease payment	Present value	interest	lease payment
1	341,383.77	20,236.23	361,620.00	443,128.10	37,843.90	480,972.00
2 - 5	201,346.50	2,217.50	203,564.00	538,591.19	25,592.81	564,184.00
	<u>542,730.27</u>	<u>22,453.73</u>	<u>565,184.00</u>	<u>981,719.29</u>	<u>63,436.71</u>	<u>1,045,156.00</u>

The Company entered into a finance lease agreement for purchase of vehicle which is payable monthly in the amount of Baht 0.04 million. The current portion in the amount of Baht 0.34 million (year 2016: Baht 0.44 million) was presented under current liabilities.

Liability under financial lease was guaranteed by the director of the Company.

18. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations in the statement of financial position as at December 31, 2017 and 2016 were as follows:

	<i>Baht</i>
	2017
Post-employment benefit plan	2016
Present value of obligations	7,476,073.03
Employment benefit obligations	<u>5,726,917.03</u>
	<u>7,476,073.03</u>



Movements of the present value of employee benefit obligations for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	2017	2016
Post-employment benefit plan		
Employee benefit obligations as at January 1	5,726,917.03	3,692,334.03
Included in profit or loss:		
Current service cost	2,189,815.00	1,993,412.00
Interest cost	155,480.00	97,075.00
Included in other comprehensive income (loss):		
Defined benefit plan actuarial (gain) loss		
Arising from demographic assumption changes	(802,841.00)	(55,904.00)
Arising from financial assumption changes	282,488.00	-
Arising from experience adjustments	(75,786.00)	-
Employee benefit obligations as at December 31	<u>7,476,073.03</u>	<u>5,726,917.03</u>

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

Principal actuarial assumptions as at December 31, 2017 and 2016 (expressed as weighted averages) were as follows:

	2017	2016
Discount rate (%)	2.15	2.67
Salary increases rate (%)	5.00	5.00
Turnover rate (%)	0.00 - 19.00	0.00 - 15.00
Retirement age	60 Years	60 Years
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2008
Disability rate	5	5



The result of sensitivity analysis for significant assumptions that affect the present value of the post-employment benefit obligations as at December 31, 2017 are summarised below:

	<i>Baht</i>	
	Increase	Decrease
Discount rate (1% Movement)	(471,954.00)	543,864.00
Salary increase rate (1% Movement)	522,693.00	(464,102.00)
Turnover rate (1% Movement)	(497,024.00)	157,659.00

19. SHARE CAPITAL

- 19.1 During October 16-18, 2017, the Company offered the share capital in the amount of 7.20 million shares to the directors, managements and/or employee, and offered to public on November 2, 2017 in the amount of 112.80 million shares at the offering price of Baht 2.20 per share.

The Company received the mentioned subscription shares, totaling of Baht 264 million (the expense regarding the increase share capital of Baht 12.59 million were recorded by netting with the premium on share capital account)

On October 20, 2017, the Company registered the change in its fully paid-up share capital from increase in ordinary shares received from Baht 140 million to Baht 200 million with the Ministry of Commerce.

- 19.2 The Extraordinary General Meeting of Shareholders held on October 3, 2016 passed the resolutions as follows:

19.2.1 Convert the company limited to a public company limited.

19.2.2 Change the par value from Baht 100 per share to Baht 0.50 per share.

19.2.3 Increase share capital from Baht 140 million to Baht 200 million by issuing 120 million new ordinary shares, at Baht 0.50 par value for offer to:

19.2.3.1 Directors, managements and/or employees amount of 7.20 million shares.

19.2.3.2 Initial Public Offering (IPO) amount of 112.80 million shares.

The Company registered to convert to public company limited, the changing of the par value and increase of its shares capital with Ministry of Commerce on October 11, 2016.

19.2.4 Submit the Company's ordinary shares to be listed in the Stock Exchange of Thailand or the Market for Alternative Investment (MAI), including, assign the authorization to the Board of Directors and/or other assigned person and/or the person assigned by the authorized directors to engage in the process of submit the Company's ordinary shares as mentioned above.

- 19.3 The Extraordinary General Meeting of shareholders held on August 19, 2016, passed a resolution to increase share of the Company from Baht 70 million to Baht 140 million by issuing 700,000 new ordinary shares, at Baht 100 par value per share. The Company had called for the payment of increase shares in the whole amount.

The Company has already registered the increase of its shares capital with Ministry of Commerce on August 29, 2016.



20. DIVIDEND

The Extraordinary General Meeting of Shareholders held on August 19, 2016, passed a resolution to approve the interim dividend payment at the rate of Baht 112 per share, totaling Baht 78.40 million and appropriated to legal reserve in the amount of Baht 2.75 million.

21. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital.

22. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by Kasikorn Asset Management Public Company Limited. This Fund is registered under the conditions of Ministry of Finance and the Fund is managed by the Fund manager.

23. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Employee expenses	41,082,658.15	30,365,941.60
Depreciation and amortization	9,716,118.75	6,457,879.51
Sales promotion expenses	32,055,915.01	26,706,610.67
Fee expenses	2,425,916.52	4,655,574.83
Insurance expenses	638,936.96	1,809,411.94
Utility expenses	3,511,942.68	2,029,212.27
Property transfer expenses	7,609,371.50	12,219,763.00

24. FINANCE COSTS

Finance costs for the years ended December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	2017	2016
Interest expenses	5,749,704.06	9,894,381.59
Less Capitalized interest cost	(230,136.99)	(6,213,828.42)
Net	<u>5,519,567.07</u>	<u>3,680,553.17</u>



25. INCOME TAX

Corporate income tax of the Company for the years ended December 31, 2017 and 2016 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Income tax reduction

The Revenue Code Amendment Act (No. 42) B.E. 2559, grants a reduction of the corporate income tax rate from 30% to 20% of net profit for accounting periods beginning on or after January 1, 2016, which will be effective on March 5, 2016, onwards.

Tax expense for the years ended December 31, 2017 and 2016 as follows:

	<i>Baht</i>	
	2017	2016
Current tax		
Current year	12,508,923.94	26,114,939.19
Deferred tax		
Movement in temporary differences	(4,649,063.15)	(3,043,818.97)
Tax expense	<u>7,859,860.79</u>	<u>23,071,120.22</u>

Income tax recognized in other comprehensive income for the year ended December 31, 2017 and 2016 as follows:

	<i>Baht</i>	
	2017	2016
Employee benefit obligations	<u>(119,227.80)</u>	<u>(11,180.80)</u>

Reconciliation of effective tax rate



	2017		2016	
	Tax rate		Tax rate	
	%	Baht	%	Baht
Profit before income tax		48,744,151.77		114,050,011.54
Income tax using the corporate tax rate	20	9,748,830.35	20	22,810,002.31
Revenues treated as revenues for tax purposes		-		13,500.80
Addition expenses deductible for tax purposes		(2,352,460.37)		(59,668.55)
Expenses not deductible for tax purposes		5,112,553.96		3,351,104.63
Current tax	26	12,508,923.94	23	26,114,939.19
Movement in temporary differences		(4,649,063.15)		(3,043,818.97)
Tax expenses	16	7,859,860.79	20	23,071,120.22

26. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The principal activities of the Company involve property development and the management considering that has therefore only one business segment.

The Company operate in a single geographic area, namely in Thailand, and the management considering that has therefore only one geographic segment.

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2017, the Company had commitments and contingent liabilities as follows:

- 27.1 The letters of guarantee issued by bank for guarantee the electricity used in the amount of Baht 0.41 million.
- 27.2 Commitments for payment under agreements as follows:
 - 27.2.1 Rental agreement for office building with a monthly rental of Baht 0.04 million (see note 4).
 - 27.2.2 Service agreement with other persons and companies with a monthly service of Baht 0.56 million and the remaining amount of Baht 0.43 million.

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has no policy to speculate or trade in any derivatives financial instrument.

Accounting policies

Details of significant accounting policies, methods adopted, including the bases on which income and expenses are recognized, in respect of each class of financial assets and financial liabilities are disclosed in note 3.

Significant risks of the financial instruments are summarized as follows:

**Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by shareholders' equity, and also monitors the level of dividends to ordinary shareholders.

Credit risk

Credit risk arises from the failure of the trade receivables to make debt payments, which trade receivables causes losses in the Company. The Company has managed credit risk through the analysis of the trade receivables financial status. The Company believes that the maximum value of risk equals the carrying amount of receivables deducted by provision for doubtful debts as presented in the statements of financial position.

Interest rate risk

Interest rate risk is the fluctuation of the market interest rate in the future which will affect the Company's operation and cash flows. The Company has the interest rate risk from cash and deposits at bank, loans from financial institution and short-term loans from other company. Financial assets and liabilities fluctuated based on the market rate. Therefore, the Company has not engaged in any hedging contracts.

Liquidity risk

Liquidity risk of fund mobilization arises from the difficulty to mobilize funds timely and to adequately accommodate commitments under the financial instruments. Liquidity risk may arise from the failure to timely sell financial assets at the price close to the fair value.

Most of the Company's financial assets consist of cash and cash equivalents. The ability of timely fund mobilization to adequately accommodate commitments under the financial instruments depends on the debt service capacity of companies.

Fair value

Most of the financial assets are cash and cash equivalents which are short-term credit. Most of the financial liabilities are loans from other company and trade and other payables, loans from financial institutions and liabilities under financial lease. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

29. RECLASSIFICATION

The Company has reclassified certain accounts in the statements of comprehensive income for the year ended December 31, 2016 to conform to the presentation of the financial statements of current year as follow:

	<i>Baht</i>		
	Before	Reclassification	After
Cost of sales and service	156,991,472.85	22,865,827.65	179,857,300.50
Other income	5,243,824.50	(1,657,535.00)	3,586,289.50
Selling expenses	43,562,343.73	(24,619,548.12)	18,942,795.61
Administrative expenses	49,755,423.63	96,185.47	49,851,609.10



30. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on February 24, 2018, passed a resolution to approve the stock dividend at the rate of 10 ordinary shares per 1 stock dividend, totalling in the amount of 40 million shares or Baht 20 million and dividend payment at the rate of Baht 0.0055 per share, totalling of Baht 2.22 million.

Management Discussion and Analysis

Overall Performance

As the accounting standards stated that revenue could be acknowledged when a condominium construction project was completed and the transfer of ownership was finalized, it was hence understood that revenue and profit of Rhom Bho Property Public Company Limited were subject to the variation of the number of condominium units transferred during a year. Obviously, the number of transferred units would determine the amount of revenue and profit to be obtained in a year. The more the condominium units were sold, the more the Company would gain lucrative revenue and profit. In contrast, when there was no transfer of ownership or any condominium construction project was still in progress, lower revenue and profit could be expected.

Revenue obtained from the Company's sales and services came from revenue from the sales of real estates as well as other revenue related to the sales of real estates, for instance, revenue from the sales of furniture sets to be featured in condominium units, revenue from decoration or renovation of condominium units, and revenue from public utilities. Once again, the Company would be able to acknowledge its revenue when a condominium project was completed and the transfer of ownership was finalized with buyers. During 2015-2017, the Company's revenue from sales and services was estimated at 127.94 million baht, 362.80 million baht, and 293.88 million baht, or a rise of 97.46%, 98.58%, and 97.56%, respectively.

In 2015, Rhom Bho Property achieved 127.94 million baht of revenue from sales and services, decreased by 78.30% or 461.65 million baht compared to 2014. The decline of revenue was resulted from two major factors, including the decrease of transferred condominium units of The Title Rawai Beach Phase 1 and 2 due to the completion of transfer of ownership since 2013-2014 and the pending transfer of ownership of condominium units of The Title Rawai Phase 3, which was still under construction at that time, although some units were already transferred to buyers in December 2015, detailed below:

- 1) The decreasing revenue occurred from the reduction of transferred condominium units of The Title Rawai Phase 1 and 2. The Company had only 33 condominium units awaiting the transfer of ownership in 2015, while there were 75 condominium units ready to be transferred to buyers in the year before. In 2015, the Company had acknowledged its revenue of 35.92 million baht obtained from the sales of 12 condominium units of The Title Rawai Phase 1 and 42.29 million



baht received from the sales of 12 condominium units of The Title Rawai Phase 2, considered 7.50% and 10.00% of the total amount of condominium units of each phase, respectively.

- 2) The decreasing revenue was caused by the pending transfer of ownership of The Title Rawai Phase 3. Admittedly, the project was opened for presale since October 2013 and only a certain amount of condominium units were transferred to buyers in December 2015 following the completion of construction. However, certain group of clients had decided to delay the transfer of ownership until 2016. In 2015, the Company had acknowledged its revenue of 49.73 million baht from the transfer of ownership of 11 condominium units of The Title Rawai Phase 3, considered a tiny proportion of only 4.58% of the total amount of condominium units available in the same phase.

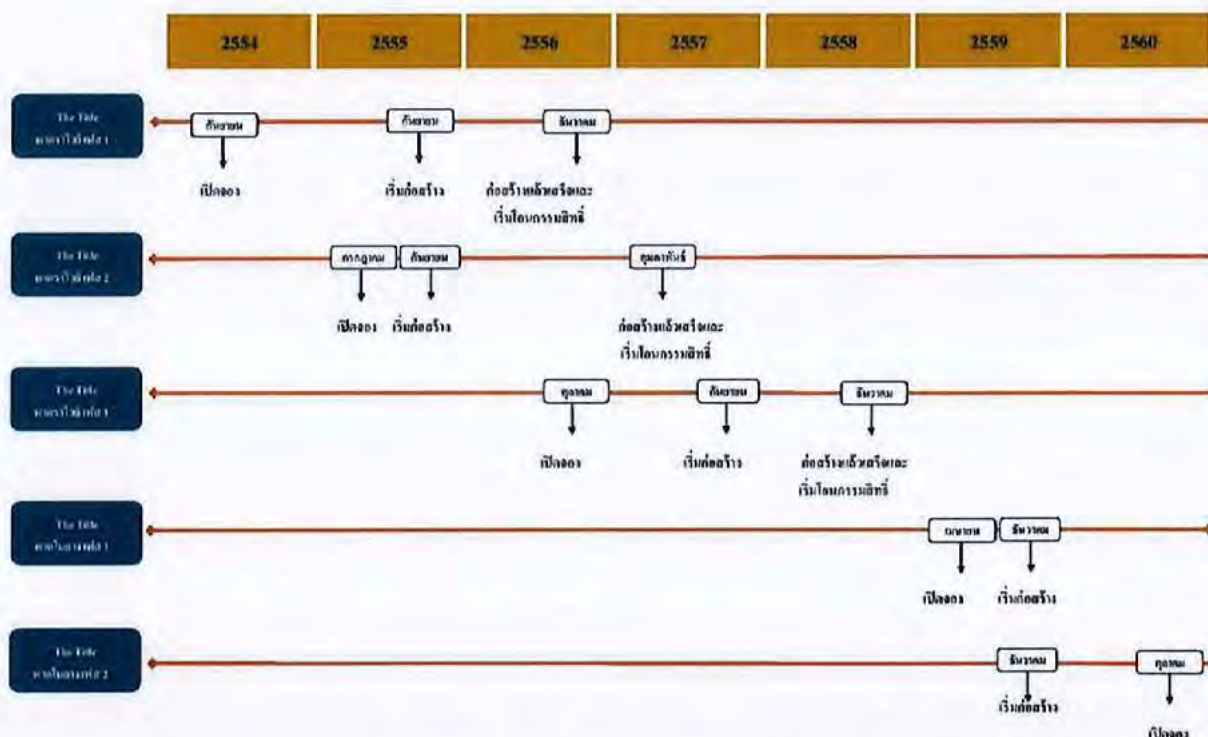
In 2016, Rhom Bho Property achieved 362.80 million baht of revenue from sales and services, an increase of 183.57% compared to 2015. The maximizing revenue was a consequence of the acknowledgement of revenue derived mainly from the transfer of ownership of condominium units of The Title Rawai Phase 3 worth 347.76 million baht, totaling 80 condominium units, considered 33.33% of the total amount of condominium units. Aside from the revenue gained from The Title Rawai Phase 3, the Company also generated remarkable revenues of 7.56 million baht from selling 2 condominium units of The Title Rawai Phase 2, 1.67% of the total amount of units, and 7.48 million baht from selling 2 condominium units of The Title Rawai Phase 1, 1.25% of the total amount of condominium units available in the project, respectively.

In 2017, Rhom Bho Property posted 293.88 million baht of revenue from selling of condominium units and providing other related services, a drop of 19.00% compared to the same period of 2016. The decreasing revenue was resulted directly from the reduction of transferred condominium units as the Company had completed the construction of The Title Rawai Phase 3 in 2016 and certain clients expressed their intention to hurry the transfer of ownership. Judging from the three condominium projects, the Company had successfully transferred 84 condominium units to clients, totaling 2 condominium units of The Title Rawai Phase 1, 2 condominium units of The Title Rawai Phase 2, and 80 condominium units of The Title Rawai Phase 3.

However, in 2017, the Company had not introduced any new condominium project and, therefore, its revenue was generated from the transfer of ownership of 69 condominium units of The Title Rawai Phase 3, totaling 293.88 million baht.



Overview of Project Launch and Transfer of Ownership



During 2015-2017, Rhom Bho Property Public Company Limited achieved net profit of 10.22 million baht, 90.90 million baht, and 40.89 million baht, respectively. The figures were considered 7.79%, 24.72%, 13.57% of the total revenue achieved in each year.

In 2015, Rhom Bho Property posted its net profit of 164.29 million baht or a drop of 94.14%, resulted from the decrease of transferred condominium units of The Title Rawai Phase 1 and 2. The decrease existed since 2013 and 2014. Meanwhile, as The Title Rawai Phase 3 was considered a newly introduced project, only a few condominium units were transferred to clients in December 2015. Admittedly, sales revenue remained insufficient to cover some fixed costs, which led to the decreasing net profit of 29.50% in 2014 and 7.79% in 2015.

In 2016, Rhom Bho Property's net profit increased from 2015 to 80.76 million baht or a rise of 789.95% due mainly to the transfer of ownership of The Title Rawai Phase 3. The Company achieved a total amount of 84 transferred condominium units in 2016, where only 35 condominium units were transferred in 2015. During that period, the Company was unable to acknowledge its revenue from the completion of the new condominium project. However, the increasing net profit of 24.72% could cover fixed costs, compared to 7.79% achieved in 2015.

In 2017, Rhom Bho Property's net profit remained at 50.06 million baht, a drop of 55.06%, while the net profit margin was at 13.57%, decreased from 45.11% posted in the previous year. Reportedly, the lower net profit was due to the fact that sales revenue could not cover certain fixed costs.

During December 31, 2015-December 31, 2017, Rhom Bho Property's total asset increased to 606.60 million baht, 526.83 million baht, and 969.59 million baht, respectively. Major assets were related to the development of real estate projects, considered 68.19%, 65.66%, and 38.52% of the total



asset. Meanwhile, the undeveloped lands were maintained at 16.72%, 11.45%, and 22.64% of the total asset. Considering the Company's asset structure, it was understood that assets were affected directly by changes in real estate development costs, particularly during the period of the construction project where there was no transfer of ownership. Costs of real estate development would be recognized in the financial statement. The costs would be allocated to each condominium unit to be acknowledged in the income statement resulted mainly from the sales of condominium units. Taking 2016 as an example, if many condominium units were transferred, it would simply result in the decrease of assets. In contrast, if only a few condominium units were transferred, but a new condominium project was still in progress, the number of assets would increase, referring to the introduction of The Title Residences Nai Yang in 2017.

At the same time, during December 31, 2015-December 31, 2017, Rhom Bho Property's net liability remained at 456.97 million baht, 294.58 million baht, and 444.56 million baht, considered 75.33%, 55.92%, and 45.85% of total liability and shareholders' equity. Admittedly, major liabilities came from short-term loans provided by financial institutions and insurance companies as well as customers' advanced payments, for instance, deposits and other payments required by the contract signing, that the Company received prior to the date of transfer of ownership. The advanced payments would primarily be recorded and considered as incomes following the transfer of ownership. In 2015, significant liabilities came from the advanced deposit of The Title Rawai Phase 3. However, the amount of liabilities decreased in 2016 as many condominium units were transferred to buyers. Similarly, short-term loans provided by financial institutions and insurance companies tended to increase when the Company planned to develop its real estate projects, where liabilities would decrease eventually when the Company had sold condominium units. The obtained revenue had been expected to repay financial institutions and insurance companies in accordance with the agreed terms and conditions. In 2017, the advanced payments existed due to the down payment of The Title Residences Nai Yang Phase 1 and 2 launched by the end of 2016 and 2017, respectively.

During December 31, 2015-December 31, 2016, Rhom Bho Property possessed shareholders' equity of 149.63 million baht, 232.25 million baht, and 525.02 million baht, representing 24.67%, 44.08%, and 54.15% of total liability and shareholders' equity. The increase of shareholders' equity was resulted from the maximization of net profit of each year as well as the increase of the Company's registered capital. During 2015-2016, Rhom Bho Property had already increased its registered capital and paid dividend, which could be explained below:

With reference to the resolution of the Annual General Meeting of Shareholders 2015, Rhom Bho Property was approved to increase its registered capital from 5 million baht to 70 million baht, with the issuance of 650,000 new shares valued 100 baht per share, totaling 65.00 million baht. The Company had also paid dividends in accordance with:

- The resolution of the Annual General Meeting of Shareholders 2015 dated April 30, 2015 valued 1,500 baht per share from the total amount of 5 million ordinary shares, valued 75.00 million baht.
- The resolution of the meeting No. 1/2016 dated August 19, 2016, approving the dividend payment of 112 baht per share from the total amount of 70 ordinary shares or 78.40 million



baht. The resolution of the Extraordinary General Meeting of Shareholders No. 1/2016 dated August 19, 2016, approving the increase of registered capital from 70 million baht to 140 million baht, with the issuance of 700,000 new shares worth 100 baht per share, totaling 70.00 million baht.

The Extraordinary General Meeting of Shareholders No. 2/2016 dated October 3, 2016 unveiled the approval of the increasing registered capital from 140 million baht to 200 million baht, with the issuance of 120,000,000 new ordinary shares valued 0.50 baht per share. The resolution also approved the allocation of 120,000,000 newly issued ordinary shares described as follows:

- 1) Ordinary shares, totaling 112.80 million shares, to be issued to the general public.
- 2) Ordinary shares, totaling 7.20 million shares, to be issued to the Board of Directors, executives, and employees of Rhom Bho Property.

In 2017, dated October 16-18, 2017, Rhom Bho Property issued 120,000 ordinary shares to the general public as well as the Board of Directors, executives, and employees of the Company, valued 2.20 baht per share, which had been transformed into the paid-up capital of 200 million baht dated October 20, 2017.

Performance Analysis

Revenue

Rhom Bho Property Public Company Limited's revenue consisted of revenue from sales and services, interests, and revenue from other sources. Admittedly, revenue from sales and services was considered a major source of revenue. Revenue could be categorized as follows:

Revenue from Sales and Services

Revenue obtained from the Company's sales and services came from revenue from the sales of real estates as well as other revenue related to the sales of real estates, for instance, revenue from the sales of furniture sets to be featured in condominium units, revenue from decoration or renovation of condominium units, and revenue from public utilities. Once again, the Company would be able to acknowledge its revenue when a condominium project was completed and the transfer of ownership was finalized with buyers. During 2015-2017, the Company's revenue from sales and services was estimated at 127.94 million baht, 362.80 million baht, and 293.88 million baht, or a rise of 97.46%, 98.58%, and 97.56%, respectively.

In 2015, Rhom Bho Property achieved 127.94 million baht of revenue from sales and services, resulted from the transfer of condominium units of The Title Rawai Phase 1 and 2 and the transfer of ownership of condominium units of The Title Rawai Phase 3, where some units were already transferred to buyers in December 2015, detailed below:



- 1) The decreasing revenue occurred from the reduction of transferred condominium units of The Title Rawai Phase 1 and 2. The Company had only 33 condominium units awaiting the transfer of ownership in 2015, while there were 75 condominium units ready to be transferred to buyers in the year before. In 2015, the Company had acknowledged its revenue of 35.92 million baht obtained from the sales of 12 condominium units of The Title Rawai Beach Phase 1 and 42.29 million baht received from the sales of 12 condominium units of The Title Rawai Phase 2, considered 7.50% and 10.00% of the total amount of condominium units of each phase, respectively.
- 2) The decreasing revenue was caused by the pending transfer of ownership of The Title Rawai Phase 3. Admittedly, the project was opened for presale since October 2013 and only a certain amount of condominium units were transferred to buyers in December 2015 following the completion of construction. However, certain group of clients had decided to delay the transfer of ownership until 2016. In 2015, the Company had acknowledged its revenue of 49.73 million baht from the transfer of ownership of 11 condominium units of The Title Rawai Phase 3, considered a tiny proportion of only 4.58% of the total amount of condominium units available in the same phase.

In 2016, Rhom Bho Property achieved 362.80 million baht of revenue from sales and services, an increase of 183.57% compared to 2015. The maximizing revenue was a consequence of the acknowledgement of revenue derived mainly from the transfer of ownership of condominium units of The Title Rawai Phase 3 worth 347.76 million baht, totaling 80 condominium units, considered 33.33% of the total amount of condominium units. Aside from the revenue gained from The Title Rawai Phase 3, the Company also generated remarkable revenues of 7.56 million baht from selling 2 condominium units of The Title Rawai Phase 2, 1.67% of the total amount of units, and 7.48 million baht from selling 2 condominium units of The Title Rawai Beach Phase 1, 1.25% of the total amount of condominium units available in the project, respectively.

In 2017, Rhom Bho Property posted 293.88 million baht of revenue from selling of condominium units and providing other related services, a drop of 19.00% compared to the same period of 2016. The decreasing revenue was resulted directly from the reduction of transferred condominium units as the Company had completed the construction of The Title Rawai Phase 3 in 2016 and certain clients expressed their intention to hurry the transfer of ownership. Judging from the three condominium projects, the Company had successfully transferred 84 condominium units to clients, totaling 2 condominium units of The Title Rawai Phase 1, 2 condominium units of The Title Rawai Phase 2, and 80 condominium units of The Title Rawai Phase 3. In the same year, the Company had not introduced any new condominium project and, therefore, its revenue was generated from the transfer of ownership of 69 condominium units of The Title Rawai Phase 3, totaling 293.88 million baht.



Other revenues

Other revenues came mainly from customers' breach of contract, interest, and rental. Revenue received from customers' breach of contract, including deposit and down payment, which had been paid and acknowledged as revenue, but the contract was canceled afterwards, a customer was unable to comply with any agreement of the contract, or a customer had failed to proceed with the transfer of ownership within a specified period of time. Revenue obtained from rental existed when a customer had allowed Rhom Bho Property Public Company Limited to use a condominium unit for rental in accordance with the Company's marketing strategies, where the Company would compensate the customer with fair and stable rental fee to be paid within a specified period of time.

During 2015-2017, Rhom Bho Property generated 3.34 million baht, 3.59 million baht, and 7.34 million baht of other revenues, considered 2.54%, 0.98%, and 2.44% of the Company's total revenue.

Table 1 Revenue from Sales and Services Classified by Project

Revenue from Sales and Services ¹	Financial Statements (Verified)					
	2015		2016		2017	
	Value (million baht)	Proportion (percent)	Value (million baht)	Proportion (percent)	Value (million baht)	Proportion (percent)
The Title Rawai Phase 1	35.92	27.36	7.48	2.03	-	-
The Title Rawai Phase 2	42.29	32.21	7.56	2.05	-	-
The Title Rawai Phase 3	49.73	37.88	347.76	94.49	293.88	97.56
Total Revenue from Sales and Services	127.94	97.46	362.80	98.58	293.88	97.56
Other Revenues ²	3.34	2.54	5.24	1.42	7.34	2.44
Total	131.28	100.00	368.04	100.00	301.22	100

Remark: ¹Revenue obtained from sales and services included revenue from selling real estates and other revenues related to the sales of real estates, for instance, furniture sets featured in a condominium unit and public utilities.

²Other revenues varied in customers' breach of contract, interest, and rental fee.

Table 2 Status of Transfer of Ownership during 2015-2017

Project	2015		2016		2017		Accumulated Transfer of Ownership	
	Transferred ¹ (Unit)	Proportion ² (percent)	Transferred ¹ (Unit)	Proportion ² (percent)	Transferred ¹ (Unit)	Proportion ² (percent)	Transferred ¹ (Unit)	Proportion ² (percent)
The Title Rawai Phase 1	12	7.50	2	1.25			155	96.88
The Title Rawai Phase 2	12	10.00	2	1.67			120	100.00
The Title Rawai Phase 3	11	4.58	80	33.33	69	28.75	160	66.67

Remark: ¹Number of condominium units transferred during the year.

²Calculated from condominium units transferred each year divided by the total number of units per project.



Cost of Sales and Services / Gross Profit and Gross Profit Margin

Significant costs of sales and services of Rhom Bho Property Public Company Limited consisted of lands and land improvement, construction of building and other related expenses, and costs of contractual requirements. Nevertheless, costs of contractual requirements were the commission paid by the Company to sales agents aiming to encourage the Company's sales agents to act as coordinators between customers and the Company to facilitate the sales and transfer of ownership of condominium units until completion. Key functions of sales agents were picking up customers at the airport, leading customers to project sites, providing the information on the project to compare with other projects until the reservation was made, coordinating with customers after making a reservation to provide customers with on-time contract signing, and acting as a representative of a customer to review documents related to the transfer of ownership. It was understood that foreign customers might worry about the readiness and accuracy of documents written in Thai language. They seemed to trust a sales agent as the two parties are non-Thai people, particularly since they spoke the same language. With the assistance of sales agents, customers would be escorted to the Department of Lands to make all requirements achievable. In some cases, sales representatives were required to act as attorneys-in-fact when customers were unable to be present at the designated place. Unlike other agents, Rhom Bho Property possessed teams of qualified sales representatives to provide customers with quality services. Hence, it caused rising costs for the Company, which would be mentioned in the list of assets to be included in the income statements. Later, they would be acknowledged as costs of sales and services following the transfer of ownership.

Rhom Bho Property had a policy to set the rate of remuneration to sales agents at an approximate rate of 10.00% of the sales value. In some cases, sales agents were allowed to sell condominium units until the targeted sales volume was achieved within a period of time set by the Company. Also, sales agents were allowed to receive lucrative commissions higher than a normal rate. In the first quarter of 2016, there was a sales representative achieving the targeted sales of condominium units. This outstanding sales agent was awarded with up to 26.00% of commission. In addition, sales agents and employees of Rhom Bho Property were key mechanisms in driving the Company to greater achievement. Normally, they would receive around 1.00-2.00% of commission regarding the sales value.

However, Rhom Bho Property would pay lucrative commission to its sales agents or employees when a customer had reserved a condominium unit and/or signed a contract of purchase for a transferred condominium unit only. Meanwhile, the amount of money that the Company received from a customer might be higher than the amount of commission expected to be paid to a sales agent or an employee. The paid amount of commission was required to be in line with the market rate or compatible with those proposed by business competitors considered real estate developers in Thailand's Phuket province. At the same time, Rhom Bho Property also considered other significant factors that might have a direct impact on sales costs, including costs of sales agents, prior to determining selling prices of condominium units. Hence, the payment of commission would not affect the Company's gross profit margin as expected earlier.

During 2015-2017, Rhom Bho Property's costs of sales and services were in line with revenues obtained from sales and services, totaling 67.14 million baht, 179.86 million baht, and 163.31 million baht, considered 51.14%, 49.09%, and 54.22% of total cost and revenue of sales and services or 46.32%, 49.93%, and 43.35% of gross profit margin.



In 2015, the Company generated costs of sales and services of 67.14 million baht, with the acknowledgement of revenue obtained from 12 condominium units of The Title Rawai Phase 1, 12 condominium units of The Title Rawai Phase 2, and 11 condominium units of The Title Rawai Phase 3. The proportion of total cost and revenue of sales and services was maintained at 51.14% or the gross profit margin of 46.32%, conforming to the decreasing revenue. The decrease of gross profit margin was a consequence of the transfer of ownership, in which those condominium units were sold by sales agents.

In 2016, Rhom Bho Property posted 179.86 million baht, increased from 112.72 million baht, a rise of 167.90%, achieved in 2015, where costs of sales and services were raised due to the transfer of ownership of condominium units available in The Title Rawai Phase 3. Meanwhile, the increasing costs of contractual requirements in 2016 were resulted from the Company's newly developed marketing strategies to increase the payment of commission for sales agents and enhance the agency channel, as part of the intention to stimulate rising sales. Nevertheless, the payment of commission was in accordance with the Company's rules and regulations and had no impact on costs of sales and services and gross profit margin equal to 49.21% and 49.93%, respectively. The increasing costs were resulted from the acknowledgement of revenue obtained from transferred condominium units of The Title Rawai Beach Phase 3, with selling prices per square meter deemed to be higher than those proposed by the Company's condominium projects in the past, while selling prices per square meter of The Title Rawai Beach Phase 1 and 2 were adjusted to go up by 10-15% in accordance with the Company's well-developed marketing strategies.

In 2017, Rhom Bho Property posted 163.31 million baht of costs of sales and services, decreased by 9.20% or 16.55 million baht achieved in the previous year. The decreasing costs of sales and services were compatible with the lower transfer of ownership. Meanwhile, the proportion of costs of sales and services per revenue of sales and services was maintained at 54.22% or 43.35% of gross profit margin, decreased from 49.93% achieved in 2016. Admittedly, the decrease of gross profit margin was caused by the Company's application of a newly developed marketing strategy known as "Guaranteed Yield" for The Title Rawai Phase 3. In consequence, the acknowledged revenue from the transfer of ownership was estimated to decline, which was equal to the discount offered to buyers.

**Table 3** Costs of Sales and Services

Costs of Sales and Services	2015		2016		2017	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Costs of sales – Lands and land improvement	0.79	1.18	3.13	1.74	1.29	0.79
Costs of sales – Construction of building	58.12	86.57	142.97	79.49	122.04	74.73
Costs of Sales – Other related expenses ¹	3.36	5.00	10.80	6.00	11.49	7.04
Costs of Sales – Costs of contractual requirements ²	4.86	7.25	22.96	12.77	28.49	17.44
Total Cost of Sales and Services	67.14	100.00	179.86	100.00	163.31	100
Percentage of costs of sales and services per revenue obtained from sales and services	52.47		49.92		54.22	
Gross profit margin	47.53		50.08		43.35	

Remark: ¹Costs of sales and services – Other related expenses consisted mainly of fees and loan interests during the construction period.

²New classification of accounting transactions, where commission was listed in costs of sales and services instead of sales expenses as the Company's commission paid to sales agents was approved as costs of contractual requirements.

Costs of Sales

Costs of sales of Rhom Bho Property Public Company Limited consisted of salaries and welfares for salespersons, specific business taxes and trade charges, promotional expenses, additional costs, depreciation costs of sample units, and other operating expenses. Specific business taxes and trade charges were taxes that were levied on the sales and transfer of condominium units, including stamp duty. Additional costs included costs of the purchase of a condominium unit based on the contract value, which was subject to the down payment plus the margin gains from the sales prices that the Company paid to its customers. This existed when a customer wanted to sell a unit during the down payment to any new customer, while the Company would act as a coordinator between the two parties. Meanwhile, there would be additional benefits obtained from such additional costs expected to be shared between the customer and the Company under the Company's policy deemed similar to the commission obtained from the sales or purchase of a condominium unit during the down payment period. Rhom Bho Property aimed to avoid the competition of prices due to the fact that the original customer who purchased a condominium unit for the first time at a low price would possibly propose any lower price to undercut a selling price set by the Company as the selling prices of the Company's condominium units had increased tremendously compared to those proposed on the first day of project introduction. Promotional expenses varied in advertising, exhibition, and activity costs, while other operating costs occurred when entertainment and recreation for customers were required.

During 2015-2017, Rhom Bho Property posted 12.69 million baht, 18.94 million baht, and 17.40 million baht of costs of sales, or 9.66%, 5.17%, and 5.78% of total revenue obtained from sales and services.

In 2015, the Company possessed 12.68 million baht of costs of sales derived from the transfer of ownership of some condominium units available in the three condominium projects. As a result, only 35 condominium units were transferred. Main variable costs associated with the sales of condominium units included specific business taxes and trade charges estimated to decline as a consequence of the acknowledgement of revenue. However, to support the sales of The Title Rawai



Phase 3 and other condominium projects expected to be launched in the future, the Company had decided to recruit a greater number of sales representatives and focus more on public relations. Consequently, salaries, bonuses, and welfares of salespersons as well as public relations costs were raised to 3.88 million baht and 1.62 million baht, respectively.

In 2016, Rhom Bho Property had 18.94 million baht of costs of sales, increased by 49.30% from 6.25 million baht posted in the same period of the previous year. Admittedly, specific business taxes and trade charges rose to 12.29 million baht, resulted mainly from the transfer of ownership of The Title Rawai Phase 3's condominium units since early 2016.

Meanwhile, in 2017, the Company's costs of sales remained at 17.40 million baht, a decrease of 2.04 million baht or 10.49%, which were mainly resulted from the variation of sales costs corresponding to specific business taxes and trade charges of 7.88 million baht. A majority of sales costs were derived from expenses related to the sales of condominium units of The Title Rawai Phase 3 referring to the requirements of contract.

Table 4 Costs of Sales

Costs of Sales	2015		2016		2017	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Salaries, bonuses, and welfares of salespersons	3.88	30.60	4.16	21.97	5.94	34.15
Public utility expenses related to sales	-	-	-	-	-	-
Specific business taxes and trade charges	4.17	32.89	12.29	64.89	7.88	45.29
Promotional and public relations	1.62	12.78	2.09	11.03	2.65	15.23
Other expenses related to sales	0.14	1.10	0.21	1.11	0.17	0.99
Additional costs ¹	2.87	22.63	-	-	-	-
Depreciation costs	-	-	0.19	1.00	0.75	4.34
Total Costs of Sales	12.68	100.00	18.94	100.00	17.40	100
Percentage of costs of sales per revenue of sales and services	9.91		5.36		5.92	

Remark: ¹Some commissions were classified as extra costs for comparative analysis.

Costs of Management

Major costs of management included salaries and bonuses for the Management, depreciation costs, welfares for employees, public utility expenses, insurance premiums, and other relevant costs.

During 2015-2017, Rhom Bho Property Public Company Limited possessed costs of management of 39.03 million baht, 49.76 million baht, and 66.24 million baht, considered 30.51%, 13.71%, and 21.99% of total revenue of sales and services.

In 2015, the Company's costs of management were equal to 39.03 million baht came from the increase of salaries and bonuses paid to high-ranking executives. Additionally, costs of management were resulted from the rise of depreciation costs of building and construction, including professional fees for being a listed company following 2014. Reportedly, major management expenses were related to employees, depreciation, and other management services, totaling 23.04 million baht, 6.43 million baht, and 4.08 million baht, respectively.

In 2016, Rhom Bho Property's costs of management rose to 49.85 million baht, an increase of 27.71% from 13.61 million baht posted in the previous year. This was due to the increasing number of top executives to facilitate the expansion of the Company's condominium projects. Meanwhile,



the Company had adjusted salaries for employees, which had been approved on a yearly basis. Significant costs of management were related to employees, depreciation, and other management services, totaling 24.93 million baht, 6.27 million baht, and 9.46 million baht, considered an increase of 8.22%, a decrease of 2.44%, and a rise of 137.96%, respectively.

In 2017, costs of management were estimated to remain at 66.24 million baht, increased by 33.14% from 16.49 million baht posted in 2016. This was due to the increasing number of top executives, annual increase of employees' salaries, and maximization of management-related services. Important management costs in 2017 were 32.98 million baht related to top executives, 17.32 million baht involved in other expenses, and 8.97 million baht of depreciation of building and construction, the increase of 32.29%, 83.09%, and 43.06%, compared to the same period of the previous year.

Table 5 Costs of Management

Costs of Sales	2015		2016		2017	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Salaries, bonuses, and welfares of executives	23.04	59.01	24.93	50.00	32.98	49.79
Public utility expenses	1.38	3.53	2.89	5.80	3.51	5.30
Services	4.08	10.44	5.86	11.76	3.14	4.74
Meeting allowance	0.18	0.46	0.44	0.88	0.33	0.49
Other expenses related to management ¹	3.94	10.09	9.46	18.98	17.32	26.14
Depreciation ²	6.43	16.46	6.27	12.58	8.97	13.53
Total Costs of Management	39.03	100.00	49.85	100.00	66.24	100
Percentage of costs of management per revenue of sales and services	30.51		13.71		22.54	

Remark: ¹Other management costs included security and housekeeping expenses as well as insurance premiums.

²The Company had changed its calculation of depreciation costs of assets located in the future project development areas, leading to the increasing depreciation costs

Financial Costs

Financial costs of Rhom Bho Property Public Company Limited included loan interests provided by financial institutions and insurance companies not recognized as financial costs of the condominium projects. In 2015-2017, the Company's financial costs remained at 0.23 million baht, 3.68 million baht, and 5.52 million baht, or 0.18%, 1.00%, and 1.83% of total revenue, respectively.

In 2015, Rhom Bho Property's financial costs remained at 0.23 million baht due to the Company's gradual repayment of loans to financial institutions and insurance companies after having acknowledged an excess of cash flow from operations, resulted in the decrease in loan interest.

In 2016, the Company's financial costs increased to 3.45 million baht, a rise of 1,485.69%, due to the increase of loans, provided by financial institutions and insurance companies, allocated to the development of condominium projects.

In 2017, financial costs went up by 49.97% to 1.84 million baht, resulted mainly from rising expenses related to the acquisition of loans provided by financial institutions and insurance companies used for the development of The Title Residences Nai Yang. Additionally, following the



completion of The Title Rawai Phase 3 since the end of May 2016, the Company had determined to discontinue the recording of capital expenditure, shifting from financial costs to real estate development costs by September 2016. Rhom Bho Property had hence avoided such impact for the financial statements during the first six month of 2017 by classifying its financial costs to be changed from investment-related expenses during June-September 2016 to financial costs, contributing to the increasing financial costs of 1.48 million baht.

Expenses on Income Tax

In 2015, Rhom Bho Property Public Company Limited had income tax expenses of 1.97 million baht in line with the profit obtained from the transfer of The Title Rawai Beach Phase 3's condominium units in 2015.

In 2016, income tax expenses increased by 21.11 million baht or an increase of 1,073.64% resulted from the acknowledgement of increasing revenue derived from the transfer of ownership of condominium units of The Title Rawai Beach Phase 3.

In 2017, Rhom Bho Property's income tax expenses decreased to 15.21 million baht, a drop of 65.93%, compared to the same period of the previous year conforming to the Company's decreasing operating profit.

Net Profit and Net Profit Margin

During 2015-2017, Rhom Bho Property Public Company Limited possessed net profit of 10.22 million baht, 90.98 million baht, and 41.49 million baht, considered 7.79%, 24.72%, and 13.57% of total revenue.

In 2015, Rhom Bho Property's net profit remained at 10.22 million baht, resulted from the decreasing number of transferred condominium units of The Title Rawai Beach Phase 1 and 2 as a lot of condominium units had already been transferred to buyers during 2013-2014. Consequently, the number of transferred condominium units was reduced. This was also due to the pending transfer of ownership of The Title Rawai Beach Phase 3, considered a newly launched project in the year. As condominium units were partially transferred since December 2015, the revenue obtained from sales was unable to cover some fixed costs.

In 2016, the Company's net profit increased from 80.76 million baht in 2015 or a rise of 789.95% due to the transfer of ownership of The Title Rawai Beach Phase 3. The transfer of 84 condominium units was higher than the transferred number in 2015, achieving only 35 transferred condominium units. Admittedly, the expected revenue had not been recognized, where the increasing profit could cover fixed costs. As a result, the Company's net profit margin was raised by 24.72% from 7.79% in 2015.

In 2017, Rhom Bho Property's net profit decreased to 50.09 million baht or 55.06% from 90.98 million baht generated during the same period of the previous year. Meanwhile, the net profit margin was reduced by 13.57% from 45.11% compared to 2016. However, the decrease of net profit margin was in accordance with the revenue, which could not cover some parts of fixed costs.

Shareholders' Equity Yield

In 2015, Rhom Bho Property Public Company Limited possessed shareholders' equity yield of 6.48% in line with the decreasing operating profit achieved in the year before. In addition, the Company had increased its registered capital from 5 million baht to 70 million baht in 2015 to support the development of condominium projects in the future.



In 2016, shareholders' equity yield was raised to 47.65% resulted from the increasing operating profit obtained from transferred condominium units of The Title Rawai Phase 3. In the same year, the Company had successfully increased its registered capital from 70 million baht to 140 million baht.

In 2017, the Company had shareholders' equity yield of 10.80%, decreased significantly due to the decreasing profit referring to the number of transferred condominium units. This year, Rhom Bho Property was able to increase its paid-up registered capital from 140 million baht to 200 million baht.

Financial Analysis

Asset

During December 31, 2015-December 31, 2017, Rhom Bho Property Public Company Limited possessed its total asset of 606.60 million baht, 526.83 million baht, and 969.59 million baht. Significantly, major assets were related to the development of condominium projects, where the real estate ratio was maintained 68.19%, 65.66% and 38.52% of total assets, respectively. Also, the undeveloped lands were considered 16.72%, 11.45%, and 22.64% of total asset.

Details of Major Real Estates

Costs of Real Estate Development

Costs of real estate development occurred prior to the transfer of ownership to be included in the list of property development costs revealed in the financial statement and would be acknowledged as the comprehensive income statement when the ownership was transferred to buyers. Real estate development costs mainly consisted of land costs, land reclamation costs, construction costs, and other expenses related directly to the development of condominium projects, including relevant loan interests.

By the end of 2015-2017, Rhom Bho Property possessed costs of real estate development of 413.61 million baht, 345.91 million baht, and 373.57 million baht, considered 68.19%, 65.66%, and 38.53% of total asset.

By the end of 2015, costs of real estate development remained at 413.61 million baht, resulted from the construction of The Title Rawai Beach Phase 3, leading to rising costs of real estate development related to land, land development, construction, and other expenses related to condominium projects.

By the end of 2016, costs of real estate development remained at 345.91 million baht, decreased from 67.70 million baht in 2015. This was due mainly to the acknowledgement of costs of sold real estates in the comprehensive income statement when the ownership was transferred to buyers of The Title Rawai Beach Phase 3.

By the end of 2017, costs of real estate development remained at 373.57 million baht, increased from 27.66 million baht in 2016, due to the acknowledgement of costs of sold real estates in the comprehensive income statement when the ownership was transferred to buyers of The Title Rawai Beach Phase 3, backed by the introduction of The Title Residences Nai Yang in the same year.

**Table 6** Costs of Real Estate Development Classified by Project

Costs of Sales	December 2015		December 2016		December 2017	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
The Title Rawai Phase 1	12.16	2.94	8.68	2.52	8.68	2.32
The Title Rawai Phase 2	3.31	0.80	-	-	-	-
The Title Rawai Phase 3	394.62	95.41	271.07	78.36	145.18	38.86
The Title Residences Nai Yang	3.53	0.85	66.15	19.12	219.71	58.82
Total	413.61	100.00	345.91	100.00	373.57	100

Inventory

Rhom Bho Property Public Company Limited's inventories were furniture that customers purchased separately. The Company would act as a representative to order and deliver furniture to customers. Some customers, such as foreign customers, were unable to proceed with their plans. This was considered part of the marketing strategy to fully facilitate its customers. Additionally, Rhom Bho Property had promoted such services for The Title Rawai Phase 3 since 2015. During December 31, 2015-December 31, 2017, the inventory remained at 1.45 million baht, 0.55 million baht, and 0.53 million baht, considered 0.24%, 0.10%, and 0.06% of total assets.

Current Assets

Current assets of Rhom Bho Property Public Company Limited consisted of prepaid insurance premium of contractual requirements. During December 31, 2015-December 31, 2017, the Company possessed current assets valued 18.86 million baht, 25.20 million baht, and 77.36 million baht, considered 3.11%, 4.78%, and 7.98% of total asset.

By the end of 2015, the Company's current assets remained at 18.86 million baht, resulted from the decreasing costs of contractual requirements regarding the transfer of ownership of condominium units in line with total sales and prepaid insurance premium paid in the same year.

By the end of 2016, the Company's current assets remained at 25.50 million baht, increased by 33.65%, resulted from the increasing costs of contractual requirements regarding the transfer of ownership of condominium units in line with total sales and prepaid insurance premium paid in the same year.

In 2017, the Company's current assets remained at 77.36 million baht, increased by 206.98% or 52.16 million baht, resulted from the increasing costs of contractual requirements regarding the transfer of ownership of condominium units of The Title Residences Nai Yang Phase 1 and 2. The two projects could generate remarkable sales before the transfer of ownership of 241 condominium units in total, considered 96% of the project. The Title Residences Nai Yang Phase 2 was firstly introduced in October 2017, achieving remarkable sales before the transfer of ownership of 41 condominium units or 27% of the project.



Undeveloped Land

Undeveloped land was reserved for further project development in the future, consisting of costs of land acquisition and other related expenses referring to net cost derived from the accumulated impairment loss (if any). During December 31, 2015-December 31, 2017, Rhom Bho Property Public Company Limited's undeveloped land remained at the value of 101.44 million baht, 60.34 million baht, and 219.53 million baht, considered 16.72%, 11.45%, and 22.64% of total asset.

By the end of 2015, the Company's undeveloped land was estimated to remain at 101.44 million baht, resulted from the purchase of additional land for the development of The Title Rawai Phase 5.

By the end of 2016, the Company's undeveloped land was estimated to decrease to 41.10 million baht, an increase of 40.52%, resulted from the transfer of undeveloped land to facilitate the development of the Title Residence Nai Yang.

By the end of 2017, the Company's undeveloped land was estimated to shift by 40.52% to 41.10 million baht, increased by 159.19 million baht or 263.82%, resulted from the purchase of additional land for the development of future condominium projects in Phuket's Nai Yang community.

Table 7 Undeveloped Land Classified by Location

Undeveloped Land	December 31, 2015	December 31, 2016	December 31, 2017	Ownership
Land in Rawai Beach	53.44	51.22	51.22	Obligated with mortgage responsibility
Land in Nai Yang Beach	48.00	9.12	9.12	Company
Land in Nai Yang Beach	-	-	159.19	Company
Total	101.44	60.34	219.53	-

Land, Building, and Equipment

Land, building, and equipment owned by Rhom Bho Property Public Company Limited consisted of office building, shelters of construction workers, and vehicles. Reportedly, during December 31, 2015-December 31, 2017, the Company possessed land, building, and equipment worth 52.19 million baht, 49.62 million baht, and 50.16 million baht, considered 8.60%, 9.42%, and 5.17% of total asset. Major constructions, for instance, office building, meeting room, and reception room, were boosted in Phuket province.

By the end of 2015, the Company's land, building, and equipment were valued at 52.19 million baht.

By the end of 2016, the Company's land, building, and equipment were valued at 2.57 million baht, a decrease of 4.92%.

By the end of 2017, the Company's land, building, and equipment were valued at 0.54million baht, an increase of 1.09%.

The increasing values of land, building, and equipment in 2015 were resulted from the expansion of condominium projects. In 2016, such values were estimated to decrease due to the deduction of depreciation costs of building and equipment, while the values of land, building, and equipment continued to shift again in 2017, resulted from the development of The Title Residences Nai Yang Phase 1.

**Table 8 Land, Building, and Equipment**

Land, Building, and Equipment	December 31, 2015	December 31, 2016	December 31, 2017
Land	3.76	3.76	3.76
Building and construction	40.84	38.86	39.63
Decoration and office equipment	3.75	3.16	3.96
Vehicle	3.83	3.34	2.81
Task during construction	-	0.49	-
Total	52.19	49.62	50.16

Intangible Asset

Rhom Bho Property Public Company Limited's intangible asset was computer software licensing. During December 31, 2015-December 31, 2017, the value of computer software licensing was estimated at 0.94 million baht, 1.68 million baht, and 1.32 million baht, considered 0.16%, 0.32%, and 0.14% of total asset.

In 2014, the Company had purchased a licensed computer software program known as Enterprise Resource Planning (ERP) to facilitate its operations and management. The value of intangible asset was reduced as the Company had decided to discontinue the payment for the licensed software computer program in 2015.

In 2016, the value of intangible asset started to increase to 0.73 million baht or 77.44% as the Company had purchased additional licensed computer software programs to be empower its business operations.

In 2017, the value of intangible asset decreased 0.36 million baht or 21.32% as the Company had abandoned the payment for the licensed computer software program.

Deferred Tax Asset

Deferred tax asset occurred from temporary difference used with tax deduction and unused tax loss, where Rhom Bho Property Public company Limited would have sufficient taxable profits in the future to utilize the unused tax losses. During December 31, 2015-December 31, 2017, the Company possessed deferred tax asset of 1.69 million baht, 4.72 million baht, and 9.25 million baht, considered 0.28%, 0.90%, and 0.95% of total asset. A majority of deferred tax assets consisted of temporary difference of employees' benefits and leasehold right.

Non-current Asset

Non-current asset of Rhom Bho Property Public Company Limited included the guarantee of electricity and water supply. During December 31, 2015-December 31, 2017, the Company's non-current asset remained at 0.83 million baht, 0.53 million baht, and 0.77 million baht, considered 0.14%, 0.10%, and 0.08% of total asset.

Liability

During December 31, 2015-December 31, 2017, Rhom Bho Property Public Company Limited possessed liability valued at 456.97 million baht, 294.58 million baht, and 444.56 million baht, considered 75.33%, 55.92%, and 45.85% of total asset. Significant liabilities could be summarized as follows:



Account Payable and Other Payables

Rhom Bho Property Public Company Limited's account payable and other payables were construction payable and those related to the procurement of equipment and materials used for the construction of condominium projects. During December 31, 2015-December 31, 2017, the Company posted account payable and other payables of 38.02 million baht, 3.18 million baht, and 18.99 million baht, considered 6.27%, 0.60%, and 1.96% of total liability and shareholders' equity.

By the end of 2015, account payable and other payables remained at 38.02 million baht, resulted from the development of The Title Rawai Phase 3.

By the end of 2016, account payable and other payables decreased to 34.84 million baht, occurred from the decreasing procurement of equipment and materials following the completion of The Title Rawai Phase 3.

By the end of 2017, account payable and other payables increased 15.81 million baht, resulted from the increasing procurement of equipment and materials used to facilitate the construction of The Title Residences Nai Yang Phase 1 and 2.

Account payable and other payables can be concluded below:

Table 9 Account Payable and Other Payables

Account Payable and Other Payables	December 31, 2015	December 31, 2016	December 31, 2017
Construction of building	36.17	0.39	9.52
Others ¹	1.85	2.79	9.47
Total	38.02	3.18	18.99

Remark: ¹Other payables consisted of pending payments

Income Tax Payable

During December 31, 2015-December 31, 2017, Rhom Bho Property Public Company Limited possessed income tax payable of 0.07 million baht, 14.04 million baht, and 5.80 million baht, considered 0.12%, 2.66%, and 0.60% of total liability and shareholders' equity. The values were in line with net revenue of the Company.

Advanced Payment

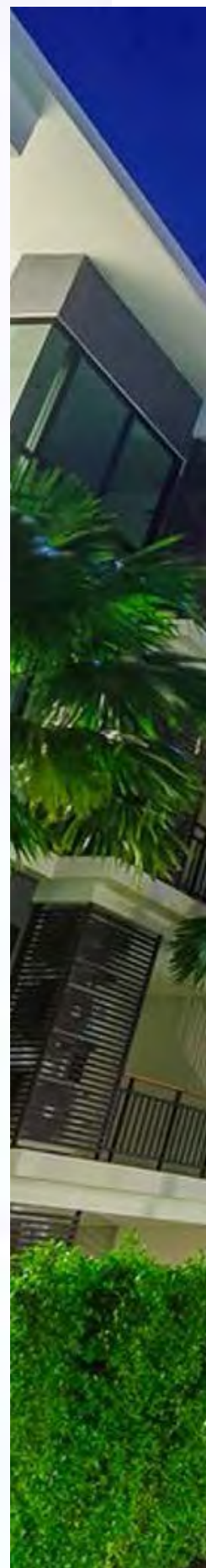
Advanced payment was a sum of money Rhom Bho Property Public Company Limited received from a buyer before the date of transfer of ownership, such as deposit and contractual payment. The Company would record such transactions from customers in advance, where the sum of money would be deducted as income when the ownership was transferred to customers. Regarding the terms and conditions of deposit and contractual payment, for Thai customers, the company would request customers to make the contract and down payments to the Company of at least 10.00-15.00% of the condominium value prior to the transfer of ownership. Meanwhile, for foreigners, they would be required to make the deposit and down payments of at least 50.00-75.00% of the condominium value prior to the transfer of ownership.



During 2015-2017, the Company possessed advanced payment of 208.27 million baht, 138.63 million baht, and 327.40 million baht, considered 34.33%, 26.31%, and 33.76% of total liability and shareholders' equity. The advanced payment was expected to increase in accordance with the introduction of new condominium projects to be purchased by customers.

Reference

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