



Rhom Bho Property

# ANNUAL REPORT 2018

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED















# CONTENTS

6	Message from The Chairman
7	Vision and Mission
8	Company Information
9	Summary of Financial Statements
10	Policy and Overall Business Operations
11	Board of Directors and Management
21	Nature of Business
38	Summary of Thai Economy and Real Estate Industry Overview
44	Risk Factor
49	Shareholding Structure and Management
58	The Corporate Governance
87	Social and Environmental Responsibilities
96	Internal Control and Risk Management
97	Related party transactions
105	Responsibilities of the Board of Directors for Financial Report
106	Report of The Audit Committee
108	Report of Independent Auditor
112	Statement of Financial Position
114	Statements of Comprehensive Income
115	Statements of Changes in Shareholders' Equity
116	Cash Flow Statement
117	Notes of Financial Statements
143	Management Discussion and Analysis
157	References



# Message from The Chairman

Rhom Bho Property Public Company Limited or “TITLE” is a property developer in Phuket. Its primary target market is international tourists who want to own properties for residential and investment purposes. At present, there are tourists from 40 countries around the world. Although the Company is a small property developer, it has contributed to bringing foreign currency into Thailand, unlike other property developers.

2018 was another year in which TITLE continued to grow and advance. It launched a new project, The Title V, at the Rawai Beach, closed the sales for The Title Residencies Nai-Yang Phase 1 and Phase 2, purchased land on the Bang Tao Beach to develop the third location, and signed the contract to appoint Best Western Inc. (BWI) to manage the condotel in The Title V Project, which is another business other than the existing property development. The contract with BWI, which is skilled in managing hotels and condotels under the Best Western chain and one of the ten largest hotel managers in the world, is to present an alternative for customers who want to own property for investment purposes to generate income when they are not using the property. The needs of this group of customers are likely to increase, thus assuring that this business will benefit the Company and will generate recurring income for the Company in the future.

In 2018, the Company had revenue of THB 311.73 million, up 6.07 percent from the previous year but deviated from the expected target because of the failure to transfer The Title Residencies Nai-Yang Phase 1 and Phase 2 before the end of Quarter 4/2018 even though the project was completed and the condominium juristic person was already registered in November 2018. Such failure was caused by the delayed appraisal price, which was issued by a government agency in January 2019 as management has already explained and apologized to shareholders and investors via the media.

I, on behalf of the Board of Directors, cannot reject such responsibility even though the cause of the failure is beyond our control. I apologize to the shareholders and investors and assure you that Title will continue to grow strongly. We are still committed to create residential growth along with tourism to become number one property alternative in Phuket for international tourists under the five-year strategy. In addition to business, we place importance on society and the environment. This year, we have participated in a forest growing project in Sakon Nakhon, kept the Rawai Beach and Nai Yang Beach clean, and provided support for many foundations as part of our social responsibility. The Board of Directors recognizes the importance of social responsibility and regards it as one of the Company's important missions.

On behalf of the Board of Directors of Rhom Bho Property Public Company, I would like to thank shareholders, investors, financial institutions, customers, government agencies, the media, and concerned parties for their continuing support and most importantly every executive and employee of the Company for their commitment and dedication under the principles of corporate governance to achieve the goals set by the Company and to advance the Company forward strongly and continually.



(Mr. Suvit Lamsam)

Chairman of the Board of Director





---

## Vision

We are committed to creating communities that live in harmony with the tourist industry.

---

## Mission

- To promise good governance and focus in good morals and ethics in accordance with Buddhist principles.
- To create quality products that exceed the expectations of our residents.
- To create a community and environment that is compatible with nature.
- To guarantee after-sale support to ensure continuous quality service and to maintain the confidence of our residents.
- To control and supervise operations in order to meet targets and maximize the return of profits to shareholders.



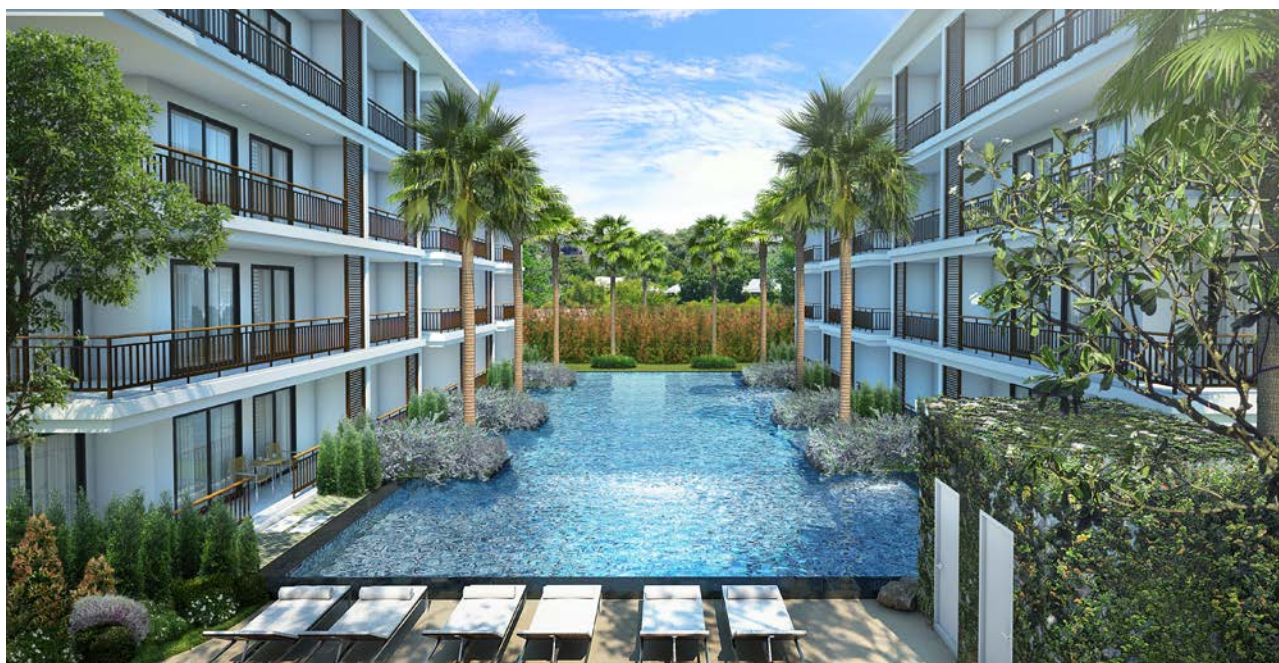


# Company Information

## Rhom Bho Property Public Company Limited. (TITLE)

Type of business	Propety Development
Registration number	0107559000478
Registered capital	220 Million Baht
Paid-in capital	219,999,519.50 Baht
Ordinary share	439,999,039 Shares
Par value	0.50 Baht
Subsidiary company information	None
Main office address	No. 53 Sukhonthasawat rd., Lat Phrao, Bangkok Thailand, 10230
Telephone	02-907-8140-2, 02-907-8843-4
Fax	02-907-8144
Website	<a href="http://www.rhombho.co.th">www.rhombho.co.th</a>
E-Mail	<a href="mailto:info@rhombho.co.th">info@rhombho.co.th</a>

*“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](http://www.sec.or.th) or company website [www.rhombho.co.th](http://www.rhombho.co.th)”*





## Summary of Financial Statements

List	2016	2017	2018
<b>Asset (Million Baht)</b>			
Inventories	0.55	0.53	6.49
Total Assets	526.83	969.59	1,754.61
<b>Liabilities &amp; Shareholders' Equity (Million Baht)</b>			
Current Liabilities	288.31	386.89	924.64
Non-Current Liabilities	6.27	57.68	278.95
Total Liabilities	294.58	444.56	1,203.59
Paid up Share Capital	140.00	200.00	220.00
Shareholders' Equity	232.25	525.03	551.02
<b>Operation's Result (Million Baht)</b>			
Sales	362.80	293.88	311.73
Total Revenue	366.38	301.22	324.13
Gross Profit	182.94	130.57	127.79
Net Profit	90.98	40.88	28.21
<b>Per Share Figure (Baht)</b>			
Net Profit (Loss)	0.48	0.12	0.06
Book Value	0.83	1.31	1.25
Par Value	0.50	0.50	0.50
<b>Liquidity Ratio</b>			
Current Ratio	1.42	1.78	1.22
Quick Ratio	0.13	0.61	0.27
<b>Profitability Ratio</b>			
Gross Profit Margin	0.50	0.44	0.41
Operation Profit Margin	0.31	0.16	0.08
Net Profit Margin	0.25	0.14	0.09
Return on Equities	0.48	0.11	0.05
<b>Efficiency Ratio</b>			
Return on Asset	0.16	0.05	0.02
<b>Financial Policy Ratio</b>			
Debt to Equity Ration	1.27	0.85	2.18
Interest Coverage Ratio	35.23	36.28	1,858.48
Number of Outstanding Shares (Million Shares)	280.00	400.00	440.00



# 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 Sartrapai, 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 owned 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 Rawai Phase 1 was launched in 2011, achieved in terms of sales. The Title Rawai Phase 2, The Title Rawai Phase 3 and The Title Residencies Naiyang Phuket เฟส 1 The Title Residencies Naiyang Phuket เฟส 2 continue to be available for the 2012-2013 period. In addition, the company was launched The Title V (The-Title-We) Rawai Phase 5 Which is a condominium of condotel 5 floors 4 buildings project value 1,011 Billion baht and grand opening for sale in November 2018 and continues to explore the potential for property development in other potential locations.

The company proposes to conduct a hybrid strategy that entails both the property development business that recognizes the short and medium term revenue goals and also to collaborate with Best Western Inc. in investing in the condo-tel business and also including the management of The Title V Rawai Phase 5 project. Phase 5 is designed to be an alternative investment for customers who want to generate extra income at certain times. Working together we hope to grow that customer base. Working with Best Western Inc. will enable us to instill confidence in our clients who purchased rooms in our project with expectations of a return on their investment and the company expects recurring income in the future.



## Board of Directors and Management



Mr. Suvit Lamsam



Mr. Viroj Hutajuta



Mr. Dendanai Hutajuta



Mr. Sasipong Pinkaew



Mr. Darong Hutajuta



Ms. Cheraya Udomvongsup



Mr. Prasert Vannacharoen



Mr. Chaivuth Chittrakhani



Mrs. Jittima Sajjavanij Intujunyong



### Board of Directors

<i>Mr. Suwit Lamsam</i>	Chairman of the Board of Director / Chairman of the Audit Committee / Independent Director
<i>Mr. Viroj Hutajuta</i>	Board of Director
<i>Mr. Dendanai Hutajuta</i>	Board of Director / Chief Executive Officer / Chairman of the Executive Committee / The Nomination and Compensation Committee Member / Managing Director of Sales & Marketing (Acting)
<i>Mr. Sasipong Pinkaew</i>	Board of Director / Coordinate-CEO / Executive Committee / The Nomination and Compensation Committee Member / Risk Management Committee Member / Managing Director of Planning and Control
<i>Mr. Darong Hutajuta</i>	Board of Director / Executive Committee / Managing Director of Product Development
<i>Ms. Cheraya Udomvongsup</i>	Board of Director / Deputy Managing Director of Accounting and Finance
<i>Mr. Chaivuth Chitrakhan</i>	Chairman of the Risk Management Committee / Audit Committee Member / The Nomination and Compensation Committee member / Independent Director
<i>Mrs. Jittima Sajjavanij Intujunyong</i>	Chairman of the Nomination and Compensation Committee / Audit Committee Member / Independent Director

### Management Team

<i>Mr. Dendanai Hutajuta</i>	Board of Director / Chief Executive Officer / Chairman of the Executive Committee / The Nomination and Compensation Committee Member / Managing Director of Sales & Marketing (Acting)
<i>Mr. Sasipong Pinkaew</i>	Board of Director / Coordinate-CEO / Executive Committee / The Nomination and Compensation Committee Member / Risk Management Committee Member / Managing Director of Planning and Control
<i>Mr. Darong Hutajuta</i>	Board of Director / Executive Committee / Managing Director of Product Development
<i>Ms. Cheraya Udomvongsup</i>	Board of Director / Deputy Managing Director of Accounting and Finance
<i>Mr. Prasert Vannacharoen</i>	Risk Management Committee Member / Managing Director of Operation and Legal



# Board of Directors and Management

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. Suwit Lamsam ■ Chairman of the Board of Director ■ Chairman of the Audit Committee ■ Independent Director	59	<ul style="list-style-type: none"> <li>■ Master Degree (MBA) Abilene Christian University USA</li> <li>■ Bachelor's Degree in Accounting, Kasetsart University</li> <li>■ Director Accreditation Program (DAP) 114/2015</li> <li>■ "Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance"</li> </ul>	0.10	none	2014-present          1996-present	<ul style="list-style-type: none"> <li>■ Chairman of the Board of Director</li> <li>■ Chairman of the Audit Committee</li> <li>■ Independent Director</li> <li>■ Assistance Director agency transformation</li> </ul>	Rhom Bho Property Public Company Limited          AIA Company Limited	Property Development          Insurance
2.	Mr. Viroj Hutajuta ■ Director (Authorized Director)	82	<ul style="list-style-type: none"> <li>■ Master Degree (MS MATHS – Master of Science Mathematics)</li> <li>■ Mindanao University Philippines</li> </ul>	1.35	Father- Mr. Dendanai Hutajuta and Mr. Darong Hutajuta	2006-present   2000-present	<ul style="list-style-type: none"> <li>■ Board of Director</li> <li>■ Board of Director</li> </ul>	Rhom Bho Property Public Company Limited  Sam Thunwa Company Limited	Property Development  Selling Timber and logs

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
3	Mr. Dendana Hutajuta ■ Board of Director ■ Chief Executive Officer ■ Chairman of the Executive Committee ■ The Nomination and Compensation Committee Member ■ Managing Director of Sales & Marketing (Acting)	59	<ul style="list-style-type: none"> <li>■ Bachelor's Degree in Bann Sondet Chaopraya Rajabhat University</li> <li>■ Director Accreditation Program (DAP) 118/2005</li> <li>■ Bachelor's Degree (Accounting) Kasetsart University</li> <li>■ Mini MBA 35 Thamasart University.</li> <li>■ Director Accreditation Program (DAP) 118/2015</li> </ul>	57.46	Son of Mr. Viroj Hutajuta and brother of Mr. Darong Hutajuta	2010-present	<ul style="list-style-type: none"> <li>■ Board of Director</li> <li>■ Chief Executive Officer</li> <li>■ Chairman of the Executive Committee</li> <li>■ The Nomination and Compensation Committee Member</li> <li>■ Managing Director of Sales &amp; Marketing (Acting)</li> </ul>	Rhom Bho Property Public Company Limited	Property Development



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
4.	Mr. Sasipong Pinkaew ■ Board of Director ■ Coordinate-CEO ■ Executive Committee ■ The Nomination and Compensation Committee Member ■ Risk Management Committee Member ■ Managing Director of Planning and Control	58	■ Bachelor Degree (Accounting) Kasetsart University ■ Certified Public Accountants: CPA ■ Director Accreditation Program (DAP) 114/2015	4.38	none	2014-present	■ Board of Director ■ Coordinate-CEO ■ Executive Committee ■ The Nomination and Compensation Committee Member ■ Risk Management Committee Member ■ Managing Director of Planning and Control ■ Board of Director	Rhom Bho Property Public Company Limited	Property Development
						2001-present		COS Audit Company Limited.	Accounting office
5.	Mr. Darong Hutajuta ■ Board of Director ■ Executive Committee ■ Managing Director of Product Development	58	■ Bachelor's Degree in Civil Engineering. King Mongkut's University of Technology Thonburi ■ Director Accreditation Program (DAP) 118/2015	4.38	Son of Mr.Viroj Hutajuta and brother of Mr.Dandanai Hutajuta	2011-present	■ Board of Director ■ Executive Committee ■ Managing Director of Product Development	Rhom Bho Property Public Company Limited	Property Development

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
6.	Ms.Cheraya Udomvongsup ■ Director (Authorized Director) ■ Deputy Managing Director of Accounting and Finance	53	■ Bachelor's Degree in Accounting, Bangkok University ■ Director Accreditation Program (DAP) 11/4/2015	1.04	none	2007-present  2004-present	■ Board of Director (Authorized Director) ■ Deputy Managing Director of Accounting and Finance ■ Board of Director	Rhom Bho Property Public Company Limited  Sam Thunwa Company Limited	Property Development  Selling Timber and logs
7.	Mr. Chalvuth Chittrakhani ■ Chairman of the Risk Management Committee ■ Audit Committee Member ■ The Nomination and Compensation Committee member ■ Independent Director	63	■ Master of Public Administration Chulalongkorn University ■ Bachelor's Degree in Economics Banking Ramkhamhaeng university ■ Director Accreditation Program (DAP) SEC/2014 ■ Advanced Audit Committee Program (ACP) 2016	0.10	none	2014-present  2014-present 2011-present	■ Chairman of the Risk Management Committee ■ Audit Committee Member ■ The Nomination and Compensation Committee member Independent Director ■ Board of Director ■ Board of Director	Rhom Bho Property Public Company Limited  VIE Company Limited. STC Innovation Company Limited. Customize	Property Development  Sell supply mentaries Sell instant food and manufactured product



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
			<ul style="list-style-type: none"> <li>Chief of Financial Officer (CFO) 3 Institute of Development Administration and the Stock Exchange of Thailand</li> <li>Public Administration Economics For Senior Executives, King Prajadhipok's Institute</li> <li>Democratic Politics Course For Senior Executives, Class 16, King Prajadhipok's Institute</li> <li>"Updated COSO Enterprise Risk Management:</li> </ul>			2010-present	■ Board of Director	Technology Company Limited.	Medical equipment
						2009-present	■ Chairman of the Board	Sen-Salee Company Limited.	Noodle products
						2008-present	■ Chief Financial Officer	Radon Company Limited.	Wholesales
						2008-present	■ Chief Financial Officer	Neo-Farm Company Limited.	Wholesales for Pharmaceutical Product

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
8.	Mrs. Jittima Sajjavanij Intujunyong ■ Chairman of the Nomination and Compensation Committee ■ Audit Committee Member ■ Independent Director	59	■ Thai Bar Association 36th ■ Bachelor Degree in Law, Ramkhamhaeng University ■ Bachelor of Arts, Silpakorn University ■ Director Accreditation Program (DAP) 114/2015 ■ Advanced Audit Committee Program (ACP) 2016	0.10	none	2014-present	■ Chairman of the Nomination and Compensation Committee ■ Audit Committee Member ■ Independent Director ■ Chairman of the Committee on Factsheets ■ Operations Assistant of the Senator ■ Secretary to the President	Rhom Bho Property Public Company Limited  Office of Public Sector Anti-Corruption Commission (PACC) Senate of Thailand.  Senate of Thailand	Property Development  government authority government authority government authority
9.	Mr. Prasert Vannacharoen ■ Risk Management Committee Member ■ Managing Director of Operation and Legal	58	■ Master of Social Development Administration, Institute of Development Administration ■ Bachelor of Law, Thammasat University	0.97	none	2014-present  2000-present	■ Risk Management Committee Member ■ Managing Director of Operation and Legal ■ Board of Director	Rhom Bho Property Public Company Limited  Sam Thunwa Company Limited	Property Development  Selling Timber and logs



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
			<ul style="list-style-type: none"> <li>■ Bachelor Degree in Cooperative Economics Kasetsart University</li> </ul>						

## OUR PROJECT

*Nature of living , Living with nature*



**THE TITLE RAWAI PHASE 1 & 2**



**THE TITLE RAWAI PHASE 3**



**THE TITLE RESIDENCIES  
(NAIYANG-PHUKET)**



**BW Premier  
COLLECTION  
by BEST WESTERN**

**The Title V Project (Rawai-Phuket)**





# Nature of Business

## 1. Revenue Structure

Revenue structure of the company Classified by project type from 2016 - 2018

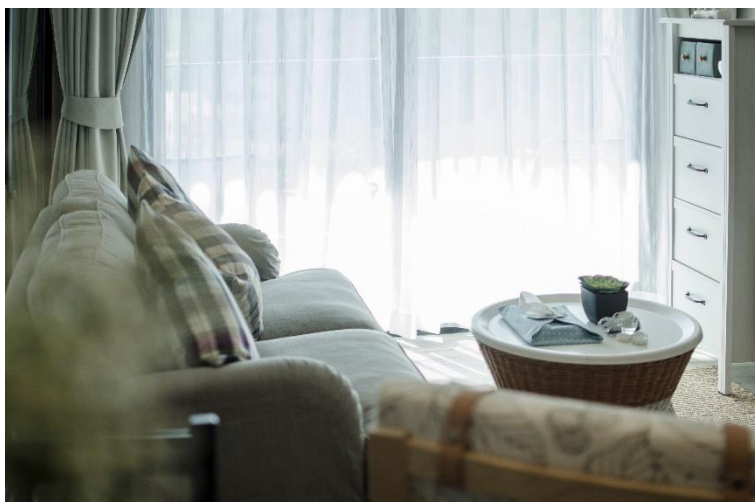
Revenues from Sale of Goods and Rendering of Services <sup>1/</sup>	Financial Statement (Audited)					
	Year 2016		Year 2017		Year 2018	
	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)
The Title Rawai Phase 1	7.48	2.04	-	-	-	-
The Title Rawai Phase 2	7.56	2.06	-	-	-	-
The Title Rawai Phase 3	347.76	94.92	293.94	97.56	311.73	96.18
Revenues from Sale of Goods and Rendering of Services Total	362.80	99.02	293.94	97.56	311.73	96.18
Other Revenues <sup>2/</sup>	3.58	0.98	7.34	2.44	12.39	3.82
<b>Total Revenues</b>	<b>366.38</b>	<b>100.00</b>	<b>301.28</b>	<b>100.00</b>	<b>324.12</b>	<b>100.00</b>

**Note :** <sup>1/</sup> Revenues from Sale of Goods and Rendering of 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.

<sup>2/</sup> Other Revenues includes income from breach of contract, interest, rental revenue from the guarantee return from The Title Rawai Phase 3 In 2017 the Company's revenue from corporate management The Title Rawai Phase 3

## 2. Product 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, 2018 is as follows.



**The sales status, the transfer of ownership, and the construction of the Company's project as of December 31, 2018**

Project	Location	Project characteristics	Month / Year of Reservation / Sales	Month / Year of construction completed or expected to be completed.	Project area (rai-ngawa)	Project value (1)		Cumulative sales <sup>1/</sup> (2)		Accumulated transfer of ownership <sup>2/</sup> (3)		Remaining for Sale (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	1,118	239	1,110	230	1,066	1	8	100.00	95.35
4.The Title Nai Yang phase 1	Nai Yang Beach, Phuket	condominium 7 floors	Apr 2016	Oct 2018	4-2-55.1	252	599	252	599	0	0	0	0	100	0
5.The Title Nai Yang Phase 2	Nai Yang Beach, Phuket	condominium 5,7 floors	Oct 2017	Oct 2018	4-3-8	220	798	210	759	0	0	10	39	100	0

Note : <sup>1/</sup> Cumulative sales of units that are booked and / or contracted to buy and sell. And / or condominium units.

<sup>2/</sup> Accumulated transfer of ownership is a unit with transfer of ownership already.



Our project which was launched on December 31st, 2018 is summarized as follows:

### 1. The Title Rawai Phase 1

    	<b>Landscape</b>		
		<b>Location</b>	Rawai Beach, Phuket
	<b>Status</b>	Ready to move	
	<b>Project area</b>	4-2-66.8 (rai-nga-wa)	
	<b>Project design</b>	Condominium 4 floors 4 buildings	
	<b>Unit</b>	160 Units	
	<b>Unit type</b>	Studio (27 sq. m.) 16 Units	
		1 Bedroom (34 - 45 sq. m.) 112 Units	
		2 Bedrooms (63 sq. m.) 32 Units	
	<b>Project value</b>	494 Million baht	
	<b>Average selling price/sq. m.</b>	66,000 Baht/sq. m.	
	<b>Target group</b>	Thai clients (Phuket Locals)	
		Thai clients (Real estate investors)	
		Foreign clients (Tourists / Real estate investor / Retirees)	
		Businessman	
	<b>Project Highlight</b>	Our company's first project on the island of Phuket was built with the concept based on living in tranquility	
		The project's facilities include a 25-meter swimming pool, Finnish sauna, tropical garden, outdoor recreational areas and 24-hour security system.	
		The project's location is fully complemented by basic infrastructure, a significant increase in the numbers of tourists and provides a great opportunity for an excellent return on investments.	
		It is located at the South of the Phuket Island, in the most beautiful area of Rawai, close to the popular Naiharn Beach, Promthep Cape.	
		We use high quality materials to create a beautiful project with outstanding living and longevity to keep you safe and worry-free.	
		Price is reasonable with the quality of the material, friendly to the community and the environment. It is considered one of the best prices in Phuket.	

## 2. The Title Rawai Phase 2

<div><div><div>THE TITLE PHUKET</div></div><div></div><div></div><div></div><div></div></div>	<table><tr><td rowspan="2">Landscape</td><td></td></tr><tr><td>LAY-OUT : Master Plan</td></tr><tr><td>Location</td><td>Rawai Beach, Phuket</td></tr><tr><td>Status</td><td>Project Finished</td></tr><tr><td>Project area</td><td>4-2-91.8 (rai-nga-wa)</td></tr><tr><td>Project design</td><td>Condominium 4 floors 3 buildings</td></tr><tr><td>Unit</td><td>120 Units</td></tr><tr><td rowspan="3">Unit type</td><td>Studio (27 sq. m.) 12 Units</td></tr><tr><td>1 Bedroom (34 - 45 sq. m.) 84 Units</td></tr><tr><td>2 Bedrooms (63 sq. m.) 24 Units</td></tr><tr><td>Project value</td><td>452 Million baht</td></tr><tr><td>Average selling price/sq. m.</td><td>80,000 Baht/sq. m.</td></tr><tr><td rowspan="4">Target group</td><td>Thai clients (Phuket Locals)</td></tr><tr><td>Thai clients (Real estate investors)</td></tr><tr><td>Foreign clients (Tourists / Real estate investor / Retirees)</td></tr><tr><td>Businessman</td></tr><tr><td rowspan="7">Project Highlight</td><td>The second project in the south of Phuket was created with the strong determination to improve from The Title Rawai Phase 1</td></tr><tr><td>The Title Phase 2 is located alongside with The Title Phase 1 on the beautiful beachfront of Rawai beach.</td></tr><tr><td>It features 3 of 4-storey buildings with 120 units in total.</td></tr><tr><td>There are 3 room types: studio, 1 bedroom and 2 bedroom.</td></tr><tr><td>Complete your holiday and totally refresh yourself at our lotus ponds, waterfall, barbecue zones and pool.</td></tr><tr><td>Suitable and reasonable price for the quality of materials that we intend to choose for our residents.</td></tr><tr><td>The quality of the material meets the standards. We pay attention to every detail of the construction.</td></tr></table>	Landscape		LAY-OUT : Master Plan	Location	Rawai Beach, Phuket	Status	Project Finished	Project area	4-2-91.8 (rai-nga-wa)	Project design	Condominium 4 floors 3 buildings	Unit	120 Units	Unit type	Studio (27 sq. m.) 12 Units	1 Bedroom (34 - 45 sq. m.) 84 Units	2 Bedrooms (63 sq. m.) 24 Units	Project value	452 Million baht	Average selling price/sq. m.	80,000 Baht/sq. m.	Target group	Thai clients (Phuket Locals)	Thai clients (Real estate investors)	Foreign clients (Tourists / Real estate investor / Retirees)	Businessman	Project Highlight	The second project in the south of Phuket was created with the strong determination to improve from The Title Rawai Phase 1	The Title Phase 2 is located alongside with The Title Phase 1 on the beautiful beachfront of Rawai beach.	It features 3 of 4-storey buildings with 120 units in total.	There are 3 room types: studio, 1 bedroom and 2 bedroom.	Complete your holiday and totally refresh yourself at our lotus ponds, waterfall, barbecue zones and pool.	Suitable and reasonable price for the quality of materials that we intend to choose for our residents.	The quality of the material meets the standards. We pay attention to every detail of the construction.
Landscape																																			
	LAY-OUT : Master Plan																																		
Location	Rawai Beach, Phuket																																		
Status	Project Finished																																		
Project area	4-2-91.8 (rai-nga-wa)																																		
Project design	Condominium 4 floors 3 buildings																																		
Unit	120 Units																																		
Unit type	Studio (27 sq. m.) 12 Units																																		
	1 Bedroom (34 - 45 sq. m.) 84 Units																																		
	2 Bedrooms (63 sq. m.) 24 Units																																		
Project value	452 Million baht																																		
Average selling price/sq. m.	80,000 Baht/sq. m.																																		
Target group	Thai clients (Phuket Locals)																																		
	Thai clients (Real estate investors)																																		
	Foreign clients (Tourists / Real estate investor / Retirees)																																		
	Businessman																																		
Project Highlight	The second project in the south of Phuket was created with the strong determination to improve from The Title Rawai Phase 1																																		
	The Title Phase 2 is located alongside with The Title Phase 1 on the beautiful beachfront of Rawai beach.																																		
	It features 3 of 4-storey buildings with 120 units in total.																																		
	There are 3 room types: studio, 1 bedroom and 2 bedroom.																																		
	Complete your holiday and totally refresh yourself at our lotus ponds, waterfall, barbecue zones and pool.																																		
	Suitable and reasonable price for the quality of materials that we intend to choose for our residents.																																		
	The quality of the material meets the standards. We pay attention to every detail of the construction.																																		



### 3. The Title Rawai Phase 3

	<div data-bbox="710 439 823 465">Landscape</div> 
	<div data-bbox="719 645 813 667">Location</div> <div data-bbox="884 645 1074 667">Rawai Beach, Phuket</div>
	<div data-bbox="730 689 802 712">Status</div> <div data-bbox="884 689 1018 712">Ready to move</div>
	<div data-bbox="703 734 829 757">Project area</div> <div data-bbox="884 734 1053 757">7-2-87 (rai-nga-wa)</div>
	<div data-bbox="699 779 834 801">Project design</div> <div data-bbox="884 779 1176 801">Condominium 4 floors 7 buildings</div>
	<div data-bbox="743 824 790 846">Unit</div> <div data-bbox="884 824 967 846">240 units</div>
<div data-bbox="719 898 813 920">Unit type</div>	Studio (27 sq. m.) 44 Units
	1 Bedroom (34 - 45 sq. m.) 156 Units
	2 Bedrooms (63 sq. m.) 40 Units
<div data-bbox="699 981 834 1003">Project value</div> <div data-bbox="884 981 1046 1003">1,118 Million baht</div>	<div data-bbox="687 1025 845 1093">Average selling price/sq. m.</div> <div data-bbox="884 1048 1058 1070">86,500 Baht/sq. m.</div>
<div data-bbox="699 1171 834 1193">Target group</div>	Thai clients (Phuket Locals)
	Thai clients (Real estate investors)
	Foreign clients (Tourists / Real estate investor / Retirees)
	Businessman
<div data-bbox="683 1574 850 1597">Project Highlight</div>	<p>With our scrupulous design, you can experience the beautiful atmosphere of nature surrounded by tropical greenery and the bright blue of the pool.</p>
	<p>We have our standard system and our friendly, dedicated staff to help you get the support you need, just like receiving services from your own family.</p>
	<p>Experience the ultimate freedom in our tropical oasis - Phase 3 green garden. Feel free to use capabilities of common area, including 3 swimming pools, 2 saunas and a fitness room.</p>
	<p>Located on the magnificent beach of Rawai, The Title Phase 3 is considered to be the best project on Rawai Beach.</p>
	<p>Emphasizes simplicity with the quality of the material we choose, the elegance of the wood floor, the wall and of the furniture that is suitable for use.</p>
	<p>At the right and reasonable price, we choose the materials based on our clients' needs, most cost-effective and on sustainability.</p>

#### 4. The Title Residencies Naiyang Phuket Phase 1

    	<table border="1"> <tr> <td data-bbox="647 273 853 633"> <p><b>Landscape</b></p> </td><td data-bbox="853 273 1460 633">  </td></tr> <tr> <td data-bbox="647 633 853 678"> <p><b>Location</b></p> </td><td data-bbox="853 633 1460 678"> <p>Nai Yang Beach, Phuket</p> </td></tr> <tr> <td data-bbox="647 678 853 723"> <p><b>Status</b></p> </td><td data-bbox="853 678 1460 723"> <p>Ready to move</p> </td></tr> <tr> <td data-bbox="647 723 853 768"> <p><b>Project area</b></p> </td><td data-bbox="853 723 1460 768"> <p>4-2-55.10 (rai-nga-wa)</p> </td></tr> <tr> <td data-bbox="647 768 853 813"> <p><b>Project design</b></p> </td><td data-bbox="853 768 1460 813"> <p>Condominium 7 floors 3 buildings (E,F,G)</p> </td></tr> <tr> <td data-bbox="647 813 853 857"> <p><b>Unit</b></p> </td><td data-bbox="853 813 1460 857"> <p>252 Units</p> </td></tr> <tr> <td data-bbox="647 857 853 902"> <p><b>Unit type</b></p> </td><td data-bbox="853 857 1460 902"> <p>1 Bedroom (34 - 46 sq. m) 252 units</p> </td></tr> <tr> <td data-bbox="647 902 853 947"> <p><b>Project value</b></p> </td><td data-bbox="853 902 1460 947"> <p>599 Million baht</p> </td></tr> <tr> <td data-bbox="647 947 853 1037"> <p><b>Average selling price/sq. m.</b></p> </td><td data-bbox="853 947 1460 1037"> <p>61,280.84 Baht/sq. m..</p> </td></tr> <tr> <td data-bbox="647 1037 853 1198" rowspan="4"> <p><b>Target group</b></p> </td><td data-bbox="853 1037 1460 1081"> <p>Thai clients (Phuket Locals)</p> </td></tr> <tr> <td data-bbox="853 1081 1460 1126"> <p>Thai clients (Real estate investors)</p> </td></tr> <tr> <td data-bbox="853 1126 1460 1171"> <p>Foreign clients (Tourists / Real estate investor / Retirees)</p> </td></tr> <tr> <td data-bbox="853 1171 1460 1198"> <p>Businessman</p> </td></tr> <tr> <td data-bbox="647 1198 853 1834" rowspan="5"> <p><b>Project Highlight</b></p> </td><td data-bbox="853 1198 1460 1310"> <p>With the concept and inspiration of house in the forest, we create a place to rest and fulfill life in the midst of nature, soak up the tranquil atmosphere of pine tree and surrounded greenery.</p> </td></tr> <tr> <td data-bbox="853 1310 1460 1422"> <p>We take the importance of quality and punctuality in all our projects construction with absolute care and attention in every single step of the materials selection and construction process.</p> </td></tr> <tr> <td data-bbox="853 1422 1460 1534"> <p>Over 70% of the project is being transformed into a common area where you can enjoy your time. Facilities include sunbath deck, fitness, sauna, 5 swimming pools, 1 sky pool and more.</p> </td></tr> <tr> <td data-bbox="853 1534 1460 1624"> <p>The price is considered to be the most reasonable and affordable for its location and design in the middle of beautiful nature.</p> </td></tr> <tr> <td data-bbox="853 1624 1460 1736"> <p>This project is on the prime location, situated just minutes away from Phuket International Airport and only 250 meters from the beautiful Naiyang Beach.</p> </td></tr> <tr> <td data-bbox="647 1736 853 1834"></td><td data-bbox="853 1736 1460 1834"> <p>With the perfect location, comfortable living lifestyle , close to nature and easy to travel to the top-rated tourist attraction. The project is an amazing choice for investment and living.</p> </td></tr> </table>	<p><b>Landscape</b></p>		<p><b>Location</b></p>	<p>Nai Yang Beach, Phuket</p>	<p><b>Status</b></p>	<p>Ready to move</p>	<p><b>Project area</b></p>	<p>4-2-55.10 (rai-nga-wa)</p>	<p><b>Project design</b></p>	<p>Condominium 7 floors 3 buildings (E,F,G)</p>	<p><b>Unit</b></p>	<p>252 Units</p>	<p><b>Unit type</b></p>	<p>1 Bedroom (34 - 46 sq. m) 252 units</p>	<p><b>Project value</b></p>	<p>599 Million baht</p>	<p><b>Average selling price/sq. m.</b></p>	<p>61,280.84 Baht/sq. m..</p>	<p><b>Target group</b></p>	<p>Thai clients (Phuket Locals)</p>	<p>Thai clients (Real estate investors)</p>	<p>Foreign clients (Tourists / Real estate investor / Retirees)</p>	<p>Businessman</p>	<p><b>Project Highlight</b></p>	<p>With the concept and inspiration of house in the forest, we create a place to rest and fulfill life in the midst of nature, soak up the tranquil atmosphere of pine tree and surrounded greenery.</p>	<p>We take the importance of quality and punctuality in all our projects construction with absolute care and attention in every single step of the materials selection and construction process.</p>	<p>Over 70% of the project is being transformed into a common area where you can enjoy your time. Facilities include sunbath deck, fitness, sauna, 5 swimming pools, 1 sky pool and more.</p>	<p>The price is considered to be the most reasonable and affordable for its location and design in the middle of beautiful nature.</p>	<p>This project is on the prime location, situated just minutes away from Phuket International Airport and only 250 meters from the beautiful Naiyang Beach.</p>		<p>With the perfect location, comfortable living lifestyle , close to nature and easy to travel to the top-rated tourist attraction. The project is an amazing choice for investment and living.</p>
<p><b>Landscape</b></p>																																
<p><b>Location</b></p>	<p>Nai Yang Beach, Phuket</p>																															
<p><b>Status</b></p>	<p>Ready to move</p>																															
<p><b>Project area</b></p>	<p>4-2-55.10 (rai-nga-wa)</p>																															
<p><b>Project design</b></p>	<p>Condominium 7 floors 3 buildings (E,F,G)</p>																															
<p><b>Unit</b></p>	<p>252 Units</p>																															
<p><b>Unit type</b></p>	<p>1 Bedroom (34 - 46 sq. m) 252 units</p>																															
<p><b>Project value</b></p>	<p>599 Million baht</p>																															
<p><b>Average selling price/sq. m.</b></p>	<p>61,280.84 Baht/sq. m..</p>																															
<p><b>Target group</b></p>	<p>Thai clients (Phuket Locals)</p>																															
	<p>Thai clients (Real estate investors)</p>																															
	<p>Foreign clients (Tourists / Real estate investor / Retirees)</p>																															
	<p>Businessman</p>																															
<p><b>Project Highlight</b></p>	<p>With the concept and inspiration of house in the forest, we create a place to rest and fulfill life in the midst of nature, soak up the tranquil atmosphere of pine tree and surrounded greenery.</p>																															
	<p>We take the importance of quality and punctuality in all our projects construction with absolute care and attention in every single step of the materials selection and construction process.</p>																															
	<p>Over 70% of the project is being transformed into a common area where you can enjoy your time. Facilities include sunbath deck, fitness, sauna, 5 swimming pools, 1 sky pool and more.</p>																															
	<p>The price is considered to be the most reasonable and affordable for its location and design in the middle of beautiful nature.</p>																															
	<p>This project is on the prime location, situated just minutes away from Phuket International Airport and only 250 meters from the beautiful Naiyang Beach.</p>																															
	<p>With the perfect location, comfortable living lifestyle , close to nature and easy to travel to the top-rated tourist attraction. The project is an amazing choice for investment and living.</p>																															



## 5. The Title Residencies Naiyang Phuket Phase 2

			
	<b>Landscape</b>		
	<b>Location</b>	Nai Yang Beach, Phuket	
	<b>Status</b>	Ready to move	
	<b>Project area</b>	4-3-8 (rai-nga-wa)	
	<b>Project design</b>	Condominium 2,6,7 floors 4 buildings (A,B,C,D)	
	<b>Unit</b>	220 units	
	<b>Unit type</b>	1 Bedroom (34 - 46 sq. m.) 206 units 2 Bedrooms (52-61 sq. m.) 14 units	
	<b>Project value</b>	798 Million baht	
	<b>Average selling price/sq. m.</b>	90,525.21 Baht/sq. m.	
	<b>Target group</b>	Thai clients (Phuket Locals)	
		Thai clients (Real estate investors)	
		Foreign clients (Tourists / Real estate investor / Retirees Businessman)	
	<b>Project Highlight</b>	With the concept and inspiration of house in the forest, we create a place to rest and fulfill life in the midst of nature, soak up the tranquil atmosphere of pine tree and surrounded greenery.	
		We take the importance of quality and punctuality in all our projects construction with absolute care and attention in every single step of the materials selection and construction process.	
		Over 70% of the project is being transformed into a common area where you can enjoy your time. Facilities include sunbath deck, fitness, sauna, 5 swimming pools, 1 sky pool and more.	
		The price is considered to be the most reasonable and affordable for its location and design in the middle of beautiful nature.	
		This project is on the prime location, situated just minutes away from Phuket International Airport and only 250 meters from the beautiful Naiyang Beach.	
		With the perfect location, comfortable living lifestyle , close to nature and easy to travel to the top-rated tourist attraction. The project is an amazing choice for investment and living.	

## 6. The Title V (The Title We)

<div data-bbox="164 293 256 367"> </div> <div data-bbox="256 297 432 356"> <p><b>THE TITLE V</b> RAWAI - PHUKET</p> </div> <div data-bbox="472 297 632 356"> <p><b>BW Premier</b> COLLECTION by BEST WESTERN</p> </div> <div data-bbox="156 450 619 712"> </div> <div data-bbox="156 757 619 1019"> </div> <div data-bbox="156 1077 619 1339"> </div> <div data-bbox="156 1384 619 1646"> </div>	<table border="1"> <tr> <td data-bbox="663 259 863 600"> <p><b>Landscape</b></p> </td><td data-bbox="863 259 1445 600"> </td></tr> <tr> <td data-bbox="663 600 863 645"> <p><b>Location</b></p> </td><td data-bbox="863 600 1445 645"> <p>Rawai Beach, Phuket</p> </td></tr> <tr> <td data-bbox="663 645 863 831"> <p><b>Status</b></p> </td><td data-bbox="863 645 1445 831"> <ul style="list-style-type: none"> <li>On the process of conducting an Environmental Impact Assessment (EIA) report</li> <li>During prepared for construction in Q2 Year 2019 It is expected to complete construction within a Q2 years 2021.</li> <li>Grand opening on November 2018</li> </ul> </td></tr> <tr> <td data-bbox="663 831 863 875"> <p><b>Project area</b></p> </td><td data-bbox="863 831 1445 875"> <p>5-1-0 (rai-nga-wa)</p> </td></tr> <tr> <td data-bbox="663 875 863 920"> <p><b>Project design</b></p> </td><td data-bbox="863 875 1445 920"> <p>Condominium 5 floors 4 buildings (U,V,X,Y)</p> </td></tr> <tr> <td data-bbox="663 920 863 1032"> <p><b>Unit</b></p> </td><td data-bbox="863 920 1445 1032"> <p>228 Units Investment Area: 124 units Residential Area: 104 units By Best Western Inc.</p> </td></tr> <tr> <td data-bbox="663 1032 863 1144"> <p><b>Unit type</b></p> </td><td data-bbox="863 1032 1445 1144"> <p>1 Bedroom (35 sq.m.) 129 units 1 Bedroom (41 sq. m.) 84 units 2 Bedrooms (69-78 sq. m.) 15 units</p> </td></tr> <tr> <td data-bbox="663 1144 863 1189"> <p><b>Project value</b></p> </td><td data-bbox="863 1144 1445 1189"> <p>1,011 Million baht</p> </td></tr> <tr> <td data-bbox="663 1189 863 1267"> <p><b>Average selling price/sq. m.</b></p> </td><td data-bbox="863 1189 1445 1267"> <p>111,344.45 Baht/sq. m.</p> </td></tr> <tr> <td data-bbox="663 1267 863 1429" rowspan="4"> <p><b>Target group</b></p> </td><td data-bbox="863 1267 1445 1312"> <p>Thai clients (Phuket Locals)</p> </td></tr> <tr> <td data-bbox="863 1312 1445 1357"> <p>Thai clients (Real estate investors)</p> </td></tr> <tr> <td data-bbox="863 1357 1445 1402"> <p>Foreign clients (Tourists / Real estate investor / Retirees)</p> </td></tr> <tr> <td data-bbox="863 1402 1445 1429"> <p>Businessman</p> </td></tr> <tr> <td data-bbox="663 1429 863 2018" rowspan="5"> <p><b>Project Highlight</b></p> </td><td data-bbox="863 1429 1445 1507"> <p>The highlight is the project will be divided into 2 zones Investment Zone and Residential Zone.</p> </td></tr> <tr> <td data-bbox="863 1507 1445 1619"> <p>The architect designed The Title V by using a unique combination of Thai, Japanese and Bhutanese designs, with the main concept still presenting the identity of The Title</p> </td></tr> <tr> <td data-bbox="863 1619 1445 1771"> <p>The materials chosen for this project will be better quality than the previous projects with environmentally sustainable design to use mostly natural materials and focus on simplicity, peace and tranquility but full of details</p> </td></tr> <tr> <td data-bbox="863 1771 1445 1883"> <p>The common area is approximately 65% of overall project area and offers 7 swimming pools for just 4 residential buildings, steam rooms, playgrounds, a restaurant, gyms, etc.</p> </td></tr> <tr> <td data-bbox="863 1883 1445 2018"> <p>The Title V (Rawai-Phuket) is situated on a beautiful land in a quiet area just 250 meters distance from the beach and hidden away from the main road offering peaceful and chaotic-free living to residents and investors.</p> </td></tr> </table>	<p><b>Landscape</b></p>		<p><b>Location</b></p>	<p>Rawai Beach, Phuket</p>	<p><b>Status</b></p>	<ul style="list-style-type: none"> <li>On the process of conducting an Environmental Impact Assessment (EIA) report</li> <li>During prepared for construction in Q2 Year 2019 It is expected to complete construction within a Q2 years 2021.</li> <li>Grand opening on November 2018</li> </ul>	<p><b>Project area</b></p>	<p>5-1-0 (rai-nga-wa)</p>	<p><b>Project design</b></p>	<p>Condominium 5 floors 4 buildings (U,V,X,Y)</p>	<p><b>Unit</b></p>	<p>228 Units Investment Area: 124 units Residential Area: 104 units By Best Western Inc.</p>	<p><b>Unit type</b></p>	<p>1 Bedroom (35 sq.m.) 129 units 1 Bedroom (41 sq. m.) 84 units 2 Bedrooms (69-78 sq. m.) 15 units</p>	<p><b>Project value</b></p>	<p>1,011 Million baht</p>	<p><b>Average selling price/sq. m.</b></p>	<p>111,344.45 Baht/sq. m.</p>	<p><b>Target group</b></p>	<p>Thai clients (Phuket Locals)</p>	<p>Thai clients (Real estate investors)</p>	<p>Foreign clients (Tourists / Real estate investor / Retirees)</p>	<p>Businessman</p>	<p><b>Project Highlight</b></p>	<p>The highlight is the project will be divided into 2 zones Investment Zone and Residential Zone.</p>	<p>The architect designed The Title V by using a unique combination of Thai, Japanese and Bhutanese designs, with the main concept still presenting the identity of The Title</p>	<p>The materials chosen for this project will be better quality than the previous projects with environmentally sustainable design to use mostly natural materials and focus on simplicity, peace and tranquility but full of details</p>	<p>The common area is approximately 65% of overall project area and offers 7 swimming pools for just 4 residential buildings, steam rooms, playgrounds, a restaurant, gyms, etc.</p>	<p>The Title V (Rawai-Phuket) is situated on a beautiful land in a quiet area just 250 meters distance from the beach and hidden away from the main road offering peaceful and chaotic-free living to residents and investors.</p>
<p><b>Landscape</b></p>																														
<p><b>Location</b></p>	<p>Rawai Beach, Phuket</p>																													
<p><b>Status</b></p>	<ul style="list-style-type: none"> <li>On the process of conducting an Environmental Impact Assessment (EIA) report</li> <li>During prepared for construction in Q2 Year 2019 It is expected to complete construction within a Q2 years 2021.</li> <li>Grand opening on November 2018</li> </ul>																													
<p><b>Project area</b></p>	<p>5-1-0 (rai-nga-wa)</p>																													
<p><b>Project design</b></p>	<p>Condominium 5 floors 4 buildings (U,V,X,Y)</p>																													
<p><b>Unit</b></p>	<p>228 Units Investment Area: 124 units Residential Area: 104 units By Best Western Inc.</p>																													
<p><b>Unit type</b></p>	<p>1 Bedroom (35 sq.m.) 129 units 1 Bedroom (41 sq. m.) 84 units 2 Bedrooms (69-78 sq. m.) 15 units</p>																													
<p><b>Project value</b></p>	<p>1,011 Million baht</p>																													
<p><b>Average selling price/sq. m.</b></p>	<p>111,344.45 Baht/sq. m.</p>																													
<p><b>Target group</b></p>	<p>Thai clients (Phuket Locals)</p>																													
	<p>Thai clients (Real estate investors)</p>																													
	<p>Foreign clients (Tourists / Real estate investor / Retirees)</p>																													
	<p>Businessman</p>																													
<p><b>Project Highlight</b></p>	<p>The highlight is the project will be divided into 2 zones Investment Zone and Residential Zone.</p>																													
	<p>The architect designed The Title V by using a unique combination of Thai, Japanese and Bhutanese designs, with the main concept still presenting the identity of The Title</p>																													
	<p>The materials chosen for this project will be better quality than the previous projects with environmentally sustainable design to use mostly natural materials and focus on simplicity, peace and tranquility but full of details</p>																													
	<p>The common area is approximately 65% of overall project area and offers 7 swimming pools for just 4 residential buildings, steam rooms, playgrounds, a restaurant, gyms, etc.</p>																													
	<p>The Title V (Rawai-Phuket) is situated on a beautiful land in a quiet area just 250 meters distance from the beach and hidden away from the main road offering peaceful and chaotic-free living to residents and investors.</p>																													



## Location of the Title project



As the real estate development business is one which requires time for project development, the Company has established the payment conditions to conform to the duration of time used in project development, for which the Company has divided into the following steps for the receipt of payments made:

1. Deposits: Payment of deposits will occur when the customer has expressed interest in the apartment and has signed the apartment deposit contract with the Company.
2. Sales contract fees ("contract fees"): Payment of contract fees will occur when the customer has signed the apartment purchase contract with the Company.
3. Down payments: Payment will proceed in accordance with the conditions stipulated in the apartment sales contract, for which the Company will determine the number of installments and payment period durations in accordance with the duration of construction time for each project.
4. Transfer of ownership fees: Payment will occur when the Company has transferred ownership of the apartment to the customer.

The payment conditions for each project belonging to the Company which have been opened for sale on December 31, 2018, may be summarized as follows:

Project	Thai Clients	Foreign Clients
<b>The Title Rawai Phase 1 and The Title Rawai Phase 3</b>		
Deposits	100,000 baht	100,000 baht
Contract fees	10.00% of sales value	15.00% of sales value
Down payments	5.00% of sales value	45.00% of sales value
Down Payments Period	6 installments	Within 4 months
Transfer of ownership	Remaining balance	Remaining balance
<b>The Title V (The Title We)</b>		
Deposits	100,000 baht	100,000 baht
Contract fees	200,000 baht	25.00% of sales value
Down payments	20.00% of sales value (including deposit and contract fee)	50.00% of sales value
Down Payments Period	24 installments	2 installments in accordance with the construction project's level of completion*
Transfer of ownership	Remaining balance	Remaining balance
<b>The Title Residencies Naiyang Phuket</b>		
Deposits	30,000 baht	100,000 baht
Contract fees	100,000 baht	25.00% of sales value
Down payments	15.00% of sales value (including deposit and contract fee)	50.00% of sales value
Down Payments Period	15 installments	2 installments in accordance with the construction project's level of completion*
Transfer of ownership	Remaining balance	Remaining balance

\* Completed construction project installments include: the duration of time in which clear progress can be observed, such as the laying of the building's foundation, when the project has finished construction, etc

**3. Privileges received** -none-

**4. Marketing and Competition**

**4.1 Product strategies**

The Company is aware of the important needs of the target customer group, possesses a philosophy of real estate project development for sales using specific (Signature) characteristics, and has innovated project development as if in the creation of a work of art. The Company has given importance to scenic decorations throughout its project buildings, such as the arrangement of large waterfalls, gardening (Landscape), and allocation of large areas in the buildings to be in view of the ocean (Sea-view). This conforms to the needs of target customer groups who need a lifestyle with relaxation. Factors of area and location are also important to the development of design and decoration for each project, as each project will be decorated with designs emphasizing green areas surrounding the building and large-sized swimming pools, so that residents will feel relaxed and escape from the city's chaos. The Company gives importance to the entire atmosphere in every project and has made plans for the projects to be situated in central areas where residents can arrive for their use and truly relax. Facilities for full accommodation are prepared, along with reliable, trustworthy security systems to answer all needs of the residents in full. Furthermore, in each project the Company has considered the highest utilization of usable apartment space, with the Company's design teams developing and designing the residential apartments in a manner that allows full employment of area in the apartments, including furnishings, furniture, toiletries, and various quality decorating materials.

In addition, before the Company begins to develop any project, the Company will perform a beginning feasibility study of the project to be developed, starting from the target customer group of the project as a base and from the needs of the target customer group, in order to match the project's design format with established prices. This is the best answer to the equation of the customer group's needs.

**4.2 Pricing strategies**

The Company has determined pricing strategies by considering various factors such as product location determination, target customer groups, the products' qualities, product location, and usable space. Furthermore, the company has also made project price comparisons with other projects in nearby areas, in addition to considerations for starting costs for the buildings, including land costs, design costs, construction costs, and other related expenses. The selling price determination is thus within suitable bounds that will cause the consumer to feel the product's value.

**4.3 Marketing and sales promotion strategies**

The Company gives importance to various marketing media channels, with the goal that target customer groups will experience and remember the company name and projects belonging to the Company, under the following methods:

1. Advertisement through mass media, such as through various printed media in a broad circle for communications. The company will emphasize use of this media within the provinces in which the projects have been situated, so that market communications will be in line with target groups.
2. Advertisement through outdoor media, such as billboard signs and direction signs, as methods of communication for customer groups nearby the projects or close to the where the projects are situated, or in areas surrounding the target customer groups.
3. Other communications channels (Below The Line), such as news announcing building project openings, direct communications (Direct Mail), and product booths in various locations popular with the target groups, such as Phuket International Airport, shopping malls, and tourist locations.
4. Marketing communications through various media channels such as the company website, [www.rhombho.co.th](http://www.rhombho.co.th) Facebook <https://www.facebook.com/thetitlephuket/>, VK.com: <https://vk.com/club164549875>, and [https://www.weibo.com/6364432679/profile?topnav=1&wvr=6&is\\_hot=1](https://www.weibo.com/6364432679/profile?topnav=1&wvr=6&is_hot=1) for ease of access with Russian and Chinese customers searching for real estate in Thailand, and with commercials through various websites matching target customer groups such as [www.phuketall.com](http://www.phuketall.com), communication through electronic mail (E-Mail), advertisement through various other websites, and cell phone (SMS) messages. Communication in these forms also provides another way for customers to follow construction progress and the furnishings in each project.



#### 4.4 Distribution and distribution channel strategies

The Company employs a team sales strategy, using both teams of Thais and foreigners to present and accommodate the reporting of project information, in addition to the presentation of project details and advice for financial loans with customers. This is achieved when customers visiting the project both at the sales offices at the project, or at booths in various locations, receive project information from sales teams. The teams will explain both the philosophy and origin of the design, style, and distinctive points of the projects to attract customers into desiring ownership. Furthermore, they will provide project information such as room size, apartment prices, furnishings, and facilities provided, in addition to the environment surrounding the project areas. Sample rooms will be open for interested parties to observe at the site of the project. In addition to the Company's sales teams, the Company also possesses other sales methods through representative sales agents who act as customer procurement for the Company, both as juristic persons and as specialists with foreign customer bases. These agents are tasked to act as consultants and market analysts in addition to bringing customers to visit the projects. The Company possesses the policy of providing compensation payment at value or as a percentage proportional to the sales made at market value in order to incentivize motivation in the agents and/or in the sales agents' officers who played a supporting role or provided pressure for the sales to be made. Compensation payment will be made as to the agent and/or the sales agents' officers when the customer has made a deposit and/or has signed a sales contract and/or for apartments which have had their ownership transferred only. Furthermore, customers or parties interested in the projects may inquire for information by phone or by viewing the Company website at [www.rhombho.co.th](http://www.rhombho.co.th), where the customer may enter to study the introductory details of each project.

#### 4.5 Target groups

The Company's target customer groups include both Thais and foreign customers, as there are frequent events in which foreign customers often are a group who desire to purchase a second house, or a residence during periods of time in which their home country is currently undergoing winter, or a retirement residence. Main customers include foreigners residing in Europe, such as Russia, France, and Sweden. Another foreign customer group resides in Asia, such as China, Japan, and Hong Kong. As for customers of the Company, a fraction exists which purchase with the intent to invest and seek dividends (Yield) from rent and profit from future sales (Capital Gain). Thus, to answer the equation for this customer group, the Company created a market plan to stimulate sales with the "Guaranteed Yield" project. Another customer group of the Company includes those who work in Phuket province and desire a main residence. Since present traffic conditions in Phuket province are rather congested, some need to reside near places of work at tourist locations, while others wish for long-term relaxation in areas near Phuket city. The customers of the Company are mainly groups of Thai and foreign customers with middle to high salaries.

**Target group determination for the Company is as follows:**

Target customer groups	Monthly salary
High (A)	80,000 baht and up
Medium (B)	50,001 – 80,000 baht

In the years 2014-2018 the Company had foreign customers holding the rights of ownership to apartments both in the Freehold category (buyers can be owners or hold rights of ownership as real estate owners) and in the Leasehold category (real estate leasing within a determined period of time, with purchasers receiving rights of residence in but not ownership over the real estate).

**Table of customer proportions according to ownership units in years 2014 – 2018**

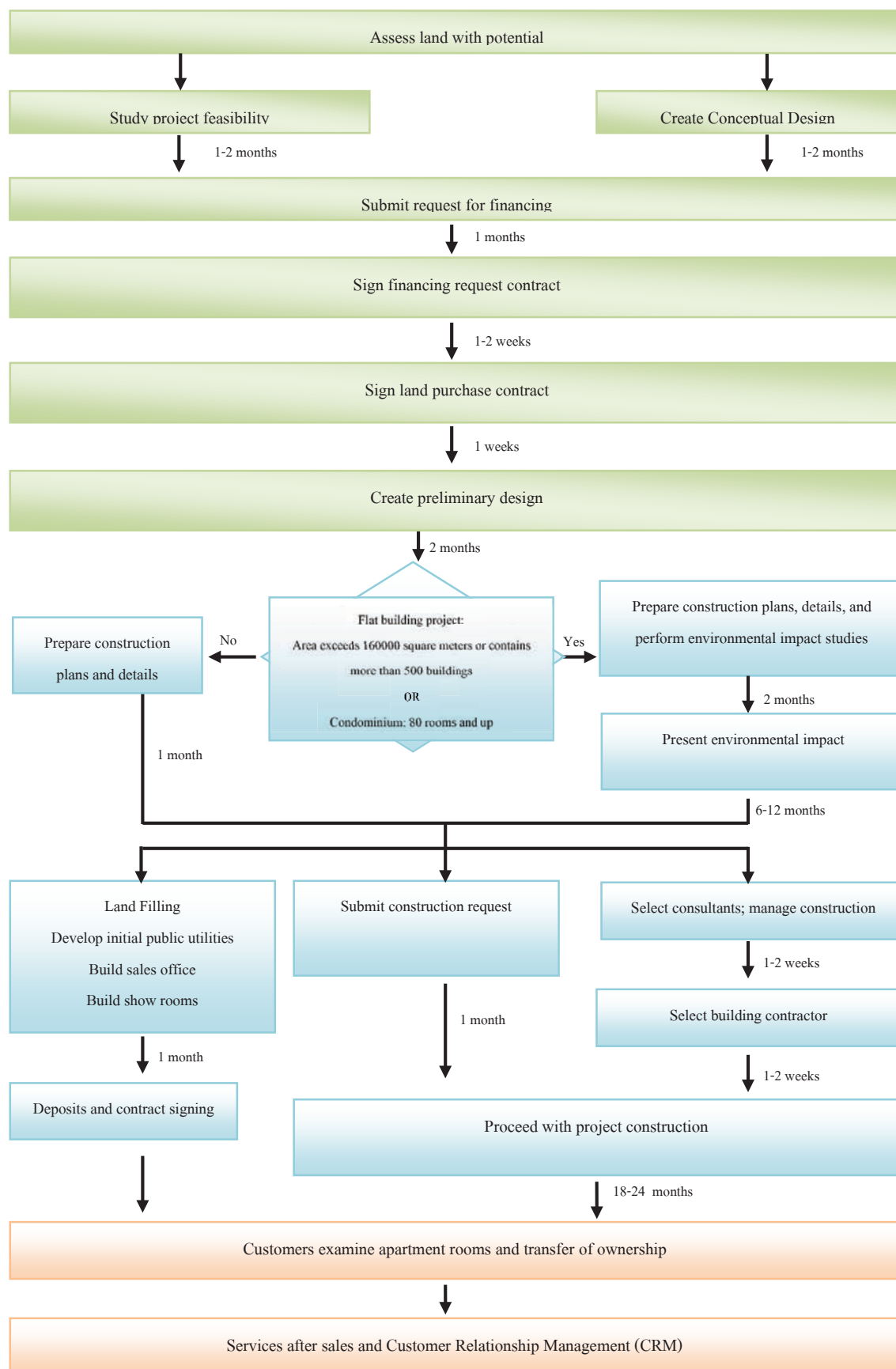
Target Group	Proportion of customers according to ownership units per year (percentage)*				
	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Thai	37.65	22.86	21.43	18.84	13.84
Asians (except Thais)	42.59	54.29	44.05	66.67	25.68
Europeans and others	19.75	22.86	34.52	14.49	60.49
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Sale Category	Proportion of customers according to ownership units per year (percentage)*				
	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Freehold	100.00	100.00	88.10	53.60	33.81
Leasehold	-	-	11.90	46.40	66.19
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\* Shows apartment ownership proportions for customers of all projects combined, which is composed of projects The Title Rawai Beach Phase 1, The Title Rawai Beach Phase 2, and The Title Rawai Beach Phase 3. These ownership proportions will change according to the number of apartments held in ownership (in the event of Freehold property) and with renting (in the event of Leasehold property) by customers per year. The proportion of ownership held by foreigners in buildings for each project still has not exceeded the proportions stipulated by law.

## 5. Development procedures for real estate projects

For the Company's real estate development procedures, an average estimated 24-36 months is used, with the corresponding steps briefly shown as follows:





### **5.1 Land Procurement**

The Company possesses many channels for land procurement through which to source project development, namely: land procurement from land sales agents, searches for land by company management experienced in the real estate business and well connected with individuals in various business circles, and land procurement through asset auctions from financial institutions or the Legal Execution Department. When the Company has received this information, the operations division will request documents from the seller to perform preliminary examinations on items such as the property deed and the initial proposed selling price. Then, the Company will assess the potential of the location and analyze the effectiveness and suitability of the size and shape of the land to see if it can be developed into real estate projects, such as areas near the beach, tourist locations, shopping centers, schools, and hospitals. From this point, the Company will proceed to perform feasibility studies for the project both in terms of marketing, finance, construction, or related legal statutes. Once the project feasibility study results have shown that project development has potential and can create suitable yield, the Company will determine the purchasing price and enter into negotiations with the property owner.

### **5.2 Building materials procurement and necessary materials for project development**

The Company possesses an internal division tasked with construction and independent construction supervision via management through the product development division. Furthermore, in the procurement of construction materials to be used for project construction, the product development division will perform the tasks of determining the quality and standards of construction materials to be used in project construction, and assess and calculate the cost of construction materials a second time. The ordering price of construction materials will be referred to from the construction budget, and when the project has commenced construction, the division will arrange the purchases to be made as needed on a daily basis through the purchasing division. Officers in the purchasing division will carry out purchasing in accordance with the procedures listed under the determining budget, which requires price examination, price negotiations, preparation of selection summary reports, attachment of price quote files from the sellers or service providers, and submission of these items to the requesting divisions for further selection and approval in procedural order. In the event that the prices of primary construction materials have changed, the Company will negotiate with the seller to make price adjustments in accordance with market prices, but if in the event that the Company has analyzed that the price of construction materials may increase, the Company will designate the purchasing division to negotiate with the seller for a purchase plan suitable for the duration of construction time in advance of construction to reduce the impact of price volatility for the aforementioned construction materials.

### **5.3 Project design and construction, procurement of building contractors, and labor recruitment**

The Company possesses an internal division tasked with building design, construction, and independent construction supervision. When a project begins development, the management, architecture division, and sales agents will attend a joint meeting to design and determine the shape and structure of the project to match the needs of the target customer groups for each project. The architecture division will be tasked with building design, landscape architecture, and preliminary interior design. Then, the division will coordinate with outsourced designers contracted by the Company who possess specialized skills in design and project construction formatting. The product development division would then be tasked in construction and construction supervision as planned, with the Company tasking the architects to supervise construction in accordance with the quality standards and scheduled time as planned. Meanwhile, to procure labor for project construction, the Company will hire outsourced contractors to procure outside labor.

The labor which the Company will outsource will include both construction labor tasked with building and facilities construction, and skilled architecture labor, which will perform interior decoration and installment of electrical systems and plumbing, such as wiring installment and pipe installment. Hiring outsourced labor is a cost-effective management of labor costs, as doing so helps significantly to save expenses when compared with the costs involved with creating a full division, which would incur expenses from employees and various benefits. Thus, the Company has adapted the policy of hiring contractors to procure outsourced labor to reduce these problems. The Company has set policies determining whether the contractor in each case is required to pass examination by the board of contractor examiners who will proceed to investigate and select based on various factors, such as experience, reputation, and past work, and in particular work of a nature close to the Company's projects, neatness of the completed work, punctuality of work delivery, in addition to consideration of the readiness to work and financial

status of the contracting company. The Company will also create a list of contractors (Supplier List) as a database to avoid dependence on any one contractor.

#### 5.4 Management of work for juristic persons in condominiums, and room services

The Company gives importance to its service of cohabitating building residents, and has tasked its divisions of operations and juristic actions to carry out work and act as coordinators concerning the management of condominium juristic persons, such as the management of shared funds to maintain normal working conditions, and collection of "shared funds" and "shared expenses" from the joint owners to be used to pay expenses in the upkeep and repair of shared facilities, and the supervision and maintenance of benefits both in the apartment rooms and rights to the shared assets of the joint owners and residents, in accordance with the spirit of the Condominium Act, under the Article of Rules and Regulations for Condominium Juristic Persons.

Furthermore, as of December 31, 2017, the Company had not carried out a collection of funds in the management of any project; however, the Company has plans to proceed with juristic person management fees for the project: The Title Rawai Phase 3 after the joint owners' meeting in the 2nd quarter of 2018, which was held to appoint condominium juristic persons to manage work. Meanwhile, the Company has not managed the condominium juristic persons for the projects: The Title Rawai Beach Phase 1 and The Title Rawai Beach Phase 2. Furthermore, the divisions of operations and juristic actions continue to perform their tasks in communicating with and coordinating work with the divisions of room services, sales and marketing to procure renters in accordance with marketing plans, such as the Guaranteed Rent project.

#### 6. Environmental impact

The Company has operated in accordance with the rules and regulations of government agencies in the matter of constructing asset projects, following the announcement of the Ministry of Natural Resources and Environment which determined that condominium projects with over 80 units, or housing developments with a total area of over 160000 square meters, or with over 500 buildings, would be required to arrange and submit an analysis report on environmental impact to the Office of Natural Resources and Environmental Policy and Planning. Moreover, the Company continues to operate in accordance with measures protecting against pollution which might impact the environment during and after construction, such as the arrangement of cloth covers over the buildings during construction to protect against falling building materials which would endanger passersby, and once construction has been completed, the installation of a central wastewater treatment system and green areas in the buildings, etc.

Furthermore, from past until present, the Company has never received any complaints of its operations endangering the environment and has never entered into any disputes or litigation concerning the environment.

#### 7. Work in process

On December 31, 2018, the Company possessed a number of units reserved with deposits and/or with sales contracts, but which had not yet undergone a transfer of ownership to a total of 471 units, valued at 1,402 million baht. Details for these units are in the following table:

Project	Project value (million baht)	Amount (units)	Construction Progress (%)	Number of units sold but not transferred		Estimated time until ownership transfer
				Amount (Units)	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	1,118	240	100.00%	9	44	Begins in 2019
The Title Nai Yang Phase 1	599	252	90.00%	252	599	Begins in 2019
The Title Nai Yang Phase 2	798	220	90.00%	210	759	Begins in 2019
Total	3,461	992	-	471	1,402	-

## **8. Research and development**

The Company aspires to continuously develop its residential projects to answer the needs of and create the highest amount of satisfaction for the Company's customers. The Company gives foremost importance to the design of the building exterior and apartment rooms, which are low rise condominiums emphasizing green colors and situated in distinctive locations. Project design is made with a unique design and with importance given to construction quality and surroundings, emphasizing a cool and pleasant atmosphere, as if one was relaxing in a hotel or resort. The aim is to create value and impress the customers, causing the projects developed by the Company to receive continual positive responses from customers. The Company also places importance on new innovations in product development and services offered. The Company follows changes in technology related to residence and to changes in consumer behavior, in addition to the gathering of customer satisfaction surveys and customer needs after a purchase of the Company's apartments from the sales division. The Company also performs analyses of various data items and uses this to develop new products, including building design, room design, room area, utilization of usable space, and various accommodations suitable for the modern needs and lifestyles of the target customer groups. Furthermore, the Company possesses a method for the customers to communicate their various opinions concerning the project for improvements and quality developments, so that customers may receive the highest level of satisfaction through this channel:

[https://www.facebook.com/pg/thetitlephuket/reviews/?referrer=page\\_recommendations\\_see\\_all&ref=page\\_internal](https://www.facebook.com/pg/thetitlephuket/reviews/?referrer=page_recommendations_see_all&ref=page_internal)



# Summary of Thai Economy and Real Estate Industry Overview

## Industry situation and competition

Agency of Real Estate Affairs ([www.area.co.th](http://www.area.co.th)) revealed that the overall condition of Thai economy in the first quarter of 2018 has grown by 4.8%, a number which is an improvement from 4.0% of the first quarter from previous year. This number is the highest within the past 20 years and when not accounting seasonal effect, the Thai economy in the first quarter of 2018 would grow by 2.0% from last 2017 4th quarter. It was estimated that Thai economy in 2018 would grow by 4.2-4.7% (average 4.5%). The study also showed that the real estate market industry reaches total sale including foreign buy at 576,396 Million Baht in total, among this number, 113,280 Million Baht was foreign buy or 20%. Most sale was real estate situated in Bangkok and surrounding area.

The year 2018 shows a trend of moving more toward foreign buyer, especially real estate developer who had partnered with foreign corporation in previous year who may gain advantage and reputation, thus making marketing for foreign buyer more viable.

Most foreign buyer decide to invest in real estate in Thailand because of relative cheaper price comparing to their own country. Most Chinese investor put more investment in Thailand because the price in Thailand is 20-25% cheaper and easier owning condition. The potential return is also higher comparing to real estate in China.

Meanwhile, market for foreign renter are most prominent as more than 70% of expatriate who works in Thailand hold high level position in managing level and above or other specialized position. Most of these occupations comes with residential compensation and so most expatriate choose to rent rather than buying.

However Thai economy has supportive factor from (1) improvement of world economic and product price in world market. This will expand export and production of industries continually. (2) support from government's policy and investment is still high and is likely to increase in the latter half of the year. (3) more prominent recovery in private investment with the increase of production in industry and the higher business development promotion, progress in government's investment project, and recovery of confidence in business sector. (4) improvement of income and better distribution. It is estimated that the value of export will grow by 8.9% while public consumption and saving will increase by 3.7% and 4.7% respectively. The rate of inflation will be 0.7-1.7% and current account surplus will be 8.4% of the country's GDP.

การเปลี่ยนแปลงตลาดที่อยู่อาศัย กทม.และปริมณฑล พ.ศ.2560-1					
ปี	จำนวน	จำนวน	มูลค่า	เฉลี่ย/หน่วย	จำนวนหน่วย
	โครงการ	หน่วย	(ล้านบาท)	(ล้านบาท)	เฉลี่ย/โครงการ
พ.ศ.2560	410	114,477	441,661	3.858	279
6 เดือนแรกของปี 2561	174	45,873	186,547	4.067	264
คาดการณ์ปี 2561 กรณี 1	348	91,746	373,094	4.067	264
การเปลี่ยนแปลง	-15%	-20%	-16%	5%	-6%
คาดการณ์ปี 2561 กรณี 2	383	100,921	410,403	4.067	264
การเปลี่ยนแปลง	-7%	-12%	-7%	5%	-6%
กรณีที่ 1 : ใช้ตัวเลขครึ่งปีแรกคูณด้วย 2   กรณีที่ 2 ให้ตัวเลขครึ่งปีหลังเพิ่มอีก 20% ของครึ่งปีแรก					
ศูนย์ข้อมูลวิจัยและประเมินค่าอสังหาริมทรัพย์ไทย					
บจก.เอเจนซี ฟอว์ เรียลเอสเตท แอฟแฟร์ส ( <a href="http://www.area.co.th">www.area.co.th</a> )					

## Thailand tourism industry

It was estimated that for the year 2018, Thailand will gain 3 Trillion Baht from tourism industry; 2 trillion from foreign tourist and 1 trillion from domestic tourist. However, since the incident of shipwreck in Phuket in past July, the number of Chinese tourists showed deceleration. This is mostly evident by the number from August-September where the number of Chinese tourists decreased by 0.87% and 11.77% respectively. From the study of confidence index of tourism operator in Thailand for the 3rd quarter/2018 and the trend for 4th quarter 2018 by Economy Faculty of Chulalongkorn University, the confidence index for 3rd quarter/2018 is 96 which is a small decrease from average. The number of foreign tourists increased by 8.90 Million person or 1.37% from the same quarter of previous year. This is due to fluctuation in world economy as a result of American's trade policy which has a deceleration effect on global trade. Foreign exchange rate showed depreciation trend with the flow of investment back to USA due to increasing interest rate phase and overall lower confidence in new economy country from the economic crisis in Turkey which still requires close attention. Recovery of oil price due to American's boycott of Iran also lead to lower global oil supply and other natural disaster event also plays a part in foreign exchange depreciation of Thai Baht. For 4th quarter/2018, the confidence index score is 103 which is higher than average. This number showed that the tourism industry will recover in time with tourist season, expansion of low-cost flight operator and more convenient traveling means, and with the tourism promotion of secondary destination. It is estimated that there will be 8.81 Million foreign tourists or 5.17% decrease from the same quarter of previous year. Overall, the number of foreign tourist in 2018 is estimated to be 37.19 Million or 5.08% growth from 2017, a smaller expectation from previous 39 Million estimation, and will bring about 1.97 Trillion Baht or 8.16% growth from 2017, a number short from target of 2 Trillion Baht. (Source of information: Thailand Tourism Council, 1st October 2018)



## Phuket tourism industry

Phuket is one of the provinces of Thailand locating in the south of the country. Phuket is the only province which is an island and thus had become one of the most prominent tourist destinations of the country, dubbed by many as "The Pearl of Andaman Sea". Phuket is a beautiful island, famous for white sand beaches that clearly contrast its blue and clear sea water. Phuket also has a unique cultural background and outstanding architecture, especially its Chino-Portuguese style, a place where the East meet the West. Phuket is a city that is marked with modern and international quality, while on the other hand also retain its unique culture.

Phuket is also one of the global most famous beach tourism destination due to its many offering of locale and activity. Phuket selling point was its beaches and all tourism activity, especially in entertainment, recreational activity, and water activity. Phuket as tourism center also benefits the whole area – incorporating surrounding island and nearby provinces.

Economically, it is estimated that in 2018 Phuket with grow by 11.5% from 11.0-12.0% annually, driven by service sector as the main force. The supply is expected to grow by 14.7% from 14.1-15.2% from expansion of service sector and other factor that helps increase foreign tourists such as new international flight route and employment of aircraft plane model. Contributing to the earlier, there was also a new direct flight from Phuket-Penang, Malaysia in June 2018. Even though the shipwreck incident did not has significant effect to number of cancel flights, the Chinese tourist who likes to travel by themselves or "Free and Independent Traveler" and European tourist with high purchasing power still grows well. Since October, the number of Chinese tourists started to recover due to Chinese National year season and "J" (Vegetarian) Festival, along with continue roadshow effort

by government and private sector in China to regain Chinese tourists' confidence. In 2018, number of tourists to Phuket is estimated at 20.5 Million people from 20.4-20.6 Million range. This number is an improvement from estimation made in June 2018 due to a trend of rising number of tourists passing immigration point due to a recovery of foreign economy. Most tourists are Chinese, Russian, and Australian. (Phuket Provincial Tourism Estimation [www.cgd.go.th/pkt](http://www.cgd.go.th/pkt))

### **Economic risk in 2018-2019 that needs close monitoring**

1. Government tourism policy
2. Policy to regulate Chinese tourist operator
3. Political uncertainty and election in 2019
4. Environment, degradation of natural resources, and beach closure for reef recovery effort
5. Natural disaster, drought, climate and pollution
6. Global fuel price and foreign exchange
7. Tourist safety and security such as shipwreck, terrorism, epidemic breakout.
8. American's trade protection policy and retaliation from trade partner

### **Condominium market in Phuket**

Expert in real estate holistic management revealed that the Research and Development Department of Plus Property had done southern region survey and discover an interesting finding, especially in Phuket and Hat Yai, Songkhla, and Hat Yai has high economic growth from both tourism and trading, and so drive the need for real estate for the similar purpose. Over more, the real estate market in Phuket and hat Yai also receive a supporting factor from infrastructure projects and constantly rising land price. The data by Treasury Department showed that appraised price of land from 2012-2015 and 2016-2019 grew by 19-53% for Phuket downtown area and 20-25% for Hat Yai.

The latest review of real estate market in Phuket in 2018 showed that the major market comprises of condominium at 80%, total supply of 13,702 units, demand occupies 11,062 units and sale performance is at 81%. The average sale price is around 100,000 Baht per sq.m. The zone with highest price increase is downtown, averaging 81,000 Baht per sq.m. or 13% increase from previous year. The new project expected to enter market this year will add 1,200 units which is consistent with demand of residential space from both the local and tourist which grows every year. Phuket, which is the center of southern region tourism, ranked 1st in regional tourism (value of 330,000 Million Baht or 12% of country) and ranked 2nd in the country in tourism second only to Bangkok. Phuket also has future project to build lightweight rail from Phuket International Airport to downtown, linking transportation from its center. This plan is well receipt as it will provide great convenient for traveling to other area. In addition, Phuket also plan to become a Smart City and this will even push the land price even higher. It is expected that the condominium offering price will continue to rise and the price of downtown area will increase at 8-10% annually due to better transportation infrastructure. (Source [www.thinkofliving.com](http://www.thinkofliving.com))



The best selling location are Surin beach, Kamala beach, Bang Tao beach, and area surrounding Central Festival Phuket. The projects in these areas focus on sale offer with guarantee rent income from 5% 3 years deal or 7% 3 years depending on the project operator. Most projects almost reach 49% foreign buyer limits and will offer long-term rent: 30+30+30 years for the remaining available units in order to meet the demand. The real estate market trend in Phuket will continue to grow. It was estimated that there will be more than 13 Million tourists to Phuket. Hotel and accommodation industry made more than 42 Billion Baht in previous year. The increasing tourist in Phuket are comprises of Chinese, Russian, and Australian. (www.posttoday.com/property/news/563939)



The real estate industry in 2018 in Phuket improved from 2017 for both housing estate and condominium project targeting both Thai and foreign buyers with wider price range. However, the price of both house and condominium will rise with the increasing land price. This is clearly reflected from the fact that most Phuket local and Thai people want to expand in the region and the significant increase in foreign investor who looks to move in, especially Chinese and Russian which shows higher investment.

### Summary of demand and supply of residential project in Phuket for the first half of 2018

The number of residential project open for sale in Phuket is 198 projects, total unit count of 27,125, total value of 160,208 Million Baht. Available supply in the market is 6,357 units or 37,518 Million Baht potential values dividing into the following.

1. 73 Housing state projects, 11,227 units, total value 50,551 Million Baht.
2. 85 Condominium projects, 15,179 units, total value 74,9000 Million Baht with 3,526 remaining as supply unit or 18,497 Million Baht.

The bestselling condominium location in Phuket is shown below

Location	Percentage	Value (million baht)
Talat Yai - Talat Nuea	93.8	5,800
Patong Beach	79.6	4,071
Nai yang beach - Mai Khao Beach	79.6	5,952
Karon Beach - Ka ta Beach	77.6	10,571
Bang Thao beach - Surin Beach	75.5	12,943

(Source : <https://www.ryt9.com/s/prg/2925324>)

## Summary of project customer by continent



## Real estate business competition in Phuket

Investment into real estate in Phuket also rises due to tourism of the province which remains popular with increasing foreign tourist number every year, resulting in increasing need for residential project for both the purpose of investment and living. Many condominium and housing estate projects came to answer these demands. In the past, most real estate project located in closer to the beach. However, many projects are now being constructed further and further due to popularity of Chinese investment in condominium and the fact that most project are close to sold out in the past 2-3 years – resulting in many projects are now under consideration.

With more real estate demand, also the price of land. The area surrounding downtown is now 3-5 Million Baht per Rai and 5-10 Million Baht for downtown. However, the location closer to popular attraction is 20-100 Million Baht.

There are now 97 projects in total of condominium project in Phuket for residential use and 62 projects developed as investment option for investor customer specifically, 33 projects of which offer high guarantee rent income of 7% for 3-5 years while the remaining offer 2-10% rent income for 2-20 years. The condominium with high guarantee rent price are those located in tourist hotspot or close to the beach in walking distance. These projects focus mainly foreign investor. On the other hand, the project in downtown focuses on Thai customer or local worker.

(Source: [www.cissagroup.com/2018/06/21/ลงทุนภูเก็ต-สะพัดต่อเนื่อง-2/](http://www.cissagroup.com/2018/06/21/ลงทุนภูเก็ต-สะพัดต่อเนื่อง-2/) June 21, 2018)



Currently, Phuket has many high value real estate projects in development; hotel, condominium, and resort. These developing projects will introduce no less than 23,000 hotel units, 8,000 condo-guesthouse units, 4,000 resort villa units. The real estate market in Phuket continues to gain interest among investors. From the upcoming project survey of community service and accommodation approved under Environmental Impact Assessment by Office of Natural Resources and Environmental Policy and Planning from

January-July 2018, the survey found 139 projects, 44 of which are investment in Phuket, 40 in Bangkok, and 24 in Chonburi respectively while the rest are in major cities. For Phuket in particular, 18 projects are hotel with 1,400 units total, 13 projects in condominium-resident with 1,600 units total, 7 land allocation of 118 Rai into 919 Plot, 2 Resort and Spa, and the reaming 4 are improvement of existing projects.

The survey also revealed that foreign investor from Russia, Italy, Britain, Australia, and Yemen joined with Thai investors in many projects. Most foreign co-investment are in condominium such as Calypso, Garden Residences, Utopia Loft, Babylon Sky Garden, A&K, for example. Real estate industry in Phuket continues to receive high attention from foreign investor such as Singapore, Hong Kong, Europe, whether for hotel, condominium, or housing and commercial building. The new 40 projects above are estimated to have 20 Billion Baht value and the number of large projects will continue to come in the future such as convention center, old age village for foreigner. Phuket still has great potential to grow and will continue to attract investor constantly due to its rich natural tourism resource and world class reputation. In addition, Phuket has supporting infrastructure, especially its Airport which can support high amount of tourist movement.

(Source : [www.prachachat.net/local-economy/news-206697](http://www.prachachat.net/local-economy/news-206697) August 19, 2018)

### Phuket infrastructure development plan 2015-2021



Source : TerraBKK Research



# Risk Factor

The risk factors that may affect company's performance, financial position, and investment return for ordinary share are as follows.

## **1. Risk from investment in high competition market**

As the current plan of the company prioritize investment in condominium project in potential area in Phuket, which is the area that the company has thorough study of the market and customer behavior, expansion to other region that the company has never developed any project may expose the company to many risk such as not knowing the market and customer behavior, or selecting location that does not suit the customer demand, different regulation apply, and others. However, for each investment, the company will under go careful assessment such as overall economic situation, competition in potential area, and real estate market.

The company believes that product with quality that is able to meet the market demand is the main factor in competing with similar competitor. With this reason, the company prioritize in developing condominium project that is able to meet all customer's requirement by developing project that is unique and located in area that transportation is convenient, along with having product that is designed for function and selection of top-quality furniture and fixtures in appropriate price range. This help the project developed by the company to gain reputation and good reception by both domestic and foreign buyer comparing to other competitor.

## **2. Risk from performance dependent on developing project**

On the 31st December 2018, the company has 2 projects that are pending for revenue acknowledgement once transfer of ownership is completed. These are The Title, locating in Nai Yang beach, which is during 1st and 2nd phase of development, having total value of 599 Million Baht and 798 Million Baht respectively. The company expected to acknowledge revenue from 4th quarter 2018 but was unable to do so as the appraised price by government authority will only be finished in January 2019. This is due solely with the government authority process and regulation and thus affecting the acknowledgement of revenue by the company to delay. Thus, the company runs the risk of not being able to acknowledge revenue on time as expected.

However, in 2018, the company acknowledge its revenue from The Title project in Rawai beach 3rd phase which is the acknowledgement continued from 2017. Revenue from juristic person management of the condominium and customer's rent room for the Title in Nai Yang phase 1 and 2 will be acknowledged from 1st quarter of 2019 onward.

## **3. Risk from performance due to delay of customer payment**

As the company is well aware of such potential risk, the company has the policy to bind all customer to pay for contract fee and down payment before the transfer of ownership. When the customer enter into an agreement with the company, the agreement will state the date of transfer once the project is completed for both ongoing project and completed project. Thai customer is required to pay for reservation of unit and down payment at 10-15% of unit value. However, foreign customer where payment could be harder to collect due to the fact that their country of residence is oversea and are only available to pay for the unit once the traveled to Thailand during tourist season, these foreign buyers are required to pay 50-75% of total unit price. This helps the company to select customer with real demand rather than investor who reserve the unit to make profit short-term. Thai customer is required to pay monthly installment from the date of making agreement until the project is completed which is on average 85-90% of unit price. On the other hand, foreign buyer is required to make down payment by the construction progress while the remaining balance is paid on the day of transfer for 25-50%.

In addition, the company also put in place a measure to collect payment from buyer, assigning operation department to follow-up with customer who had default payment on monthly basis and appointed financial department to collect default payment with following terms applied.

Down payment delinquency	Performance
More than 30 days from the due date.	Follow-on Calls via Email, Phone Calls, Line Application, WhatsApp Application.
More than 90 days from the due date.	Follow-on Calls via Email, Phone Calls, and Line Application, WhatsApp 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 booking by the customer / sign contract but not transfer of ownership to the project as of December 31, 2017**

Project	Sign contract but not transfer of ownership			Expected date of ownership transfer
	Amount (Units)	Value (million baht)	Proportion to total value Approximately (%)	
The Title Rawai Phase 1	-	-	-	-
The Title Rawai Phase 2	-	-	-	-
The Title Rawai Phase 3	9	44	3.14	Started Year 2019
The Title Nai Yang Phase 1	252	599	42.72	Started Year 2019
The Title Nai Yang Phase 2	210	759	54.14	Started Year 2019
<b>Total</b>	<b>471</b>	<b>1,402</b>	<b>100</b>	

**4. Risk from continuity of revenue and risk of revenue acknowledgment in real estate business which business relies in condominium project**

The company earn income from developing real estate that are mainly condominium projects. From its establishment to 31<sup>st</sup> December 2018, the company had developed total of 6 projects. During 2013-2018, more than 90% of company's revenue are from condominium development. this expose the company to risk if the market condition for condominium in the area or customer behavior enter the point of saturation or deterioration. These fluctuations will impact the company's performance significantly. Furthermore, the policy of company recognizes the revenue from real estate sale only when project is finished and the transfer of risk and ownership to buyer is completed ("Ownership transfer"). However, the company mitigate this risk by developing condotel business to reduce risk from developing only one type of product to generate revenue during some season. The demand for customer in this business also rises significantly. On this point, appointing Best Western Inc. will benefit the company as not only the brand helps to build customer's confidence, it also creates recurring income in the future.

**Value of sold unit pending for transfer and remaining asset of the project on December 31, 2018**

<b>Project</b>	<b>Sign contract but not transfer of ownership (million baht)</b>	<b>Residual value for sale (million baht)</b>	<b>Status</b>
The Title Rawai Phase 1	-	29	Ready to move
The Title Rawai Phase 3	44	8.5	Ready to move
The Title Nai Yang Phase 1	599	-	Ready to move
The Title Nai Yang Phase 2	759	40	Ready to move
<b>Total</b>	<b>1,402</b>	<b>77.5</b>	

**5. Risk from fluctuation of construction material pricing**

Construction material price index increases every year and the company is aware of such risk. To mitigate this risk, the company has specific department tasked with the construction and control directly. This helps the company to control construction by designed plan through construction control unit which will set the quality and specification of materials to be used for the project. The control unit estimates and calculates the Bill of Quantity of the project material such as concrete, brick, sand, stone, and others. These calculations also take into consideration the possible change of price in the future.

**6. Risk from procuring land for future project**

To mitigate risk from inability to procure land for future project, the company use various channel to scout and procure potential land such as using agency. Potential land searching and procuring is done by company's executive who are experienced in real estate business and share good relationship with people in various industries. The company will also look for potential land from auction from financial institution where most land are non-performing property. The company operation and legal team works to verify the source of land as many lands in Phuket often has conflict and dispute over. These processes include verifying SorKor.1 document. The company assess the potential of every land and possible suitable development to the context. Factors that play into consideration are customer's demand of residential estate, sufficient infrastructure, location's attraction such as beach, tourist destination, mall, school, hospital, or others.

**7. Risk from change in regulation that may impact real estate business**

As the company is aware of such risk, the company assigned its legal and operation team to follow the regulation closely in order that the company may adopt and comply to any change consistently and avoid possible conflict. This measure helps the company to stay on top of any change and able to adapt accordingly without having to make major change for potential project due to lack of knowledge of changing regulation.

**8. Risk of natural disaster**

As Phuket has a history of tsunami due to earthquake activity in Indian Ocean which had devastated 4 counties throughout, this risk has potential impact to tourism in Thailand especially to Phuekt, Phang Nga, Ranong, Krabi, Trang, and Satun, all of which lies on the coast facing Andaman sea. Thus, this risk may greatly impact the performance of company.



## **9. Risk of reduction in primary profit due to increased material price**

The first phase of company from 1989 to 2007 only aim to speculate on land price increase. However, after 2008 with the entrance of Dendanai Hutajutha group, the company see the potential in its land and so the group has purchased share from the previous shareholder and develop the company into real estate developer for sale. Thus, in the future, if the company developed other land which is not under the company's ownership, the company may run the risk of decrease of primary profit.

However, before any investment decision, the company undergo extensive and thorough research of the project potential from aspect of market, fiancé, construction, and applicable regulation. Once the potential is assessed and has satisfying result, the company will enter procurement process with the land owner.

## **10. Risk from dependency of sale agency**

As the company's major customer group are foreigners, the company also employed other sale channel beyond its own sale department. The company had hired sale agent to feed customer to the company. The list of agency consists of both incorporated entity and natural person who are experienced and has foreign customer base available. These agencies have the responsibility to provide consultant and analyze market and showcase the project to customer. With this dependency, the company runs a significant risk if the company lose these business partner. These agency does not hold executive or director relation to the company nor has any control.

## **11. Risk from financial sourcing and interest rate**

On the 31st December 2018, the company has total liability of 1,203.59 Million Baht, 269 Million of which has loan interest obligation or 15% of total liability. These are loans from financial institution and insurance company which is procured to finance the project during construction. Future project development will also require financial source and thus the company is exposed to the risk of financial sourcing and fluctuation of interest rate.

In 2017, the company is able to secure investment from offering ordinary share to the public for the first time. This measure will be able to help reduce the need of future loan and will mitigate interest obligation of the company.

## **12. Risk from control by major shareholder**

On the 31st December 2018, Mr. Dendanai Hutajutha group holds 64.19% of all paid shares. With this reason, minor shareholder is exposed to the risk of control as the major shareholder holds the power in almost all control whether in the matter of director appointment or passing resolution that requires major portion of vote, albeit except for company's regulation which requires 3/4 of all votes. With this portion makeup, other share holder will not be able to balance the control from Mr. Dendanai Hutajutha group who is able to sign and bind the company to obligation.

The company recognizes this risk and thus appointed 3 independent directors to form the makeup of 8 directors total. In the present, all 3 independent directors serve as auditor director who will serve to check the operation of the company and will balance the vote to some extent. The auditor director must at all-time be independent, qualified, experienced, and competent in helping to protect minor shareholder from any decision or omission of decision or negligence. The directors work by the policy to uphold the best interest of shareholder. If the company has necessity to engage with person of possible conflict of interest, the company will strictly comply with the company's regulation and those by SET. The person whose interest are intertwined with the decision may not be eligible to vote on such matter. The regulation of the company on director appointment also assign the power with the meeting of shareholder to organize director searching and appointment process. Thus, after the company is registered as public company, the company allows shareholder to consider the qualification of director and to select the director itself.

### **13. Risk from dependency of executive**

The executive of the company is the one who pioneer and develop the business of the company from the beginning. These include Mr. Dendanai Hutajutha, Mr. Darong Hutajutha, Mr. Sasingpong Pinakew, Mr. Prasert Wancharoen, all of which are experienced and expert in real estate development who are involved in the past continual success of the company. The executives are experienced in selecting land with high potential to develop in the right price, project development cost management, directing business strategy and product position, and other project analysis and planning. Changing in these executives may has negative impact toward company's performance.

However, as the company acknowledges this risk, the company had put in place a framework that will build succession personnel to mitigate the risk in this regard. The company provides our personnel with training and workshop in skill and competency necessary for their scope of obligation and consider personnel compensation and award appropriately to stimulate better performance and reduce dependency of any single personnel. The company also has policy to acquire new talent into our team who will help serve the consistency of company's business plan, effectively reducing the risk of dependency on executive and guarantee company's sustainability into the future.

# Shareholding Structure and Management

## 1. Registered capital The Company's paid-up capital as of December 31, 2018 is as follows:

Registered capital	:	220,000,000 Baht
Paid-up capital	:	219,999,519.50 Baht
Divided into ordinary shares	:	439,999,039 Shares
Par value	:	0.50 Baht

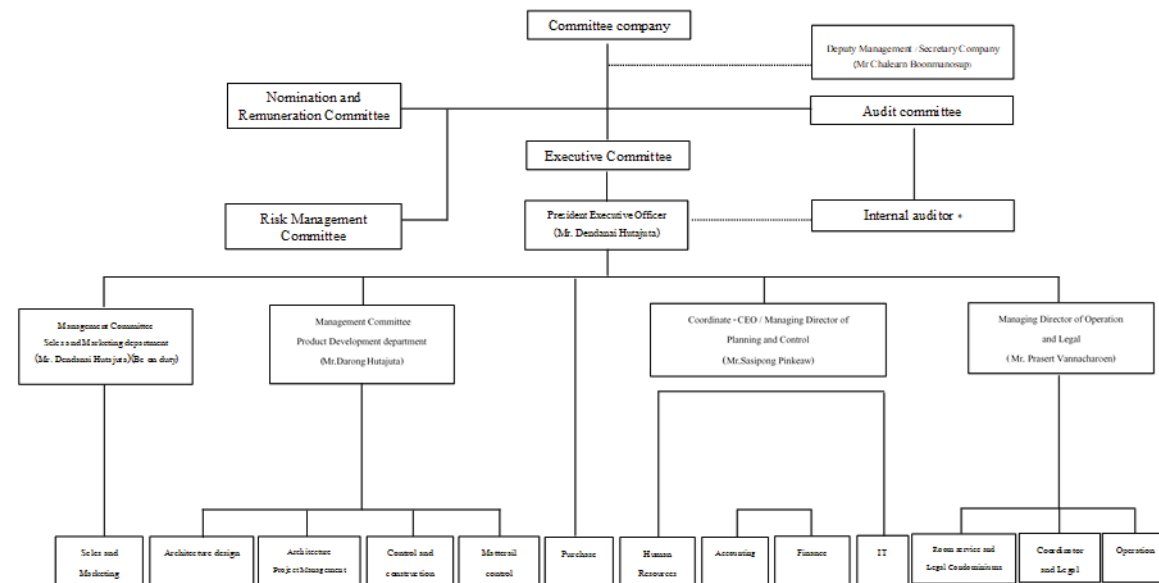
## 2. Shareholders

Name of shareholders of the Company As appeared in the list of shareholders as of March 22,2019.

No.	Name of shareholders	Numbers of stocks (Stocks)	Proportion of stocks shareholders (%)
1	Mr. Dendanai Hutajuta	252,830,000	57.46
	Mr. Darong Hutajuta	19,280,000	4.38
	Mr. Viroj Hutajuta	5,940,000	1.35
	Miss Phicham Hutajuta	4,290,500	0.97
	<b>Grouping of Mr. Dendanai Hutajuta</b>	<b>282,340,500</b>	<b>64.16</b>
2	Mr. Sasipong Pinkaew	19,280,000	4.38
	Mr. Sasin Pinkaew	4,204,340	0.95
	<b>Grouping of Mr. Sasipong Pinkaew</b>	<b>23,484,340</b>	<b>5.33</b>
3	The Stock Exchange of Thailand for your investment	8,884,600	2.01
4	BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED	5,401,480	1.22
5	Ms.Cheraya Udomvongsup	4,600,000	1.04
6	Miss. Chanida Thumma-amornsin	4,369,060	0.99
7	Mr. Prasert Vannacharoen	4,270,000	0.97
	Other shareholders	106,649,059	24.28
	<b>Total</b>	<b>439,999,039</b>	<b>100</b>
	<b>Total paid-up capital</b>	<b>219,999,519.50 baht</b>	
	<b>Thai shareholders</b>	<b>987</b>	<b>99.99</b>
	<b>Foreign shareholders</b>	<b>3</b>	<b>0.01</b>



## Organization Chart of December 31,2018



\* 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, 2018 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. Suwit Lamsam	Chairman of the Board of Director / Chairman of the Audit Committee / Independent Director
2. Mr. Viroj Hutajuta	Board of Director
3. Mr. Dendana Hutajuta	Board of Director
4. Mr. Sasipong Pinkaew	Board of Director
5. Ms. Chera Y Udomvongsup	Board of Director
6. Mr. Darong Hutajuta	Board of Director
7. Mr. Chaivuth Chittrakhani	Audit Committee Member / Independent Director
8. Mrs. Jittima Sajjavanij Intujunyong	Audit Committee Member / 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 Cheraya 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 2017 – 2018.

Name of committees	Meetings number / All meetings after the reception position.	
	Year 2017	Year 2018
1. Mr. Suwit Lamsam <sup>2/</sup>	5/5	5/5
2. Mr. Viroj Hutajuta	5/5	5/5
3. Mr. Dendanai Hutajuta <sup>1/</sup>	5/5	5/5
4. Mr. Darong Hutajuta <sup>1/</sup>	5/5	5/5
5. Mr. Sasipong Pinkaew <sup>1/</sup>	5/5	5/5
6. Ms.Cheraya Udomvongsup	5/5	5/5
7. Mr. Chaivuth Chittrakhani <sup>2/</sup>	5/5	5/5
8. Mrs. Jittima Sajjavanij Intujunyong <sup>2/</sup>	5/5	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. Suwit Lamsam	Chairman of the Audit Committee / Independent Director
2. Mr. Chaivuth Chittrakhani	Audit Committee Member / Independent Director
3. Mrs. Jittima Sajjavanij Intujunyong	Audit Committee Member / 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 oc company and have independent to help balance management of the company.

Details attendance of Member of audit committee for the year 2017 – 2018 include.

Audit Committee name <sup>1/</sup>	Meetings number / Total number of meetings	
	Year 2017	Year 2018
1. Mr. Suwit Lamsam	4/4	4/4
2. Mr. Chaivuth Chittrakhani	4/4	4/4
3. Mrs. Jittima Sajavanij Intujunyong	4/4	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 management committee consists of 3 persons include.

Risk management committee name <sup>1/</sup>	Position
1. Mr. Chaivuth Chittrakhani	Chairman of the Risk Management Committee
2. Mr. Prasert Vannacharoen	Risk Management Committee Member
3. Mr. Sasipong Pinkaew	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 2018, the Risk Management Committee attended and chaired the meeting to review and manage the risk of the Company on November 12, 2018.

### Summary of major approval authority schedules.

Subject	Chief executive officer	Executive Committee	Board of Directors	Shareholder
1. Annual investment budget preparation	-	-	✓	
2. Loan and debt instruments per time	Less than 20.00 Million baht	Less than 50.00 Million baht	More than 50.00 Million baht	
3. Approval of purchase of land, product, construction contracting / design / construction control And other work related to the project	Less than 20.00 Million baht	Less than 50.00 Million baht	More than 5.00 Million baht	
4. Approval of discounts for condominium units to customers	Less than 0.50 Million baht or Less than 10.00% of room price whichever is lower	Other cases	-	
5. Approval for the purchase of tangible fixed asset.	0.50 – 2.00 Million baht	2.00 – 5.00 Million baht	More than 5.00 Million baht	
6. Determination of conditions and commission rates for sales	-	✓	-	
7. Donation for public charity	0.10 – 0.40 Million baht	0.40 – 1.00 Million baht	1.00 – 2.00 Million baht	Less than 10% of net profit After tax accounting period the previous year.

#### 4. Nomination and Compensation Committee

Nomination and compensation committee consists of 4 persons include.

Nomination and compensation committee name <sup>1/</sup>	Position
1. Mrs. Jittima Sajjavanij Intujunyong	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.16/2015 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 November 12, 2017.

#### 5. Executive Committee

Executive Committee consists of 3 persons include

Executive committee name	Position
1. Mr. Dendanai Hutajuta	Chief Executive Officer
2. Mr. Darong Hutajuta	Board of Director
3. Mr. Sasipong Pinkaew	Board of Director

#### 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	Chief Executive Officer/ 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. Ms. 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 comiitee and exclutive 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 comiitee 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 2018, held on April 24 2018, resolved to fix the remuneration of directors in the year 2018 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
Board of Directors	20,000	15,000	15,000	12,000
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 2018 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 2016-2018 is summarized as follows:**

Committee name	Year 2016			Year 2017				Year 2018			
	Allowance	Monthly	Total	Allowance	Monthly	Bonus Committee	Total	Allowance	Monthly	Bonus Committee	Total
1. Mr. Suwit Lamsam <sup>2/</sup>	140,000	75,000	<b>215,000</b>	100,000	180,000	100,000	<b>380,000</b>	100,000	180,000	100,000	<b>380,000</b>
2. Mr. Viroj Hutajuta	90,000	50,000	<b>140,000</b>	75,000	144,000	100,000	<b>319,000</b>	75,000	144,000	100,000	<b>319,000</b>
3. Mr. Dendanai Hutajuta <sup>1/</sup>	-	-	-	-	-	200,000	<b>200,000</b>	-	-	185,000	<b>185,000</b>
4. Mr. Darong Hutajuta <sup>1/</sup>	-	-	-	-	-	200,000	<b>200,000</b>	-	-	185,000	<b>185,000</b>
5. Mr. Sasipong Pinkaew <sup>1/</sup>	-	-	-	-	-	200,000	<b>200,000</b>	-	-	185,000	<b>185,000</b>
6. Ms. Cheraya Udomvongsup	-	-	-	-	-	-	-	-	-	100,000	<b>100,000</b>
7. Mr. Chaivuth Chittrakhani <sup>2/</sup>	105,000	50,000	<b>155,000</b>	75,000	144,000	100,000	<b>319,000</b>	75,000	144,000	100,000	<b>319,000</b>
8. Mrs. Jittima Sajjavani Intujunyong <sup>2/</sup>	105,000	50,000	<b>155,000</b>	75,000	144,000	100,000	<b>319,000</b>	75,000	144,000	100,000	<b>319,000</b>
<b>Total</b>	<b>440,000</b>	<b>225,000</b>	<b>665,000</b>	<b>325,000</b>	<b>612,000</b>	<b>1,000,000</b>	<b>1,937,000</b>	<b>325,000</b>	<b>612,000</b>	<b>1,055,000</b>	<b>1,992,000</b>

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	Year 2016	Year 2017	Year 2018
President Compensation consists 5 persons	16,075,868	18,823,586	29,989,463

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

**Other Remuneration** -No-

## Audit Fee

### 1. Audit Fee

The company paid its Audit Fee and reviewed its Financial Report for the fiscal year 2018. The details of the audit fee's are as follows

Audit Fee	Year 2018 (Baht)
1. Annual audit fee	800,000
2. Review of interim financial statements	750,000
<b>Total</b>	<b>1,550,000</b>

In Year 2018, The company paid annual audit fee and review of interim financial statements to Siam Truth Co.,Ltd. These are all related parties to the Auditors and the Audit Office is not a related party to the company.

### 2. Non-Audit Fee

In Year 2018, The company paid for non-audit fee to the auditors such as transportation and other expense etc. Total 205,735.80 Baht

## Personnel

### Total Employees

Total number of employees (Excluding management) as at December 31, 2016 to December 31, 2018, there were 51 persons, 70 persons and 96 persons respectively, consisting of the following employees:

Department	December 31, 2016	December 31, 2017	December 31, 2018
Seles and Marketing	7	15	15
Purchase	3	3	2
Architecture design	3	3	5
Architecture Project Management	2	3	2
Control and construction	6	11	15
Matterail control	1	2	1
Human Resources	1	1	4
Accounting	8	10	11
Finance	2	2	2
IT	2	2	4
Room service	3	3	14
Legal Condominiums	3	4	9
Coordinator and Legal	3	3	3
Operation	6	7	8
Company Secretary	1	1	1
<b>Total</b>	<b>51</b>	<b>70</b>	<b>96</b>

### Employee Remuneration

The remuneration of employees (excluding executives) in the year 2016 to year 2018 are Baht 23.48 million, Baht 29.97 million and Baht 46.67 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 Full fund 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.



# The Corporate Governance

## Section 1 Title

### Code of Ethics

The Company shall take steps to ensure that officers related to business undertakings comply with the Code of Ethics as follows:

1. Operate business honestly and in good faith, adhere to socially responsible business practice, both legally and ethically, and strive to produce positive impact on the community, society, and environment;
2. Treat all customers fairly and without discrimination with regard to products and services;
3. Set up a standard operating system and control. Utilize full knowledge and ability with care based on informed information and referenceable evidence. Strictly comply with relevant laws and regulations.
4. Do not disclose confidential information of customers obtained from business undertakings unless it is required to be disclosed by law and duty.
5. Customers shall be allowed to file a complaint about products and services.
6. Provide information about products and services fully and accurately.

Comply with agreements and terms made with customers fairly. If unable to comply with such agreements and terms, notify customers promptly to find solutions

### Code of Conduct

#### 1. Good Corporate Governance Policy

All personnel must comply with the Good Corporate Governance Policy of the Company to demonstrate that the Company recognizes the importance of protecting the interest of all stakeholders, including shareholders, customers, and employees, as well as the reputation of the Company.

#### 2. Relationship with Shareholders

Perform duties honestly and in good faith. The Board of Directors must make decisions in the best interest of shareholders and conduct any actions with fairness to all shareholders.

#### 3. Basic Code of Conduct for the Board of Directors

Perform designated duties honestly and in good faith, fully utilize knowledge, skills, and experiences for the benefits of the Company, and promote good corporate governance culture.

#### 4. Basic Code of Conduct for President/Chief Executive Officer

Determine business policies to achieve the goals of the Company, protect the interest of shareholders, customers, and employees, and promote good corporate governance culture.

#### 5. Employee Policy and Treatment

The Company provides fair employee compensation; maintains safe workplace environment; appoints, transfers, rewards, and punishes employees fairly based on the knowledge, ability, and suitability of individual employees; provides professional development to all employees regularly; and strictly complies with laws and regulations related to employees.

#### 6. Employee Conduct Policy

All employees must perform their duties with determination, honesty, transparency, and accountability and refrain from giving valuable gifts to superiors or accepting gifts from subordinates. Superiors shall act respectfully and employees shall not act in a way that disrespects their superiors. Employees must respect the right of each other and management; maintain self-discipline; comply with rules and regulations of the Company, either oral or written; promote and maintain harmonious environment and unity; and avoid any acts that may affect the reputation and image of the Company or cause problems to the Company.

## **7. Employee Compensation Policy**

The determination of employee compensation shall focus on compensation and welfare based on business standards as with professional development and employee motivation to ensure that employees perform efficiently and effectively. Moreover, the Company gives an opportunity for employees to express their opinions to improve their works and promotes relationship between organizational units.

## **8. Relationship between Code of Conduct and Laws**

The Company's Code of Conduct must be developed and improved so as to be appropriate and consistent with laws.

## **9. Customers**

Deliver products and services with quality that meets or is higher than customer expectation under fair terms and conditions. Provide accurate, adequate, and up-to-date information about products and services and avoid exaggerated statements that cause customers to misunderstand the quality of the products and services. Protect customers' confidential information and do not use such information for personal benefit or the benefit of others. Communicate with customers politely, efficiently, and trustworthily and respond to customers' need promptly. Set up a system and channels through which customers can file a complaint about the quality and safety of products and services.

## **10. Conflict of Interest**

Directors, executives, and employees must avoid any act that conflicts with the interest of the Company and the Company must take steps to prevent conflict of interest between concerned parties. No executives or employees shall have the right to act in contradiction with laws and the Company's Code of Conduct. Decisions and actions of executives and employees must always be made in the best interest of stakeholders over their own interest. If a conflict of interest occurs or a director, executive, or employee is involved in a situation that may lead to a conflict of interest, that person shall notify his/her superior or relevant unit in order to rectify such situation fairly and in a transparent manner.

## **11. Insider Information**

Every personnel of the Company must comply with the Company's insider information policy.

## **12. Competition**

The Company is committed to a free and fair trade and competition. In negotiating business, directors, executives, and employees must refrain from demanding, accepting, or giving any dishonest benefit from and to business partners and/or creditors.

## **13. Public Relations**

The Company shall not distort, conceal, and/or give false information in any publication or advertisement and shall disclose information of the Company as required by relevant laws.

## **14. Social and Environmental Roles**

The Company encourages directors, executives and employees to be a part of society by regularly participating in social, community, and environmental activities organized by the Company, government organizations, and communities to improve the quality of life in communities. Such participation will help develop the economy and society which will in turn contribute to the success of the Company. The Company has a policy to regularly support the protection and conservation of the environment as well as local traditions and cultures.

## **15. Accepting or Giving Gift or Entertainment**

Directors, executives, and employees shall not demand, accept, or agree to accept money, items, or any benefit from persons related to the Company's business. However, directors, executives, and employees may accept or give gifts provided that such act is in accordance with tradition, does not influence any business decision making of the receiver, and is carried out in a transparent manner or in public and can be accountable.

## 16. Internal Control, Internal Audit, and Financial Report

The Company's management is responsible for preparing accurate, complete, and timely financial reports including annual and quarterly financial statements in accordance with Generally Accepted Auditing Standards. Moreover, management shall set up efficient internal control and audit systems to ensure compliance with relevant laws and standards, which are audited by Internal Audit and reviewed by the Audit Committee.

## 17. Monitoring Compliance, Reporting and Disclosing Misconduct

There are five principles as follows:

- 17.1 The Company requires all directors, executives, and employees to acknowledge, understand, and strictly comply with the Code of Conduct.
- 17.2 The Company punishes violators of the Code and praises those who strictly comply with the Code in accordance with the disciplinary penalties, policies, and work regulations.
- 17.3 The Company sets procedures for monitoring, inquiring, and reporting suspected violation of the Code of Conduct or receiving complaints through various channels based on the nature of the disciplinary misconduct and a chain of command as follows:
  - Superior in the chain of command
  - Internal audit
  - Audit Committee

In reporting suspected violation of the Code, minor wrongdoings shall be reported to a superior in the chain of command whereas serious wrongdoings including corruption and fraud shall be reported to the highest ranking executive in a department. If the misconduct case involves the highest ranking executive in a department, an employee may report it to the Internal Audit directly so that it can investigate the case and report the investigation results to the Audit Committee.

17.4 The Internal Audit shall prepare a compliance monitoring report and submit the report to the Executive Committee and Audit Committee.

17.5 The Code of Conduct shall be reviewed once every three years or when appropriate and necessary.

## Section 2 Corporate Governance Policy

The Company has complied with the code of best practice to promote transparency and efficiency in business operations, which will create trust and confidence amongst shareholders, investors, and all relevant parties. The Board of Directors has thus established the Principles of Corporate Governance in accordance with the Good Corporate Governance Guidelines set by the Stock Exchange of Thailand. The Company's Principles of Corporate Governance comprise five principles as follows:-

### Principle 1: The Rights of Shareholders

The Board of Directors recognizes and respects the basic rights of shareholders as the company's owners and stock investors, including the right to buy, sell, and transfer shares; obtain adequate information about the Company; share in the profits of the Company; participate and vote in a shareholders' meeting; express opinions; and participate in key Company's decisions such as dividend allocation, election and removal of members of the Board, appointment of external auditor, and approval of extraordinary transactions.

In addition to the foregoing basic rights of shareholders, various attempts have been made by the Company to facilitate exercise of shareholders' rights as follows:

#### 1. Annual General Meeting

- 1.1 The Company shall hold an annual general meeting within four (4) months from the end of an accounting period. An invitation letter containing adequate information, meeting agenda, and opinions of the board for each agenda item shall be sent to shareholders at least seven days prior to the meeting. In case of important agenda, an invitation letter shall be sent to shareholders at least fourteen (14) days prior to the meeting to provide shareholders sufficient time to review. Examples of such important agenda include approval of private placement of shares, employee stock ownership plan (ESOP), change in capital

structure, connected transactions, acquisition and disposition of significant assets, and delisting. The Company shall also announce the notice of shareholders' meeting in newspapers for three (3) consecutive days prior to the meeting.

- 1.2 Shareholders who are unable to attend a meeting in person may appoint an independent director or any person as a proxy to attend a meeting on their behalf using an appropriate proxy form enclosed with an invitation letter. Prior to a shareholders' meeting, the Company shall give an opportunity for shareholders to send comments, suggestions, and questions in advance to the Company Secretary's email address [charoen.b@rhombho.co.th](mailto:charoen.b@rhombho.co.th).
- 1.3 The Company shall select a suitable place with good transportation to hold a shareholders' meeting at appropriate date and time and allocate adequate time for the meeting.
- 1.4 At a shareholders' meeting, all shareholders shall be given the opportunity to make inquiries, suggestions, and comments. Directors and relevant executives attending the meeting shall give clear responses to the queries from shareholders.
- 1.5 The Company shall prepare the minutes of shareholders' meeting and submit it to the Stock Exchange of Thailand within fourteen (14) days from the meeting date in accordance with the regulations set by the Stock Exchange of Thailand and disclose the details of the meeting appropriately and completely.

## **2. Election and Removal of Directors and Determination of Directors' Remuneration**

### **1.1 Election of Directors**

Shareholders have the right to elect directors individually. The Company shall nominate qualified candidates and send their names together with short biographical details to shareholders to review and consider appointing as directors at a shareholders' meeting.

### **1.2 Removal of Directors**

A shareholders' meeting may pass a resolution to remove any director before the expiration of his or her term in accordance with laws and the Company's Articles of Association with the vote of not less than three-fourths (3/4) of the number of shareholders present at the meeting and entitled to vote, representing not less than one half of the total number of shares held by shareholders present at the meeting and entitled to vote.

### **1.3 Determination of Directors' Remuneration**

Shareholders have the right to determine the remuneration of directors, either in monetary and/or non-monetary forms, at an annual shareholders' meeting. The Company shall also inform shareholders of the rules and policy for determining remuneration of each position held by the directors, either in monetary and/or non-monetary forms, on a yearly basis.

## **3. The Right to Appoint External Auditor and Determine Audit Fee**

The Company requires that an appointment of external auditor and determination of audit fee be approved by shareholders at an annual ordinary meeting of shareholders. The Company's auditor must be independent and approved by the Securities and Exchange Commission. Information of the nominated auditor including the affiliated audit office, experience, independence, years of audit service for the Company (in case of re-appointment), and audit fee and/or other fees (if any) shall be enclosed with a letter of invitation to a shareholders' meeting and published on the Company's website for shareholders to review prior to the meeting.

## **4. The Right to Share in Profits**

The Company shall allocate the profits to shareholders in the form of dividends, provided that such allocation is approved by shareholders at an annual ordinary meeting of shareholders or extraordinary meeting of shareholders or Board's meeting as required by laws.

## **5. The Right to Obtain Information, Operating Results, and Management Policies on a Timely and Regular Basis**

The Company has a policy to disclose information to shareholders transparently, accurately, completely, and fairly. Every shareholder has the right to access and obtain information, operating results, and management policies of the Company adequately, regularly, timely, and fairly by contacting the Company or through other channels such as the Company's website [www.rhombho.co.th](http://www.rhombho.co.th) or email [info@rhombho.co.th](mailto:info@rhombho.co.th)



## Principle 2: Equitable Treatment of Shareholders

The Company shall treat all shareholders fairly and equally. Processes and procedures for shareholders' meeting shall allow for equitable treatment of shareholders. Voting right shall be based on the one share - one vote principle. The Company allows shareholders who are unable to attend a shareholders' meeting in person to appoint an independent director or any person as a proxy to attend the meeting on their behalf using an appropriate proxy form enclosed with an invitation letter. The Company shall record a meeting accurately and clearly and submit the meeting minutes to the Stock Exchange of Thailand and Securities and Exchange Commission within fourteen (14) days of the meeting date. The meeting minutes shall also be published on the Company's website.

Furthermore, the Company has set measures to prevent insider trading by directors, executives, and employees working with insider information (including their spouses and minor children). All relevant persons are prohibited from trading the Company's securities for at least thirty (30) days prior to the disclosure of the quarterly and annual financial statements and within twenty four (24) hours after disclosing such information to the public and from disclosing such information to other parties.

The Company shall inform directors and executives of their duty to report their holdings of the Company's securities and penalties in compliance with the Securities and Exchange Act B.E. 2535 and Regulations of the Stock Exchange of Thailand. Directors and executives must also report any changes in their holdings of the Company's securities and securities held by their spouses and minor children to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 within three (3) business days of the trading date.

## Principle 3: The Role of Stakeholders

The Company places importance on the rights of all stakeholders, be they internal stakeholders such as employees and executives of the Company or external stakeholders such as competitors, partners, and customers. The Company recognizes that supports and comments from stakeholders will benefit its operations and business development and has therefore complied with relevant laws and regulations to ensure that the rights of stakeholders are protected.

Furthermore, the Company has promoted cooperation between the Company and its stakeholders to build security for the Company according to the following guidelines:

**Shareholders:** To represent shareholders in business operations and create the highest levels of shareholder satisfaction, the Company requires its employees to comply with the following guidelines:

- Perform their duties with honesty and in good faith and make any decision cautiously and fairly in the best interest of all shareholders;
- Manage operations to ensure that the Company has good financial status and operating results and truthfully and fully disclose the Company's financial status, operating results, and financial, accounting, and other reports on a regular basis through such channels as Company's website, newspaper, and written letter;
- Inform all shareholders of future trends that may affect the Company, both positively and negatively, based on actual possibility and supported by sufficient data and reasons;
- Do not use any undisclosed information of the Company to gain benefits for oneself and for others or engage in any act that conflicts with the interest of the Company;
- Ensure that procedures for shareholders' meeting allow equitable treatment of all shareholders.

**Employees:** The Company recognizes the importance of employees and has adopted a policy to ensure that its employees are treated fairly in relation to opportunity, compensation, appointment, transfer, and professional development as follows:

- All employees shall be treated with dignity, respect, and proper regard of their privacy rights;
- A safe working environment shall always be maintained to protect employee life and property;
- Appointment, transfer, reward, and punishment must be carried out with fairness and based on knowledge, ability, and appropriateness of individual employee;
- Importance shall be placed on enhancing employees' knowledge and skills on a regular basis, including organizing seminars and training;

- The Company shall determine employee compensation fairly based on market rate, business competition, job title, performance, and Company's ability to pay such compensation;
- The Company shall avoid any unfair action that may impact employee performances;
- The Company shall inform all employees of employee welfare policy and prepare an employee handbook containing information such as work rules and regulations, group health insurance, group life insurance, and provident fund;
- The Company shall give employees an opportunity to voice their suggestions or report complaints about work and shall determine remedies that benefit all parties and promote teamwork.

**Competitors:** The Company strives to achieve sustainable success and become a leading company under a fair competition. It shall adhere to the following business practices regarding competition:

- Operate business in accordance with fair competition rules;
- Do not use unethical and improper means to seek competitors' confidential information;
- Do not falsely accuse or act to damage the reputations of competitors;
- Do not engage in any act that violates intellectual property rights of competitors or others.

**Partners:** The Company treats its business partners with honesty and shall strictly comply with agreements and promises made with partners. Partners shall be chosen fairly in accordance with the Company's partner selection and assessment rules to prevent corruption and misconduct in a procurement process.

**Customers:** The Company recognizes the importance of customers and has adopted a customer service policy as follows:

- Provide services in a polite and enthusiastic manner. Receive customers sincerely and wholeheartedly. Deliver fast, accurate, and reliable services.
- Protect customers' confidential information and do not use such information for personal benefit or the benefit of others;
- Provide accurate, adequate, and up-to-date information about products and services. Avoid exaggerated advertisements that cause customers to misunderstand the quality or terms and conditions of the Company's products and services;
- Offer recommendations about the Company's products and services efficiently and in customers' best interest.

**Creditors:** The Company is committed to conducting its business with principle and discipline to create trust among creditors, taking in consideration the Company's best interest and on the basis that both parties benefit fairly. Attempts shall be made to avoid a conflict of interest and negotiation and remedy must be done on a basis of business relationship. The Company shall adhere to the following practices:

- Refrain from demanding, accepting, or paying of dishonest benefits in dealing with creditors;
- When there is evidence of demanding, accepting, or paying of dishonest benefits, the Company must disclose such information to the creditor and work together with the creditor to solve the problem fairly and promptly;
- Strictly comply with agreed terms and conditions. Where any term and condition cannot be followed, the Company must promptly notify the creditor in advance in order to find solutions together.

**Communities and society:** The Company is part of a community that will advance together towards social and environmental development for sustainability. It has continued to conduct social and community activities while operating business under CSR principles as follows:

- Adopt a business operation policy that takes into consideration the environment and strictly comply with environmental laws and regulations;
- Adopt an explicit CSR policy;
- Promote social and environmental consciousness and responsibility among employees;
- Respect local customs and cultures of the areas in which the Company operates;
- Conduct social, community, and environmental activities or participate in such activities organized by the government, private, and community sectors regularly to improve the quality of life in the community where the Company is located;
- Provide support, as appropriate, to activities organized by local communities in the areas in which the Company operates;

- Promptly and efficiently respond to impacts on the environment, community, and property caused by the Company's operations. Fully cooperate with state officials and relevant organizations to find solutions.

**Government agencies:** The Company is determined to comply with government laws, rules, and regulations and support measures of public and private organizations to fight against corruption.

Furthermore, the Company shall comply with relevant laws and rules to ensure that the rights of stakeholders are respected.

In addition, the Company has created the Employee Code of Conduct to be adhered to by all employees as follows:

- Employees shall perform duties with honesty and diligence and shall improve their work efficiency for their own benefit and for the benefit of the organization;
- Employees shall strictly comply with the Company's rules and regulations;
- Employees shall respect and obey their superiors in accordance with the Company's policy and Articles of Association;
- Employees shall promote unity and solidarity, help each other, and avoid conflicts that may cause damages to the Company and others;
- Employees shall respect and honor each other and avoid disclosing or criticizing others' work and private matters in a way that may damage the reputation of the Company or other employees;
- Employees shall avoid receiving any gift that may cause them to feel uncomfortable in performing their duties and shall immediately notify their superiors if such act is unavoidable;
- Employees shall not use their positions or advantages derived from their positions for personal benefit or the benefit of their associates or to compete in business with the Company;
- Employees shall treat customers and business partners honestly and equitably;
- Employees shall protect confidential information of customers, business partners, and the Company;
- Employees shall promptly inform their superiors of matters that may affect the reputation and operation of the Company;
- Employees shall take good care of the Company's properties, keeping them in good condition to ensure maximum usage and preventing waste, loss, and untimely damage or degradation.

#### **Disciplinary Penalty**

When an employee acts out of interests that conflict with those of the Company, a consideration shall be made based on the Company's organizational structure and workplace regulations. The department with which that employee is affiliated shall make a primary consideration and submit a report to the highest ranking superior and relevant departments in order to determine appropriate disciplinary action. In the case of a severe conflict of interest that cause significant damages, report the Company's management who will consider the issue in order to find a conclusion and determine a disciplinary action.

#### **Disciplinary Action**

1. Oral reprimand
2. Written warning
3. Pay cut
4. Suspension
5. Termination without severance pay
6. Legal action

#### **Principle 4: Disclosure and Transparency**

The Company recognizes the importance of accurate, complete, and transparent disclosure of both general and financial information in accordance with the rules of the Securities and Exchange Commission and Stock Exchange of Thailand, as well as other important information that may affect the Company's securities prices. The Company has disclosed information to its shareholders, investors, and the public through various channels of the Securities and Exchange Commission and Stock Exchange of Thailand and the Company's website [www.rhombho.co.th](http://www.rhombho.co.th).

The Company has not set up a unit to perform the investor relations function. However, the Company Secretary has preliminarily been assigned to communicate with investors, shareholders, analysts, and relevant state organizations.

The Board of Directors is responsible for the Company's financial statements and information presented in the annual report. The financial statements are prepared in accordance with Thailand Generally Accepted Auditing Standards using an accounting policy appropriate with the Company's business. The financial report and internal control system, as well as information presented in the notes to the financial statements, are reviewed by the Audit Committee.

#### **Principle 5: Responsibilities of the Board of Directors**

##### **1. Structure of the Board**

The Company's Board of Directors consists of qualified persons who play an important role in determining corporate policies, governing, auditing, and assessing the operations of the Company to be in line with the determined plan. The Board's composition is as follows:

- 1.1 At least one-third (1/3) of the total number of directors, but not less than three (3) directors are independent directors. At present, the Board of Directors has eight members, three (3) of whom are independent directors.
- 1.2 The Board of Directors has appointed four (4) committees including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Executive Committee to handle specific tasks on behalf of the Board. Each committee has the rights and duties as described in the Authorities and Duties of the Committee.
- 1.3 At every annual general meeting of shareholders, one-third (1/3) of the total number of directors shall retire. If the number of directors cannot be divided by three, then the number nearest to one-third (1/3) shall retire. The retiring directors can be re-elected.
- 1.4 Independent directors must be qualified persons who possess expertise in accounting, finance, and appropriate fields of business in order to protect the interests of shareholders and other stakeholders. They must also possess the qualifications required by the Securities and Exchange Commission and Stock Exchange of Thailand.
- 1.5 The Company has clearly separated the roles and responsibilities of the Board of Directors from those of management. While the Board is responsible for determining policies and ensuring that management performs in accordance with the policies, executives are responsible for managing the Company in line with the policies. The Chairman of the Board and President are thus different individuals and both positions must be appointed by the Board of Directors.

The company secretary serves the Board of Directors by providing support on regulatory matters; arranging meetings of the Board, Committees, and shareholders to ensure compliance with laws and the Company's Articles of Association and Code of Conduct; preparing and keeping the Register of Directors; preparing invitation notice for shareholders' meeting and meeting minutes; keeping a report of conflicts of interest prepared by directors and executives, and performing any other acts as required by the Securities and Exchange Commission. The company secretary shall also be responsible for submitting a copy of the report of conflicts of interest prepared by directors to the Chairmen of the Board and the Audit Committee within seven days of the receipt of the report.



## **2. Roles, Duties, and Responsibilities of the Board of Directors**

The Board of Directors consists of members with diverse skills and knowledge and leadership. The Board determines the Company's vision, mission, strategies, and business policies and ensures that the operations of the Company are in accordance with laws, the Company's Article of Association and objectives, and resolutions of shareholders' meeting. For the purposes of monitoring and managing the Company's operations, the Board of Directors has set up various committees to carry out specific tasks on behalf of the Board.

### **Duties and Responsibilities of the Chairman of the Board**

The Chairman of the Board is responsible for governing the implementation of policies and strategic operations of management, as well as providing advice and support business operations, but does not involve in the management of the Company. The Chairman of the Board acts as the chairman of the Board's meeting and shareholders' meeting and encourages every director to participate in the meeting and ensures that the Board's meeting and shareholders' meeting proceed in an efficient manner. The key roles of the Chairman of the Board include:

- Promote efficient performance of the Board of Directors in line with the principles of good corporate governance;
- Promote participation of executive directors, non-executive directors, and independent directors in decision making processes and activities;
- Promote regular assessment and improvement of the Board's performance;
- Act as the chairman of the Board's meeting and shareholders' meeting, as well as work with the company secretary to determine meeting agenda by allowing directors to propose agenda items to be considered at the meeting;
- Cast a deciding vote at the Board's meeting in the case of an equality of votes;
- Ensure that the Board of Directors receives sufficient information for a Board's meeting;
- Ensure that an adequate communication channel is in place to allow communication between the Board, management, and shareholders;
- Appoint the company secretary to support the functions of the Board of Directors.

### **Duties and Responsibilities of the Board of Directors**

1. Perform duties responsibly, with due care, and in good faith in the best interest of the Company and to ensure compliance with laws, objectives and Articles of Association of the Company, resolutions of shareholders' meeting, and regulations set by the Stock Exchange of Thailand and Securities and Exchange Commission.
2. Determine vision, policies, objectives, operation plans, financial strategies, annual budgets, and business directions of the Company and ensure that management performs in accordance with the determined policies efficiently and effectively in the best interest of shareholders.
3. Regulate, supervise, oversee, and monitor the performance of management to ensure operations are efficiently carried out in accordance with the determined policies and budgets and review policies, operation plans, and budgets regularly.
4. Be accountable to shareholders, act in the best interest of shareholders, disclose important information to investors accurately and in full, uphold transparency and other standards.
5. Assess performance and set remuneration of directors and high ranking executives.
6. Be accountable for operating results and performance of management and ensure it conducts its duties attentively and carefully.
7. Ensure that feasible and reasonable business objectives are clearly determined and can be evaluated to be used as guidelines for operations.
8. Ensure that business operations and practices are carried out with honesty.
9. Ensure that a risk management system is implemented by management efficiently and effectively.
10. Make decision on key matters, such as large-scale investment plans and policies, management authority, acquisition and disposition of assets, and other transactions required by laws.
11. Determine approval levels and authorities of persons or groups of persons to conduct transactions and business operations in accordance with relevant laws to be compiled into an authority manual and review the manual at least once every year.
12. Ensure reliable accounting system, financial reporting, and auditing, as well as internal control system assessment.

13. Make sure the balance sheet and income statement are prepared at the end of each accounting period and are audited by the auditor to be approved at a meeting of shareholders.
14. Protect the interest of shareholders and ensure that efficient internal control system and internal audit are in place. Set procedures to ensure information disclosure and reports are accurate and complete in accordance with relevant laws, notifications, regulations and/or rules of the Securities and Exchange Commission and Stock Exchange of Thailand.
15. Acknowledge important audit reports prepared by the Audit Committee or Internal Audit Department, as well as audit accounts and company advisors and determine resolutions.
16. Consider management structure and appoint managing director, executive committee, and other committees as appropriate.
17. Hold an annual ordinary general meeting of shareholders within four months from the end of an accounting period.
18. Approve a nomination of auditor and consider an audit fee to be proposed before a meeting of shareholders for approval.
19. Prepare a statement of the Board of Directors' responsibilities for financial report to be included together with an auditor's report in an annual report and for other important matters in accordance with the Stock Exchange of Thailand's Principle of Good Corporate Governance for Listed Companies.
20. Appoint, assign, or advise a committee or working group to consider or carry out specific tasks on behalf of the Board.
21. Ensure that each committee complies with its committee charter.
22. Consider and approve matters related to the Company or deemed appropriate in the Company's best interest.
23. Authorize a director or directors or other persons to carry out specific tasks on behalf of the Board. The authorized person(s) shall not have the power to approve transactions if he/she is a person with conflict of interest ("person with conflict of interest" shall have a meaning as defined in the Notification of Securities and Exchange Commission and/or relevant laws) or has stakes or any other conflicts of interest with the Company or subsidiary company (if any), unless such transaction approvals are in accordance with the policy and rule approved by the Board in line with Securities and Exchange Act, and rules, regulations, notifications, or orders of the Stock Exchange of Thailand and Securities and Exchange Commission.

#### **Duties and Responsibilities of the Audit Committee**

1. Review the Company's financial report to ensure accuracy and reliability as well as adequate disclosure by coordinating with external auditors and executives responsible for quarterly and annually financial reporting.
2. Review the Company's internal control system to ensure appropriateness and efficiency. The Committee may suggest reviewing or examining any items deemed necessary and important and recommend ways to improve the internal control system to the Board of Directors. The internal control system review shall be conducted jointly with external auditors and internal audit manager.
3. Review the Company's compliance with Securities and Exchange Act B.E. 2535, notifications, regulations, and/or rules of the Securities and Exchange Commission and Stock Exchange of Thailand, and other laws related to the Company's business.
4. Select and nominate an independent person to perform auditor functions including account, control system, and financial statement auditing. The Audit Committee has the power and responsibility to select, evaluate, propose remuneration, and oversee the performance of the auditor, as well as review or guarantee the audit firm to the Board of Directors.

The auditor and audit firm shall report directly to the Audit Committee. The Audit Committee has the authority to approve the terms and conditions and preliminary audit fee and other service fees proposed by the auditor.

The Audit Committee will provide advice to the Board of Directors in order to propose to an annual ordinary meeting of shareholders to approve the appointment of auditor and audit fee.

5. Meet with executives and auditor as appropriate to discuss about auditing problems and limitations and management's actions to solve such problems and limitations, as well as risk management and assessment policies, important financial risks, and measures taken by management to control or reduce such risks. Moreover, the Audit Committee shall resolve any conflict between executives and auditor related to financial report and shall hold a meeting with the auditor without the presence of management at least once a year.

6. Promote and build a sense of independence of auditor. The Audit Committee shall discuss with the auditor about his/her independence from management and the Company, including any relationship or service between the Company and auditor that may affect the auditor's impartiality.
7. Review the Company's financial statements, accounting standards and policy, and important changes related to accounting standards, principles, or practices as well as important decisions that may affect financial reporting, including choices, reasons, and results of such decisions.
8. Consider connected transactions or transactions with potential conflicts of interest to ensure compliance with laws and regulations of the Stock Exchange of Thailand and make sure that such transactions are reasonable and in the best interest of the Company. Disclosure of information must be done accurately and fully.
9. Review and approve or ratify any transaction made between the Company and related party required to be disclosed by the Securities and Exchange Commission.
10. Review the internal audit plan in accordance with Generally Accepted Auditing Standards.
11. Ensure that an appropriate and efficient risk management system is in place.
12. Report the Audit Committee's performance to the Board of Directors at least four times a year.
13. Provide opinions on appointment, dismissal, and evaluation of internal audit officers.
14. The Audit Committee is entitled to invite management, executives, or employees to attend the meeting to discuss issues or give opinions or documents deemed necessary or relevant.
15. The Audit Committee is entitled to hire a consultant or outsider under the Company's regulations to provide opinions or advice as necessary.
16. Prepare the Audit Committee's corporate governance report and publish it in the annual report. Such report must be signed by the Chairman of the Audit Committee and contain at least the following information:
  - a) Opinion on the accuracy, completeness, and reliability of the financial report;
  - b) Opinion on the adequacy of the Company's internal audit system;
  - c) Opinion on the compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, or laws related to the Company's business;
  - d) Opinion on the suitability of the auditor;
  - e) Opinion on transactions with potential conflicts of interest;
  - f) Number of the Audit Committee's meetings and number of meetings attended by each member of the Audit Committee;
  - g) Opinion or overview observation obtained by the Audit Committee from its performance in accordance with the charter;
  - h) Any other matter that shareholders and general investors should know within the scope of duties and responsibilities designated by the Board of Directors.
17. The Audit Committee must conduct a self-assessment and report the assessment results as well as problems that may cause the Audit Committee to be unable to achieve its objectives to the Board of Directors every year.
18. Revise and improve the Charter of the Audit Committee.
19. If the Audit Committee finds or suspects a transaction or action that may potentially affect financial status and operating results of the Company significantly such as a transaction with conflict of interest, potential corruption, significant error or defect in the internal control system, and violation of Securities and Exchange Act or regulations of the Stock Exchange of Thailand, the Audit Committee shall notify the Board of Directors in order to rectify the problems within the time period deemed appropriate by the Audit Committee. If the Board of Directors or executives fail to provide the rectification within the time period deemed appropriate by the Audit Committee, any member of the Audit Committee may report that transaction or action to Securities and Exchange Commission or Stock Exchange of Thailand.
20. Ensure that there are channels for reporting complaints related to improper items in financial statements or other issues and assure complaint reporters that there will be an independent review and appropriate follow-up procedures.
21. If necessary, the Audit Committee may seek advice about investigation from external advisor or professional expert at the Company's own expense in accordance with regulations of the Company.

22. Perform any other task as designated by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

#### **Duties and Responsibilities of the Nomination and Remuneration Committee**

##### **1. Nomination**

- 1.1 Set criteria and policies for nominating members of the Board and Committees, taking into consideration the appropriate numbers, structure, and composition of the Board. Determine the qualifications of directors to be proposed to the Board of Directors and/or shareholders' meeting, whichever the case may be, for approval.
- 1.2 Recruit, select, and nominate suitable candidates for director and committee member positions that are expired and/or vacant and/or added, whichever the case may be.
- 1.3 Recruit and select suitable candidates for executive positions, especially president and chief executive officer.
- 1.4 Oversee compliance with the Company's corporate governance policy. Review the corporate governance policy annually and propose revision and improvement to the Board of Directors.
- 1.5 Prepare, review, and conclude a succession plan and management continuity for president position annually and report to the Board of Directors.
- 1.6 Perform any other nomination task as assigned by the Board of Directors.

##### **2. Remuneration**

- 2.1 Set criteria and policies for determining remuneration of members of the Board and Committees and executives to be proposed to the Board of Directors and/or shareholders' meeting, whichever the case may be, for approval.
- 2.2 Determine the remuneration of individual directors, either in monetary and non-monetary forms. The remuneration of directors and executives shall be considered based on duties, responsibilities, and performances of individual directors and executives and shall be comparable to companies with similar business. The remuneration must be submitted to the Board of Directors for consideration and approved by the Board of Directors and/or meeting of shareholders.
- 2.3 Approve the determination of directors' annual remuneration.
- 2.4 Be accountable for the Board of Directors. Clarify and answer queries about remuneration of directors, committee members, and senior executives at a shareholders' meeting.
- 2.5 Disclose the policy, criteria, and reasons for determining remuneration of directors and executives as required by the Stock Exchange of Thailand in annual registration statement (Form 56-1) and annual report of the Company.
- 2.6 Perform any other remuneration task as assigned by the Board of Directors. Management and other units must report or present relevant information and documentation to the Nomination and Remuneration Committee to enable the Committee to carry out its duties to achieve its objectives.

#### **Duties and Responsibilities of the Risk Management Committee**

1. Set a risk management policy and framework to be submitted to the Board of Directors for approval.
2. Set, review, and improve the enterprise risk management framework.
3. Monitor the risk indicators and conduct a risk assessment.
4. Oversee and encourage having an enterprise risk management system in place in line with business strategies, objectives, and changing situations.
5. Report important risks to the Board of Directors and Audit Committee and propose how to manage such risks.
6. Consider enterprise risk management report as well as provide opinions on potential risks and set measures to control or mitigate such risks. Improve the enterprise risk management system to ensure continual efficiency.
7. Consider corruption assessment report and impacts of various malfeasances including fraudulent financial reporting, creating loss of assets, corruption, management override of internal controls, modification of information in important reports, and improper acquisition and disposition of assets.
8. Report enterprise risk management results to the Board of Directors. If there is important factor or situation that may significantly affects the Company, immediately notify the Board of Directors.
9. Perform any other task as assigned by the Board of Directors.



## **1.1 Corporate Governance Policy**

The Company has adopted the Corporate Governance Policy in writing. The Corporate Governance Policy and policy compliance will be reviewed at least once every year. Moreover, the Company shall strictly comply with rules and regulations set by the Securities and Exchange Commission and Stock Exchange of Thailand and/or Market for Alternative Investment and shall disclose a corporate governance performance in its annual report and annual registration statement (Form 56-1).

## **1.2 Code of Ethics**

The Company has defined ethical principles to provide directors, management, and employees with guidance for performing their duties fairly, honestly, and in good faith and set a monitoring system to ensure compliance with such principles.

### **2.2.1 Responsibility to Shareholders**

The Company is committed to its shareholders and strives to give shareholders the highest level of satisfaction by focusing on sustainable development and appropriate return, transparency, and reliable accounting system. To achieve these, the Company strictly complies with the following guidelines:

#### **1.2.1.1 Sustainable Growth**

- Perform duties honestly and treat all shareholders fairly in the best interest of all parties;
- Manage the Company to the best of their ability and knowledge in all case and make decisions with due care;
- Refrain from any act that may cause a conflict of interest with the Company.

#### **2.2.1.2 Information Disclosure**

- Fully and truthfully report status and future trends of the Company to all shareholders on a regular basis;
- Do not use any undisclosed information of the Company to gain personal benefit and for the benefit of others;
- Do not disclose confidential information to third parties that may cause damage to the Company.

### **2.2.2 Relationships with Customers and the Public**

The Company strives to establish trust with customers and the public and assure them that they will receive quality products and services at an appropriate price. It has set forth guidelines to be observed as follows:

2.2.2.1 Strive to create satisfaction for customers and assure them that they will receive quality products and services at an appropriate price and that the Company will continue to improve the standard of products and services;

2.2.2.2 Truthfully provide complete, accurate, and up-to-date information on products and services and maintain good relationship with customers;

2.2.2.3 Offer product and service warranty within an appropriate period;

2.2.2.4 Set up a system for customers and the public to file a complaint about products and services and properly handle the complaint process to deliver a quick response;

2.2.2.5 Do not set an exorbitant price beyond the price of the goods of the same class or kind and prohibit unfair terms of trade;

2.2.2.6 Strictly comply with terms and conditions with customers and the public and immediately notify customers and the public when such compliance cannot be achieved in order to find solutions together;

2.2.2.7 Protect confidential information of customers and refrain from using such information for personal benefit and the benefit of others.

### **2.2.3 Relationships with Business Partners, Competitors, and Creditors**

The Company cares about honesty and equality practices in business and developing mutual benefits with partners. The Company's partners shall strictly comply with laws and rules and adhere to business ethics principles. The Company shall also uphold a fair competition and best practices for borrowing and repaying loans. To achieve these, the Company has set forth guidelines to be observed as follows:

#### **2.2.3.1 Relationship with Business Partners**

- Refrain from demanding, accepting, or paying of benefits in dealing with partners;
- Strictly comply with the terms and conditions made with partners;
- If compliance with terms and conditions cannot be achieved, immediately notify partners in order to find solutions together.

#### **2.2.3.2 Relationship with Competitors**

- Comply with fair competition rules;
- Avoid making false accusations to damage the reputation of competitors.

#### **2.2.3.3 Relationship with Creditors**

- Strictly comply with the terms and conditions made with creditors including those for repayment and collateral management. Do not use loan capital in a way that conflicts with the objectives in the agreement made with creditors;
- Truthfully report the Company's financial status to creditors;
- Notify creditors in advance if unable to comply with agreement obligations and work together to find solutions.

### **2.2.4 Workplace Environment and Culture Promotion**

Employees are an important factor for success. The Company is thus committed to creating positive workplace environment and culture and promoting teamwork as follows:

2.2.4.1 Offer fair employee compensation in the form of salary and/or bonus;

2.2.4.2 Maintain safe working environment;

2.2.4.3 Appointment, transfer, reward, and punishment must be carried out fairly and honestly based on knowledge, ability, appropriateness, and performance of individual employee;

2.2.4.4 Focus on development and transmission of knowledge and skills. Provide equal opportunities for all employees;

2.2.4.5 Listen to opinions and suggestions of employees at all levels;

2.2.4.6 Strictly comply with employment laws and regulations;

2.2.4.7 Avoid unfair conducts that may affect employee job security.

### **2.2.5 Social and Environmental Responsibility**

The Company cares about society and life quality and takes natural resources conservation and energy efficiency seriously. It has set forth guidelines to be observed as follows:

2.2.5.1 The Company shall consider alternative natural resources with minimal impact on society, life quality, and the environment;

2.2.5.2 Provide support to social and environmental activities regularly;

2.2.5.3 Continually promote social and environmental responsibility consciousness among employees at all levels;

2.2.5.4 Place importance on conducting business with partners who share the Company's concern on social and environmental responsibility;

2.2.5.5 The Company regards energy conservation as its key policy;

2.2.5.6 Ensure strict compliance with laws and regulations prescribed by regulatory agencies;

2.2.5.7 The Company places importance on social and community activities to promote creative development and natural resources conservation, as well as support youth education and public benefit activities to help disadvantaged communities to become self-reliant;

2.2.5.8 The Company upholds democracy and encourages employees to exercise their constitutional

rights to vote. However, the Company does not have a policy to financially support, whether directly or indirectly, any politician for the benefit of that politician or political party. The Company has communicated with all employees to ensure strict compliance with these guidelines.

## **2. Conflict of Interest Prevention**

The Board of Directors has set forth a conflict of interest policy based on the principle that any business decision must be made in the best interest of the Company and any act that may cause a conflict of interest must be avoided. A person who is related or connected with a given transaction shall notify the Company of such relation or connection and shall not participate in a decision-making process and approve that transaction.

The Audit Committee shall report related-party transactions and conflicts of interest that have been thoroughly considered in accordance with rules set forth by the Securities and Exchange Commission and/or Stock Exchange of Thailand to the Board of Directors. Such transactions and conflicts of interest shall also be disclosed in financial statements, annual report, and annual registration statement (Form 56-1).

## **3. Internal Control System**

The Company places importance on internal control system in both management and practitioner levels. To ensure efficiency, the Company has clearly specified authorities, duties, and responsibilities of executives and practitioners in writing; supervised the use of company assets; and separated the roles and responsibilities of practitioners from those of monitoring and assessing officers. The Audit Committee has been appointed to review the internal control system and conduct an internal audit.

## **4. Risk Management**

Since 2015, the Company has conducted an internal control system assessment to ensure its adequacy, make operational improvements, and manage risks in order to reduce impacts on the Company's business and increase efficiency.

## **5. Board of Directors' Report**

The Audit Committee is responsible for reviewing a financial report prepared jointly by finance and accounting department and auditor to submit to the Board of Directors every quarter. The Board of Directors is responsible for financial statements and financial information (statement of the Board of Directors' responsibilities for financial report) to confirm that such financial statements are prepared in accordance with Generally Accepted Auditing Standards and audited by the Company's auditor in annual report and shall ensure that all important information, both financial and non-financial, is disclosed truthfully and completely on a regular basis.

## **6. Board of Directors' Meeting**

The Board of Directors is required to hold a meeting at least once every three months. Special meetings may be held as needed. The Board shall be informed of a date and time of a Board's meeting and meeting agenda and accompanying information in advance prior to the meeting to allow sufficient time for review as required by the Company's Articles of Association, except in an urgent case. The meeting shall be recoded and certified meeting minutes shall be kept for reference and accountability purposes.

The Chairman of the Board shall determine meeting agenda and allow the directors to propose agenda items to be considered at the meeting.

The Chairman of the Board shall act as a chairman of the meeting and shall give an opportunity for directors to express their opinions freely. At times, high ranking executives may attend the meeting, as a concerned party, to obtain useful information and policies directly. A resolution of the Board's meeting shall be passed by a majority of votes. In casting votes, each director shall have one vote. Directors with stakes in a particular matter being considered shall not attend the meeting and/or shall refrain from voting on that matter. In the case of an equality of votes, the chairman of the meeting shall cast an additional vote as a deciding vote.

## **7. Remuneration of Directors and Executives**

The Company has a policy to pay directors and executives an appropriate remuneration, taking into account the Company's operating results and remuneration consistency in the same business/industry, as well as appropriateness of duties and responsibilities of individual directors and executives.

The Company sets remuneration of executives exercises with due care, based on competitive market rate in the same business in order to motivate and retain skilled executives. Executives with more responsibilities shall receive compensation appropriate with their duties and responsibilities. The remuneration of directors and executives shall be based on the Company's operating results and performance of individual executives. The Nomination and Remuneration Committee is responsible for determining appropriate monetary remuneration for directors, committee members, chief executive officer, and executives who directly report to chief executive officer. The remuneration of directors and committee members must be approved at the Board's meeting and annual ordinary general meeting of shareholders.

## **8. Development of Directors and Executives**

The Company has a policy to provide and facilitate development and training programs for directors involving in the Company's management including the Board members, audit directors, executives, and company secretary in order to continually improve their effectiveness. When there is a change to the Board or a new director is appointed, management shall provide documents and information useful for the assigned duties and introduce the Company's business and operation to the new director.

In addition, Mr. Suwit Lamsam, Chairman of the Board of Director / Chairman of the Audit Committee / Independent Director, attended the seminar on "Updated COSO Enterprise Risk Management: Integration with Strategy and Performance" on 22 January 2018.

Mrs. Jittima Sajjavanij Intujunyong, Chairman of the Nomination and Compensation Committee / Audit Committee Member / Independent Director, and Mr. Chaivuth Chittrakhani, Chairman of the Risk Management Committee / Audit Committee Member / The Nomination and Compensation Committee member / Independent Director attended the seminar on "Corporate Governance Orientation for New Listed Company" on 16 July 2018.

## **9. Insider Information Control**

The Company is committed to ensure that the use of insider information is in accordance with good governance principles. To ensure that investors receive reliable information in an equitable and timely manner, the Company has set regulations to control the use of insider information and securities trading of directors, executives, and employees to ensure compliance with securities laws and transparency in business as follows:

- Directors, executives, and employees at all levels shall not use insider information and information obtained by virtue of their positions, which has not been disclosed to the public or Stock Exchange of Thailand and may affect securities prices, for personal benefit or the benefit of others.
- Directors, executives, and high ranking executives must report the trading of the Company's securities in accordance with laws and are prohibited from trading the Company's securities within the required time period.
- The Company shall publicly disclose information on its important operations promptly through media and methods described by the Stock Exchange of Thailand and its disclosure policy through the Company's media to ensure that investors receive such information on a timely and equitable basis.

## **10. Communication with the Board of Directors**

Stakeholders may communicate with the Board of Directors by sending letters, information, or suggestions to the Company.

## **11. Term of Directorship**

At every annual general meeting of shareholders, one-third (1/3) of the total number of directors shall retire by rotation. If the number of directors cannot be divided by three (3), the number nearest to one-third (1/3) shall retire. The method of drawing lots shall be applied to determine directors to be retired in the first and second years after the Company has been listed. In the subsequent years, directors who are in the position the longest shall retire. The retiring directors can be re-elected.

In the case that any director position is vacant due to reason other than by rotation, the Board of Directors shall appoint any person who possesses qualifications and no prohibited characteristics specified in Section 68 of the Public Limited Companies



Act B.E. 2535 as director to fill the vacancy in the next Board's meeting, unless the remaining term of vacant position is less than two months. The person so appointed shall retain his/her office for the remaining term of the vacant position.

#### **Term of the Audit Committee**

- (1) The term of the Audit Committee shall be three (3) years and the committee members may be re-appointed for another term. If the director is in the position for nine (9) years or three (3) consecutive terms, the Board of Directors shall review the independence of that director annually.
- (2) If any audit committee member wishes to resign before his/her completion of the term, the director shall give a resignation letter to the Chairman of the Board. The resignation shall be effective upon the receipt of the resignation letter by the Company. The Board of Directors shall appoint any director who possesses full qualifications as audit director to fill the vacancy within ninety (90) days of the resignation. The person so appointed shall retain the office for the remaining term of the vacant position.

In the case that the entire Audit Committee retires due to reason other than lack of qualifications or possessing prohibited characteristics, the retiring committee members shall retain the position until a new Audit Committee is appointed

#### **Performance evaluation and development knowledge**

The Company has a policy to arrange an annual self-assessment for each director to allow them to consider and review their performances and identify all issues and obstacles in the past year. The assessed result will be used to increase the efficiency of the Board of Directors, hence conforms with good corporate governance.

The Company secretary shall propose the Board of Directors assessment forms to all members so they can assess their performances during the past year both collectively and individually. When complete the forms, they will send them back to the company secretary who then collects the results of each member, summarizes and analyzes the performances of the Board of Directors during the year. When complete the forms, they will send them back to the company secretary who then collects the results of each member, summarizes and analyzes the performances of the Board of Directors during the year. The company secretary will then submit the results to the Board of Directors for consideration in order to achieve the aforementioned objectives.

#### **The assessment of performance on a collective basis. The areas to be assessed are:**

1. Structure and qualifications of the Board of directors
2. Meetings
3. Roles, duties and responsibilities of the Board
4. Relationship with management
5. Self-development of directors and development of executives

#### **The performance assessment of the directors.**

<i><b>Assessment Topic</b></i>	<b>Full marks</b>	<b>Average</b>
<i>Structure and qualifications of the Board of directors</i>	<b>36</b>	<b>29.77</b>
<i>Meetings</i>	<b>24</b>	<b>22.75</b>
<i>Roles, duties and responsibilities of the Board</i>	<b>48</b>	<b>46</b>
<i>Relationship with management</i>	<b>4</b>	<b>3.87</b>
<i>Self-development of directors and development of executives</i>	<b>4</b>	<b>4</b>

## **Important Policies and Compliance**

### **Director, Audit Committee, Executive Director, and Executive Recruitment Policy**

#### **Director Recruitment**

The Nomination and Remuneration Committee shall be responsible for determining the criteria and policy for recruiting and selecting candidates with appropriate knowledge, abilities, and experience and nominate the candidates to be elected as directors at the shareholders' meeting. The recruitment process also allows minority shareholders to nominate candidates for the role of director. Shareholders have the right to appoint directors as follows:

1. The Board of Directors shall comprise at least five (5) members, not less than one half of whom shall reside in the kingdom. Directors shall possess no qualifications and prohibited characteristics specified by laws.
2. Directors shall be elected at a shareholders' meeting by the majority of votes in accordance with rules and procedures as follows:
  - (a) Each shareholder shall have a number of votes equal to the number of shares held.
  - (b) Each shareholder may use all his/her votes under (a) to elect one or more candidates to be directors but shall not discriminately divide the votes among the candidates.
  - (c) Candidates shall be ranked according to the votes they have received in descending order and directors shall be appointed in that order until the required number of directors is filled. In the event that the number of candidates in the next respective order receiving equal votes exceeds the number of directors to be elected, then the Chairman of the Meeting shall cast the deciding vote.

#### **Independent Director Recruitment**

Independent directors shall possess qualifications required by the Public Limited Companies Act B.E. 2535, securities and exchange laws, and notifications of the Capital Market Supervisory Board, as well as relevant rules and/or regulations. At least one-third (1/3) of the total number of directors but not less than three (3) shall be independent directors.

#### **Qualifications of Independent Directors**

1. Hold shares of not more than one (1) percent of the total voting shares of the Company, parent company, subsidiary, associated company, major shareholder, or controlling person, which shall be inclusive of the shares held by related persons of the independent directors.
2. Not currently or never have been an executive director, employee, staff member, advisor who receives a regular salary, or controlling person of the Company, parent company, subsidiary, associated company, same-level subsidiary, major shareholder, or controlling person, unless the foregoing status has ended for not less than two (2) years prior to applying for approval from the Office. These prohibited characteristics do not include cases where independent directors have been a public servant or advisor of a government agency, which is a major shareholder or controlling person of the Company.
3. Not a person with blood relation with or legal status as father, mother, spouse, sibling, or child, including spouse of that child, to other director, executive, major shareholder, controlling person, or person who will be nominated as director, executive, or controlling person of the Company or subsidiary.
4. Not currently have or never have had any business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or controlling person in a way that may affect the exercise of independent discretion. Not currently or never have been a significant shareholder or controlling person for person having business relation with the Company, parent company, subsidiary, associated company, major shareholder, or controlling person, unless the foregoing status has ended for not less than two (2) years prior to applying for approval from the Office.

The business relationship mentioned in Paragraph 1 shall include normal business transactions, leasing or leasing out property, asset or service transactions, or providing or receiving financial support including loaning or borrowing, guaranteeing, pledged assets, and other similar behaviors that cause the Company or contracting party to bear a debt obligation to pay the other party higher than three (3) percent of the Company's net tangible assets or higher than twenty (20) million baht, whichever is the lowest.

The calculation of such debt obligation shall be in accordance with the calculation method for connected transactions under the Notification of the Capital Market Supervisory Board on Connected Transactions, with the necessary changes having been made. However, the consideration of such debt obligation shall include debt obligations incurred in the period of one (1) year prior to entering into business relationship with the same person.

5. Not currently or never have been an auditor of the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company and not a significant shareholder, controlling person, or partner of the auditing firm of the current auditor of the Company, parent company, subsidiary, associated company, major shareholder, or controlling person, unless the foregoing status has ended for not less than two (2) years prior to applying for approval from the Office the Securities and Exchange Commission.
6. Not currently or never have been a provider of professional services, including legal or financial consulting services receiving a fee of more than two (2) million baht per year to the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company and not a significant shareholder, controlling person, or partner of a provider of such professional services, unless the foregoing status has ended for not less than two (2) years prior to applying for approval from the Office the Securities and Exchange Commission.
7. Not currently a director appointed to represent the Company's directors, major shareholder, or shareholder related to major shareholder.
8. Not currently operate business similar to and significantly competing with the Company or subsidiary, or not a significant partner of a partnership, or not an executive director, employee, staff member, or consultant receiving a regular salary or hold more than one (1) percent of the total voting shares of other companies operating business similar to and significantly competing with the Company or subsidiary.
9. Not under any conditions that may be impeded from having independent views about the Company's operations.

Independent directors may be assigned by the Board of Directors to make decisions about the operations of the Company, parent company, subsidiary, associated company, same-level subsidiary, major shareholder, or controlling person of the Company in a collective decision process.

In case where the person appointed as independent director has or used to have a business relationship or has provided professional services exceeding the value specified under Clauses 4 or 6, the Company's Board of Directors shall demonstrate that it has considered in compliance with Section 89/7 that the appointment of such person does not affect the performance of duties and expressing of independent opinions, and disclose the following information in the notice of shareholders' meeting, during which independent directors are appointed:

- (a) Business relationship or professional service that makes such person's qualifications not in compliance with the rules;
- (b) Reasons and needs for appointing such person as independent director;
- (c) Opinions of the Company's Board of Directors for proposing to appoint such person as independent director.

### **Audit Committee Recruitment**

The Company has set the criteria for selecting and appointing members of the Audit Committee as follows:

1. Hold shares of not more than five (5) percent of paid-up capital of the Company, affiliated company, associated company, or related company, which shall be inclusive of the shares held by related persons.
2. Be a non-executive director of the Company, affiliated company, associated company, related company, or major shareholder of the Company.
3. Not an employee, staff member, or advisor receiving a regular salary from the Company, affiliated company, associated company, related company, or major shareholder of the Company.
4. Be a director who has no direct or indirect benefit or interest in finance and management of the Company, affiliated company, associated company, or major shareholder of the Company during the period of one (1) year before his/her appointment as a member of the Audit Committee, unless the Board of Directors has carefully considered that such benefit or interest does not affect the performance of duties and expressing of independent opinions.
5. Be a director who is not a related person or close relative of any executive or major shareholder of the Company.
6. Be a director who is not appointed as a representative to safeguard the interest of the Company's directors, major shareholder, or shareholder related to the Company's major shareholder.
7. Be able to perform duties, express opinions, or report the results of performance of duties assigned by the Board of Directors independently of the control of executive or major shareholder of the Company, including related persons or close relatives of the said persons.
8. Possess full qualifications to be a director of the Company.

### **High-Ranking Executive Recruitment**

The Nomination and Remuneration Committee shall be responsible for recruiting suitable persons for the role of Chief Executive Officer or President and high-ranking executives reporting directly to the Chief Executive Officer or President from among candidates possessing full and appropriate qualifications, knowledge, skills, and experience beneficial to the operations of the Company, and good understanding of the business of the Company, able to manage to achieve the objectives and targets set by the Board of Directors. The appointment of high-ranking executives shall be approved by the Board of Directors and the Nomination and Corporate Governance Committees may hire an independent consultant to help with the recruitment.

### **Qualifications of Directors and High-Ranking Executives**

The Company has set the criteria for selecting and appointing directors and high-ranking executives as follows:

1. Be a natural person of legal age.
2. Not a bankrupt, incompetent person, or quasi-incompetent person.
3. Never have been sentenced to imprisonment by a final judgment for the commission of an offence against property.
4. Never have been fired or dismissed from a government service, organization, or government agency due to malfeasance.
5. Not currently being accused by the Office of SEC or not currently being prosecuted due to such accusation or have been sentenced to imprisonment by a final judgment, regardless of whether a suspended sentence is granted, and have completed the term of imprisonment or the sentence suspension period has been over for less than three (3) years, for the offences under the securities and exchange law or derivatives law as follows:
  - Unfair acts relating to trading of securities or derivatives;
  - Fraudulent acts against or damages to assets, creditors, or the public;

- Perform duties with carelessness or dishonesty;
  - Intentionally falsify material messages or conceal material facts, which should be disclosed;
  - Operate securities or derivatives business without permission and that is considered fraudulent.
6. Not currently being accused by financial institution regulatory authorities, whether nationally or internationally, or not currently being prosecuted due to such accusation or not currently being banned from holding a position of director or executive of a financial institution by such authorities. Never have been sentenced to imprisonment by a final judgment, regardless of whether a suspended sentence is granted, and have completed the term of imprisonment or the sentence suspension period has been over for less than three (3) years, due to deceitful, fraudulent, or dishonest management of assets causing damages, whether to the financial institution where that person serves as a director or executive or to customers.
  7. Never have been sentenced to imprisonment by a final judgment, regardless of whether a suspended sentence is granted, and have completed the term of imprisonment or the sentence suspension period has been over for less than three (3) years, for the public offences relating to deceitful, fraudulent, or dishonest management of assets.
  8. Not being subject to the court's order of asset forfeiture for public revenue under the anti-corruption law, anti-money laundering law, or any other similar laws and three (3) years have not been elapsed since the order is issued.
  9. Not engage in or refrain from engaging in dishonest acts or gross negligence in transactions of the Company or subsidiary, resulting in damages to the Company or shareholders or for personal gain or the benefit of others.
  10. Not disclose or disseminate information or false statements about the Company or subsidiary that may cause misunderstanding or not conceal material facts that should be disclosed, which may affect decision making of shareholders, investors, or related persons, regardless of whether by ordering, holding responsibility for, or participating in creating, disclosing, or disseminating such information or messages, or any other acts, or omission of any other acts, unless it can be proven that one is not aware of such false information or messages or the omission of facts that should be disclosed by virtue of one's position, status, or duty.

The following transactions of the Company or subsidiary, regardless of whether by ordering, approving, promoting, benefiting, or participating, shall be consider dishonest, unless proven otherwise:

- Transactions that are not performed in a manner that a reasonable business operator should perform with general contracting parties in the same situation and are not in the best interest of the Company or subsidiary or are in a way that benefits oneself or others;
  - Transactions that do not comply with the securities and exchange law regarding connected transactions or significant transactions considered to be acquisition or disposal of assets.
11. Not engage in unfair actions or taking advantage of investors in the trading of securities or derivatives or involve or promote or used to involve or promote such actions.



### **Consideration of Remuneration of Directors and the Highest Ranking Executive**

Determination of remuneration of directors, committees, and the highest ranking executive shall comply with the following guidelines:

1. The Board of Directors is responsible for determining the remuneration of directors, committees, and the highest ranking executive (Chief Executive Officer or President) to be appropriate with their duties, responsibilities, performance results, type/size of the Company's business, and results expected from them. The remuneration must be at an appropriate level and sufficient to attract and retain qualified personnel compared with companies of similar business. The type of remuneration, remuneration payment method, and amount of remuneration must be appropriate.
2. Adjustment of remuneration of the highest ranking executive (Chief Executive Officer or President) must be approved by the Board of Directors.
3. Consideration of remuneration of directors and committees shall be proposed to the annual shareholders' meeting.
4. Annual stock exchange approval.

### **Succession Policy**

The Company has prepared a succession plan to ensure management continuity for executives at the chief office level by focusing on management-level officers to allow human resources to get personnel to prepare to perform systematically, develop appropriate competency, and accumulate necessary experience for holding important positions in the Company.

### **Internal Control and Internal Audit Policy**

The Board of Directors shall ensure that the Company has in place an internal control system and internal audit system covering all aspects, including finance, operation, compliance with relevant laws, rules, and regulations, auditing mechanism, and power balance sufficiently efficient to protect and manage investments of shareholders and assets of the Company. It will determine a hierarchy of approval authority and responsibilities of executives and employees with checks and balances, set operational regulations in writing, establish an independent audit office reporting directly to the Audit Committee to be responsible for auditing the operations of all units, including business unit and support unit to be in compliance with regulations to ensure that the internal control system of the Company is appropriate, adequate, and in line with the guidelines of the Stock Exchange of Thailand and the internal control principles of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), covering management control, operational control, financial control, and compliance control.

### **Risk Management Policy**

At present, the Risk Management Committee appointed by the Board of Directors comprises at least three (3) directors, one (1) of whom is an independent director. The Risk Management Committee is responsible for determining risk management policies and operational framework of the Company; ensuring the Company has a risk management system covering all risk factors related to vision, targets, business strategies, finance, and other operations; considering the probability of occurrence and level of impact; and determining preventive and corrective measures and responsible person, as well as reporting and assessment measures.

The Risk Management Committee determines the Company's risk appetite and key risk indicators (KRIs) to serve as guidelines for business management and integration of a risk management system into the strategy planning process. It requires the officer responsible for risk management to report directly to the office of the Chief Executive Officer or the President responsible for corporate strategy and business planning, coordinate and follow up on the progress of the risk control plan to ensure that risk management is able to achieve the predefined strategic objectives and targets.

## Information Disclosure Policy

The Board of Directors is committed to ensuring strict compliance with laws, rules, and regulations relating to information disclosure and transparency. It has established an investor relations center to communicate with shareholders and facilitate general investors and securities analysts using appropriate methods and disseminated information in both Thai and English on the Company's website. At the same time, it has directed the department responsible for providing information and public relations to disseminate news about operations and operating results of the Company through various media to allow shareholders, investors, stakeholders, and other related parties to receive timely and up-to-date information of the Company.

The Board of Directors will disclose financial and non-financial information as scheduled with sufficient details and operating results of the Company that is truthful, complete, adequate, and timely in order to demonstrate the actual financial position and operations of the Company, including the future of the business of the Company as follows:

1. Management Discussion and Analysis (MD&A)

The Board of Directors places importance on the preparation of detailed management discussion and analysis (MD&A), both annual and quarterly.

2. Financial Information

The auditor appointed by the Company has certified financial information and expressed opinions independently and the Board of Directors has explained the responsibility for presenting the financial report, which has been reviewed and certified by the Board of Directors to be accurate, complete, and sufficient in compliance with the generally accepted accounting standards and international accounting standards.

3. Non-Financial Information The Company will provide complete and clear information in the annual report and annual registration statement.

## Accounting and Financial Policy

1. The accuracy of transaction recording

- All business transactions of the Company must be recorded accurately and completely and must be accountable without any limitations or exceptions.
- Account entry and business record must be truthful without distortion or falsification regardless of any purpose.
- Personnel at all levels must conduct business transactions in accordance with rules, regulations, and orders of the Company, keep accurate and complete evidence of the business transactions, and provide sufficient and timely information to enable the persons responsible for recording, preparing, and assessing accounting and financial reports to record and prepare every type of accounting and financial reports of the Company into the Company's accounting system with accurate and complete details.

2. Accounting and financial report

- All employees must not misrepresent information or falsify transactions, whether they be business transaction information related to accounting and finance or operational information.
- All employees should be aware that the accuracy of accounting and financial reports is a shared responsibility of the Board of Directors, executives, and responsible officers.
- All employees are responsible for preparing and/or providing business transaction information.

### 3. Legal compliance

- Personnel at all levels must comply with relevant laws, rules, regulations, and orders to ensure accurate and complete accounting and financial transaction recording of the Company.
- Personnel at all levels must adhere to the principles of honesty, fairness, and integrity in recording information. Integrity shall include not involving in illegal or unethical activities.

#### **Legal Compliance Policy**

The Company places importance on compliance with laws, rules, and regulations of the government sector. Especially in the transaction process, the Company avoids actions that may induce the government or government employees to perform improperly and focuses on building good relationship between each other within an appropriate and feasible scope such as meetings in public places and greetings on occasions, traditions, or festivals. The principle is to conduct properly when contacting government officers or agencies and always be aware that the laws, rules, or regulations may differ in different government agencies, with which the Company shall strictly comply.

#### **Information Technology Policy**

The Company regards information and communication technology as important factors that help promote business operations and increase work efficiency. Therefore, it is the responsibility of all employees to use information and communication technology in compliance with laws, Company's orders, and standards set by the Company. The Company has managed information security, including computer system and computer data, in accordance with international standards and the Computer Crime Act B.E. 2550.

Therefore, all employees have the following duties:

1. Prevent the Company's information system in their possession or under their responsibility from being accessed by unauthorized persons and do not reveal important business information to unrelated persons.
2. Be disciplined in using the Company's information system and communication equipment to prevent negative impact on the Company and others, such as using it to illegally access information system, causing damage to reputation and property, disturbing the function of information system, hacking, password decrypting, forging computer data, publish inappropriate images, messages, or voices, and using it for personal purposes or illegal actions.
3. Do not violate software licenses or intellectual properties of others.
4. Encrypt data when sending important business information via the internet and do not exchange important business information with unsecured websites.
5. In the event that employees request to allow joined workers who are employees of the contractors of the Company to access to the information system of the Company, the requesting employees must control the use by the joined workers and be responsible for damages that may incur to the Company.
6. The Company will inspect, search, track, investigate, and control the use of information system of employee if it is found that the employees use the system in an inappropriate way or if there is reasonable doubt to protect the security of the information system of the Company.
7. If the Company discovers that any employee violates the rules, which is proven by a fair investigation, that employee shall be subject to a disciplinary action and/or legal penalty, as the case may be.

## Anti-Corruption Policy

The Company places importance on fighting against fraud and corruption of all forms by promoting moral behavior and building correct consciousness and workplace values. The Company has set the following anti-corruption guidelines and communicated with directors, executives, and employees to ensure understanding of and strict compliance with these guidelines.

1. Build consciousness, values, and attitudes to strengthen employees' legal and regulatory compliance.
2. Directors, executives, and employees are required to comply with the anti-corruption policy, shall avoid participating in fraudulent and corrupt activities, whether directly or indirectly, and shall not neglect or ignore any act that is considered fraud and corruption related to the Company.
3. Set up efficient and effective internal control system, appropriate audit, and balance of power to prevent fraud and corruption.
4. Set up an efficient internal audit system that covers accounting and finance to ensure that financial transactions are conducted correctly, transparently, and accountably.
5. Directors, executives, and employees are prohibited from demanding or accepting any asset or benefit for themselves or for others with the intention to induce improper conduct or neglect of duty or cause the Company to lose rightful benefits.
6. Set rules for giving or accepting gifts, items, or entertainment that may cause suspicion of fraudulent and corrupt behavior. Gift acceptance shall be done discreetly and the gift must not take the form of cash or cash equivalent. Any act should be transparent and accountable.
7. Set procurement, disbursement, and contract rules, in which each step must have clear supporting evidence, and determine appropriate and circumspect approval authority.
8. Directors, executives, and employees are prohibited from giving or proposing to give any asset or benefit to outsiders with the intention to induce improper conduct or neglect of duty.
9. Set up a transparent and accurate financial status reporting mechanism.
10. Communicate the anti-corruption policy and guidelines to directors, executives, and employees at all levels through various channels such as employee training and internal communication system.
11. Set up whistleblowing channels for employees and external parties to report possible or suspected corrupt or improper conduct of directors, executives, and employees of the Company via website, email, or postal mail.
12. Set up a whistleblower protection mechanism to keep the information of the whistleblowers confidential. If the whistleblower information is disclosed, the person responsible for such information shall be subject to disciplinary action.
13. Set a disciplinary penalty for directors, executives, and employees who engage in fraud and corruption or support fraudulent and corrupt acts. Appropriate disciplinary action shall be taken and may include written warning, pay cut, suspension, termination, and legal action.
14. Corruption cases shall be investigated and reported through a chain of command of the wrongdoer up to the Risk Management Committee, Audit Committee, Executive Committee, and Board of Directors.
15. Risk Management Committee shall conduct a corruption risk assessment to assess opportunities for and impacts of corruption of all forms including fraudulent financial reporting, creating loss of assets, corruption, management override of internal controls, modification of information in important reports, and improper acquisition and disposition of assets.

### **Whistleblowing Policy**

The Company has set guidelines for employees and other stakeholders to report or file complaints about violations of the code of conduct (whistleblower), illegal acts, suspected corrupt behavior, and misconduct of the Company's employees, as well as defects of the internal control system by reporting or filing complaints via email to: **"Mr. Suvit Lamsam Chairman of the Board of Director / Chairman of the Audit Committee / Independent Director at email: [suvit.l@rhombhl.co.th](mailto:suvit.l@rhombhl.co.th) or send a letter to "53 Sukhonthasawat Road, Lat Phrao Sub-district, Lat Phrao District, Bangkok, 10230."**

The Company will keep the information you have reported confidential and will disclose it to related individuals only to protect the whistleblower from victimization and harassment. The whistleblower may choose to reveal their identity or choose to remain anonymous. If the whistleblower is harassed or treated unfairly by any person, that person will be punished severely by the Company.

### **Responsibility to Customers and Consumers**

The Company cares about the highest satisfaction of customers, who buy the products and services from the Company, as well as consumers who use the products and services produced by the Company.

#### **Guidelines**

1. The Company is committed to developing a complete range of products and services and fast and quality services to continuously meet the needs of customers and consumers. Personnel of the Company must be fully dedicated to meet the needs of customers and consumers with a reasonable price, keep up with situation, and not limit consumer right and set fair conditions for consumers.
2. The Company must not commit any acts to deceive or mislead consumers about the quality of products and the services of the Company.
3. The Company is committed to developing product and service safety. Safety of consumers is of paramount importance. The Company has installed warning signs and conducted a safety inspection in the workplace and organized campaign and training on consumer safety for employees continuously.

### **Insider Information Policy**

To ensure fair and equitable treatment of all stakeholders and having recognized the importance of prevention of insider information abuse, the Company has set the policy and measures to prevent directors, executives, and employees from using non-public insider information for personal gain, including insider trading, as follows:

1. The Company has set guidelines for safeguarding information and preventing the misuse of insider information in writing to ensure fair treatment of all shareholders, customers, partners, and stakeholders in accordance with the law and principles of good corporate governance.
2. The Company prohibits its directors, executives, and employees from using non-public information material to the Company's securities trading that could affect the price of the Company's securities for personal benefit or the benefit of others, whether directly or indirectly and whether the benefit is received.
3. Directors, executives, staff members, and employees obtaining non-public material insider information which could affect securities prices by virtue of their positions are prohibited from buying or selling, or offering to buy or sell, or inducing others to buy or sell shares or other securities (if any) of the Company, whether directly or indirectly, in a way that may cause direct or indirect damages to the Company, whether such action is to seek personal gain or for the benefit of others, or disclosing this information with the intention to allow others to conduct such action, whether or not the benefit is received in return. This regulation shall also apply to the spouses and minor children of the Company's directors, executives, staff members, and employees.



4. The Company prohibits directors, executives, employees at the management-level or higher or equivalent in accounting or finance, and staff members working with material insider information that could affect securities prices from buying and/or selling the Company's securities within the period of one (1) month prior to disclosure of the Company's financial statements or operating results and financial status or material information that could affect securities prices and within at least twenty four (24) hours after disclosing such information to the public. In case that the information disclosed is not well-disseminated or is very complex, they shall wait for 48 hours after disclosing such information to the public before buying or selling the company's securities. These individuals and individuals related to insider information are also prohibited from disclosing such information to other parties.
5. The Company requires directors, executives, and employees at the management-level or higher or equivalent in accounting or finance to submit report of their and their spouses and minor children's holdings of the Company's securities to the Company Secretary within thirty (30) days after assuming the position. Furthermore, directors and executives must notify the Board of Directors or individual designated by the Board of Directors of any purchase or sale of the Company's securities at least one (1) day in advance of the purchase or sale to be reported to the Securities and Exchange Commission within three (3) days of the date of purchase, sale, transfer, or taking a transfer of such securities as required by the Securities and Exchange Act.
6. The Company requires directors and executives to prepare and submit a report of interests to the Company Secretary in accordance with the rules set forth in the Securities and Exchange Act.
7. The Company requires directors and executives to report changes in their holdings of securities and submit a report of interests to the Company Secretary who will submit the report to the Board of Directors at the next Board's meeting and disclose changes in directors and executives' holdings of securities in the annual report.
8. The Company places importance on preventing the misuse of insider information to gain personal benefits or cause the Company's benefits to decrease or cause conflicts of interests as specified in the Corporate Governance Policy, Code of Ethics, Code of Best Practice, employment contracts, and workplace regulations.
9. The Company places importance on confidential information of customers and shall not use such information for the interest of directors, executives, staff members, and other related persons, unless the information is required to be disclosed by laws.
10. The Company places importance on information security by controlling and/or preventing access to information of external parties and determine the right to access to information of employees at different levels according to their duties and responsibilities.
11. In case that external parties are involved in ad hoc tasks related to non-public and negotiating information deemed to be within the scope of insider information that could affect the price of the Company's securities, such external parties must sign a confidentiality agreement to keep the information secret until it is disclosed to the Stock Exchange of Thailand and Securities and Exchange Commission.

Directors, executives, employees violating the Insider Information Policy shall be subject to disciplinary and/or legal actions, whichever the case may be.

#### **Conflict of Interest Policy**

The Company focuses on considering transactions transparently and beneficial to the Company. Therefore, it places importance on preventing transactions that may cause a conflict of interest, connected transaction, or related party transactions.

The important principles are as follows:

1. Directors and executives must notify the Company of the relationship or connected transactions in the business that may cause conflict of interest.
2. Avoid making transactions that are related to connected persons as required by the Capital Market Supervisory Board, which may cause conflict of interest with the Company and/or subsidiaries. In the event where it is necessary to make such transactions, present the connected transactions to the Audit Committee for consideration and opinion before

submitting them to the Board of Directors for approval in accordance with the principles of good corporate governance and rules set by the Stock Exchange of Thailand and Office of the Securities and Exchange Commission.

Directors, executives, and employees must strictly comply with the Company's Articles of Association and Code of Ethics to build trust among stakeholders. The Company must disseminate information and promote understanding to ensure compliance among employees throughout the Company.

#### Investment Policy

The Company has a policy to invest in businesses that are related or similar to, or benefit or support, its business operations in order to strengthen the operating results of the Company. The Company will conduct a project feasibility study and carefully consider the investment risk, return on investment, and the Company's liquidity. In addition, the Company's investments must be approved by the Board of Directors and shareholders' meeting in accordance with the predefined scope of approval authority and the requirements and notifications of the Capital Market Supervisory Board and Stock Exchange of Thailand, as well as relevant laws. The Company shall govern and supervise the invested business by designating its directors and/or executives proportionate to its share ownership in the business to serve as a director in the business to control the management direction and policy so as to be in line with the business operations of the Company.

At present, the Company is not investing in any subsidiary and/or associated company. However, if the Company needs to invest in any subsidiary, associated company, and related company in the future, the Company will focus on investing in the business that benefits or supports its business operations taking into consideration returns and other profits expected from the investment. The Company will allocate assets as appropriate and based on expected returns in the best interests of shareholders. The Company shall govern and supervise the invested business by designating its directors and/or authorized persons proportionate to its share ownership in the business to represent the Company in the management of that business, including having the right to vote in a board's meeting and AGM meeting.

#### Dividend Payment Policy

The Company has a policy to pay dividends of not less than forty percent (40) of the net profit in the separate financial statements after tax, legal reserve, and other reserves (if any). The Company shall consider dividend payment in the best interest of shareholders, and the dividend payment shall not cause significant impact on the Company's normal operations. However, the dividend payment is subject to change, depending on the Company's operating results, financial position, liquidity, need for working capital, investment plan, and future business expansion, as well as market condition, appropriateness, and other factors related to the operations and management of the Company, under the condition that the Company must have sufficient cash for its business operations and such operations must be in the best interest of shareholders as the Board of Directors and/or shareholders deem appropriate. The resolution of the Board of Directors to approve a dividend payment must be proposed before a shareholders' meeting for approval, except for an interim dividend payment which the Board of Directors has the power to approve and duly informed shareholders in the next shareholders' meeting.

Dividends shall not be paid out of any sources other than profits. If the Company has accumulated deficit, dividend payment is not permitted, except for preferred stock dividends specified otherwise in the Articles of Association. Dividends shall be paid on a pro rata basis, and the dividend per share shall be equal. Dividend payment must be approved at a AGM meeting.

#### Dividend Payment


Board Date	Payment Date	Type of Payment	Dividend (Baht/Share)	Operating Period
April 24, 2018	May 18, 2018	Cash	0.05	01/01/2017 - 31/12/2017

## Charitable Donation Policy

The Company has a policy to donate to charities at the rate of not more than 10 percent of the net profit in the separate financial statements of the previous fiscal year after tax and legal reserves, provided that the charitable donation shall not cause significant impact on the Company's normal operations. However, the charitable donation is subject to change, depending on the Company's operating results, financial position, liquidity, and business expansion plan, as well as appropriateness and other factors related to the management of the Company as the Board of Directors and/or shareholders deem appropriate. Charitable donation must be approved at a AGM meeting.

## Personnel Development Policy

The Company has a policy to offer training and seminars to develop skills and abilities of personnel and allow employees to attend external seminars as needed or deemed appropriate by supervisors. In 2018, the Company offered training courses to employees at all levels as follows:

Training Matrix Year 2018			Department				
 Number of trained employees: 14 employees Number of training hours: 414 hours Training hours (mean/hour/person/year): 30 hours			Human Resource	Accounting and Finance	Procurement	Coordination and Legal Affairs	
Orientation	Regulations						
	ISO	ISO Human Resource Management	✓				
	Other						
Human Resource	Human Resource	New HR Officer Course	✓				
		Work Permit and Visa Application	✓				
		Management-Level Safety Officer Course	✓				
		Supervisor-Level Safety Officer Course	✓				
		2018 Employee Tax	✓				
		Responsibilities of the Welfare Committee	✓				
Law	Act	Laws on Social Security, Social Security Fund, and Workmen's Compensation Fund	✓				
		Laws on Labor Protection and Social Security 2018	✓				
Computer Skill	System	Ms Excel Advance	✓	✓			
	Microsoft Office	Ms Power Point & Excel for Accounting and Finance Reporting		✓			✓
		Ms Excel Techniques	✓	✓	✓	✓	✓
Team work		Refreshment of the Role and Expectation of A CFO		✓			
Hard Skill		Tax Issues and Tax-Accounting Documents for Procurement			✓		
		Important Changes and Issues in TFRS		✓			
		Basic Deferred Tax		✓			
		Intensive Property Sales Tax Planning		✓			
		Property Sales Tax Incidence		✓			
		Financial Statement and Financial Statement Analysis for Accountants		✓			
		Consolidated Financial Statement Workshop		✓			
		Modern Professional Secretary					✓
		Techniques for Preparing Financial Accounting Documents		✓	✓		
		Professional Executive Assistants					✓
		English Communication Skills					✓
		Time Management					✓
		Audit and Anti-Corruption Strategies in Procurement			✓		
		Accounting Issues in Property Sales		✓			
		Financial Statement for Business Management Workshop		✓			

 Not yet to offer  
 Offered

# Social and Environmental Responsibilities

The Company operates business by adhering to and focusing on duties and responsibilities to stakeholders, including shareholders, customers, business partners, employees, communities and society to conduct business that serve as a good model in society under the principles of ethics and good corporate governance to benefit society, the environment, and sustainable development. To achieve that goal, the Company has established the Corporate Governance Policy and Code of Ethics and set the social responsibility policy framework and guidelines as follows:

## 1. Corporate Governance

The Company has established a transparent, equal, and fair management system in accordance with the principles of good corporate governance to create confidence among shareholders, investors, stakeholders, and all related parties.

### Guidelines

Comply with the Corporate Governance Policy of the Company under the principles of good corporate governance for listed companies set by the Stock Exchange of Thailand in five (5) categories, including the rights of shareholders, equitable treatment of shareholders, role of stakeholders, information disclosure and transparency, and responsibilities of board of directors.

## 2. Conducting Business with Fairness

The Company adheres to fair business practices to build confidence among concerned parties, which will produce good results to the Company in the long term.

### Guidelines

1. Avoid actions that may cause conflict of interest. If a conflict of interest arises, a fair mediation process should be set up and important information fully disclosed.
2. Promote free trade competition and avoid cronyism or co-conspiring.
3. Do not promote operations that violate intellectual property or copyright.
4. Set up a management system that can prevent or detect bribery and corruption and effective and fair problem solving process if such cases occur.
5. Campaign to promote directors, executives, and employees to understand the importance of fighting against corruption, including extortion and bribery of all forms.

## 3. Respect for Human Rights and Fair Treatment of Workers

### Guidelines

1. Promote and respect for human rights and regularly monitoring to prevent the business from involving in the violation of human rights.
2. Promote monitoring of human rights compliance within the business and encourage compliance with human right principles according to international standards. The responsibility on human rights should cover affiliated companies, joint ventures, and customers.
3. The Company will treat all personnel of the Company equally, without discrimination based on birthplace, race, gender, age, skin color, religion, physical fitness, status, family, education, or any other status not directly related to performance of duties.

4. The Company gives every personnel the opportunity to show their talents and provides appropriate remuneration and creates motivation in the form of salary, bonus, and appropriate operating expenses according to the Company's regulations. It also provides opportunities for personnel to further their study in both tertiary level and short and long-term training.
5. All personnel of the Company must perform their duties with the best of their ability, honesty, and fairness and shall not assign any person to perform duties on their behalf, whether directly or indirectly, unless it is necessary or for fast completion in the tasks that do not require specialized abilities.
6. The Company's personnel must adhere to the chain of command, accepting orders and taking responsibility directly to their superiors and not stepping over the chain of command if it is not necessary. Avoid criticizing the superiors and colleagues, which may cause damage to them or to the Company. However, the personnel of the Company will listen to the comments of the subordinates and colleagues with good consciousness and without prejudice.
7. The Company's personnel may fully use the resources, labors, places, and facilities of the Company in their duties, but use of resources, labors, places, and facilities for other purposes than performing their duties or under their rightful welfare is prohibited.
8. The Company's personnel must be in a polite manner, dress appropriately, and conduct themselves appropriately to duties, local customs, and without damaging the Company's image.
9. The Company's personnel may use their titles and positions to raise money for the charity organized by the Company, but the use of titles and positions to solicit private funds for any purposes is prohibited.
10. The Company's personnel should cooperate in activities organized by the Company to create unity and help each other, as well as CSR activities organized by the Company.
11. Personnel of the Company are prohibited from acting in a manner that causes troubles, annoyance, and discouragement to others, causing enmity or disturbing operations in a sexual harassment manner, whether to personnel of the Company or third parties who come to contact business. This includes sexual harassment, courtship, abuse, obscenity, and phonography, both verbal and touching.

#### **4. Responsibility to Customers and Consumers**

The Company cares about the highest satisfaction of customers, who buy the products and services from the Company, as well as consumers who use the products and services produced by the Company.

##### **Guidelines**

1. The Company is committed to developing a complete range of products and services and fast and quality services to continuously meet the needs of customers and consumers. Personnel of the Company must be fully dedicated to meet the needs of customers and consumers with a reasonable price, keep up with situation, and not limit consumer right and set fair conditions for consumers.
2. The Company must not commit any acts to deceive or mislead consumers about the quality of products and the services of the Company.
3. The Company is committed to developing product and service safety. Safety of consumers is of paramount importance. The Company has installed warning signs and conducted a safety inspection in the workplace and organized campaign and training on consumer safety for employees continuously.



## 5. Community and Social Development

The Company operates in a society and is inseparable from the society. Therefore, the Company has a responsibility to develop and give profit back to the community and society. The Company regards it as its duty and core policy to give importance on community and social activities that focus on community and social development, religious continuity, and natural resources creation and conservation, as well as provide education support for youth and support public charitable activities for disadvantaged communities to become strong and self-reliant communities.

### Guidelines

1. The Company strives to provide understanding and communicate with the society about the status and facts in the operations of the Company, the responsibility of the Company to the community and society as a whole, and the responsibility of the Company to the environment, without concealing information that can be disclosed, and provides information to investors, shareholders, and interested parties in a timely manner.
2. The Company is committed to contributing to social responsibility in terms of quality, safety, occupational health, and the environment in the use of natural resources for maximum benefits. It recognizes the importance of the environment and safety of the involved stakeholders and promotes social activities to protect the environment and improve the quality of life of people in the community according to sustainable development principles.
3. The Company will consider the alternatives in utilizing natural resources to minimize the impact and damage on society, the environment, and quality of life of people, while promoting the reduction of energy and resource consumption.
4. The Company continuously instills consciousness on social and environmental responsibility in the Company's personnel, gives priority to transactions that have the same intention as the Company in terms of social and environmental responsibility. It aims to be a leader in promoting the use and conservation of energy efficiently for future generation.
5. The Company will give back a portion of profit to activities that contribute to society and the environment on a regular basis. Activities must be appropriate and benefit the community, society, and environment. In case of donations, the done information will be checked to ensure that the donation will be used for charity efficiently and effectively. Document for every donation will be collected as evidence.

## CSR ACTIVITIES

**Making Merit program: on Buddhist Lent Day at  
Doy Dhammachedi Temple, Sakon Nakhon  
Province.  
July 28, 2018**



**Environmental conservation activities for  
community benefits.  
August 1, 2018**





**Feed Street/Strayed dogs at Baan Phak See  
Kha Pua Maa John ( Four-legged Shelter for  
street/strayed dogs).**

**August 17, 2018**



**Pun Numjai Pun Royyim Hai Nong Nong  
Project at Baan Nokkamin Foundation (Share  
your kindness and smile to kids).**

**August 28, 2018**





### Beach Cleaning

September 16, 2018 and November 3, 2018



### Gathering Garbage & Trash Activity

November 24, 2018



### Share our Love to Children at Intra Children School (Foundation for the blind in Thailand), September 21, 2018



### Hai Duay Jai Project at Phrabat Nam Phu Temple (Giving from the heart)

October 16, 2018





**Donate to Charity for Autistic Thai Foundation**

**November 9, 2018**



**Donate to Charity for The school for the blind with multiple disabilities Cha-am**

**December 1, 2018**



**Offer free meals to fishermen, Rawai Municipal**

**Staff as well as locals surrounding the area.**

**December 28, 2018**





## 6. Environmental Care

The Company cares about safety and health of personnel of the Company and communities surrounding the establishment. It strives to promote and instill consciousness on quality, safety, occupational health, and the environment as a way of life in daily life of personnel of the Company for the benefit of everyone including the community and society as a whole. The Company promotes the appropriate use of resources and reduction of wasteful use.

### Guidelines

- 1.1 The Company regards safety as important issue and has set requirements and standards for safety quality, occupational health, and the environment not lower than the measures required by laws in accordance with international standards. Personnel of the Company must study and strictly comply with laws, policies, regulations and standards of safety quality, occupational health, and the environment.
- 1.2 The Company will take every action to control and prevent damages in various forms due to accidents, fire, injury or illness in the workplace, property loss or damage, violation of security systems, improper operations, and errors, as well as maintaining a safe working environment for the Company's personnel and organizing security plan drills on a regular basis. It is considered a duty and responsibility of executives and staff to report accidents according to predefined procedures.
- 1.3 The Company has set a plan to control and prevent emergency in all operating areas. It has an emergency and crisis management plan in order to prepare for various emergencies that may occur, such as fire and chemical or waste leakage, and other crises that may cause business interruption and damage reputation and image of the Company.
- 1.4 The Company will provide public relations and media to build knowledge and understanding and disseminate information to personnel of the Company and stakeholders in order for them to know and understand the rules, regulations, procedures, practices, and precautions related to safety quality, occupational health, and the environment and perform correctly without causing any harm to health, property, and the environment.
- 1.5 The Company is committed to contributing to social responsibility in terms of safety quality, occupational health, and the environment and the use of natural resources for the maximum benefit. It recognizes the importance of the environment and safety of stakeholders and promotes social activities to protect the environment and improve the quality of life of people in the community according to sustainable development principles.
- 1.6 If any work is not safe or may not comply with the requirements and standards of the safety quality, occupational health, and the environment or it is found that the operation has serious environmental impact, the personnel of the Company shall stop working temporarily to inform co-workers, superiors, and responsible agencies to solve problems or prepare a corrective plan. Do not continue working.

### Safety and Hygiene in the Workplace

The Company places importance on workplace safety and hygiene and provides employees with good quality of life. It has therefore established the Committee on Safety, Occupational Health, and the Environment to carry out work related to safety and hygiene for employees. It has conducted a safety inspection in the workplace regularly, had security officers, and installed an alarm system in the building, fire extinguishers, fire exits, CCTV, and various warning signs to prevent dangers from occurring to personnel or third parties who come to work or use service in the Company.

In 2018, the Company had workplace accidents, sick leave, and workplace illness as follows:

Type	Number (person)
Accident from work	0
Sick leave related to work	0
General sick leave that is not related to work	37

It is the main policy to give importance on community and social activities that focus on community and social development, religious continuity, and natural resources creation and conservation, as well as provide education support for youth and support public charitable activities for disadvantaged communities to become strong and self-reliant communities.



### 7. Innovation and Dissemination of Innovation from Social Responsibility Operations

The Company has applied the concept of social responsibility and created business innovations that benefit and improve competitiveness in business and society, including the revelation of innovations that are beneficial to society and the environment to encourage businesses and other entrepreneurs to follow.

### 8. CSR Reporting

The Company discloses information on compliance with social responsibility guidelines to benefit to all stakeholders by adhering to the guidelines for CSR reporting that covers business operations, environmental operations, safety, and society, with accurate information. It provides diverse distribution channels to allow readers to easily access information.

# 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 by 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 Parkin Virulhakul, 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 transactions

The company's Related Party Transactions policy is an important policy that will not allow directors, executives and other related parties to use opportunities from being directors, executives or other people that are related to the company to seek personal benefits. Therefore, it is defined as a sound practice for directors, executives and other persons that are related to the following companies.

1. Avoid making transactions that may cause conflict of interest with the Company.
2. When it is necessary to make such transactions for the benefit of the Company or subsidiary, enter into such transactions on an arm's length basis and the directors, executives, or related persons having interest in such transactions shall not take part in approving the transactions.
3. In case of connected transactions under the Securities and Exchange Act B.E. 2535 (and as amended), notifications of the Stock Exchange of Thailand, and relevant rules, the Company shall strictly comply with the rules, procedures, and disclosure of connected transactions for listed companies as follows:
  - 3.1 The Company may have connected transactions with directors, executives, or related persons in the future. It has therefore authorized in principle the Executive Committee or management to approve such transactions if the transactions are trade agreements in the same way that a reasonable person should act with a general contractor in the same situation, with bargaining power free from the influence of their positions as directors, executives, or related persons, whichever the case may be.
  - 3.2 Prepare a report of transactions under Clause 3.1 to submit to the Board's meeting every quarter or as required by the Board of Directors.

If the connected transactions do not fall under Clause 3.1, the Company shall comply with the rules and conditions set in the Securities and Exchange Act B.E. 2535 (and as amended), notifications of the Stock Exchange of Thailand, and relevant rules.

## 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 2016, 2017, and 2018 could be summarized as follows:

Individuals / Parties of Conflict	Relationship
Sam Tunwa Company Limited	<ul style="list-style-type: none"> <li>As of December 31, 2018, major shareholders of Sam Tunwa were executives of Rhom Bho Property, including Mr. Dendanai Hutajuta holding 23.20%, Ms. Jiraya Udomvongsup holding 3.60%, and Mr. Prasert Wannacharoen holding 3.60% of Sam Tunwa's shares.</li> <li>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.</li> <li>Providing high-quality lumber and wood flooring products as well as excellent installation services.</li> </ul>
Pana 1000 Tree Town Company Limited	<ul style="list-style-type: none"> <li>As of December 31, 2018, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 100.00% of the company's shares.</li> <li>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.</li> <li>Specializing in distributing plants and garden decoration (soft scape).</li> </ul>
Mono Group Company Limited	<ul style="list-style-type: none"> <li>As of December 31, 2018, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 100.00% of the company's shares.</li> <li>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.</li> <li>Specializing in garden and landscape decoration (hard scape).</li> </ul>
Mr. Dendanai Hutajuta	<ul style="list-style-type: none"> <li>Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of March 23, 2018 the person held shares of 57.46 % of the Company's registered capital.</li> </ul>
Mr. Darong Hutajuta	<ul style="list-style-type: none"> <li>Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of March 23, 2018 the person held shares of 4.38 % of the Company's registered capital.</li> </ul>
Mr. Virot Hutajuta	<ul style="list-style-type: none"> <li>Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of March 23, 2018 the person held shares of 1.35 % of the Company's registered capital.</li> </ul>
Ms. Chera Y Udomvongsup	<ul style="list-style-type: none"> <li>Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of March 23, 2018 the person held shares of 1.04 % of the Company's registered capital.</li> </ul>
Mr. Prasert Vannacharoen	<ul style="list-style-type: none"> <li>Be a member of the Board of Directors and a major shareholder of Rhom Bho Property. As of March 23, 2018 the person held shares of 0.97 % of the Company's registered capital.</li> </ul>



Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2016	Y2017	Y2018	
Sam Tunwa Company Limited	<p><b><u>Purchase of Equipment and Construction Materials</u></b></p> <p>Rhom Bho Property PCL. purchased equipment and construction materials from Sam Tunwa Company Limited.</p>	0.39	0.08	0.35	<p>In 2016, Rhom Bho Property PCL. had purchased equipment and construction materials from Sam Tunwa Company Limited to be used in business operations, totaling 0.39 million baht, including:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Wood flooring used for the repair of the office with the total value of 0.01 million baht reference to the market price.</li> </ol>
	<p><b><u>Trade Account Payable</u></b></p> <p>As of the ending date, the amount of payment of equipment and construction materials remained unpaid to Sam Tunwa Company Limited.</p>	-	0.04	-	
					<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 Phase 3 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 0.35 million baht</p> <ol style="list-style-type: none"> <li>1. Purchased Hopea odorata from Sam Tunwa Company Limited building boat at The Title Nai Yang 0.22 million baht with reference to the market price.</li> <li>2. Purchased Teng wood from Sam Tunwa Company Limited for the repair House B 0.13 million baht with reference to the market price.</li> </ol> <p>In 2017, The company has unpaid creditors with Sam Tunwa Company Limited Due to not yet reached the payment period of 0.04 million baht which as of December 31, 2018 has already been paid</p>

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2016	Y2017	Y2018	
	<b>Office Rental Fee</b> Rhom Bho Property PCL. rented a space owned by Sam Tunwa Company Limited to establish its head office.	0.28	0.48	0.48	Rhom Bho Property PCL. 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 PCL. had initially signed the rental agreement in year 2015, after contract finished Rhom Bho Property PCL. Continue contract for 1 year started January 1 to December 31, 2016, January 1 to December 31, 2017 and January 1 to December 31, 2018. By the same rental rate with reference to the market price. Rhom Bho Property PCL. was sing contract until December 2019 by Increased rental rates 80,000 baht per month because of space rental from 130 sq.m. to 326 sq.m. (Add to the meeting room, living room, document room, office) reference to the market price because of the rental rate that includes water and electricity

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2016	Y2017	Y2018	
Pana 1000 Company Limited	<b><u>Agreement of Plant Purchase</u></b> Rhom Bho Property PCL. signed an agreement with Pana 1000 Company Limited to purchase plants for garden and landscape decoration.	-	1.05	17.57	<p>In April, 2015, Rhom Bho Property PCL. had purchased tree from Pana 1000 company limited. for use in landscaping and decorative landscaping around sales officer The Title Nai Yang Phase 1 value 1.05 million baht exculeding vat with reference to the market price</p> <p>In 2018, Rhom Bho Property PCL. Had purchased the trees from Pana 1000 company limited. For decorative landscaping the details below this</p> <p>1) Rhom Bho Property PCL. had purchased one Fiddle Leaf Fig from Pana 1000 Company Limited to plant in front of sales office The Title Rawai on May 2018 valued 0.07 million baht with reference to the market price.</p> <p>2) Rhom Bho Property had purchased plants from Pana 1000 Company Limited for garden and landscape of The Title Naiyang valued 20,481,830.40 million baht the following payments.</p> <p>Payment Peroid 1 on September 25,2018 4 million baht</p> <p>Payment Peroid 2 on October 16,2018 3 million baht</p> <p>Payment Peroid 3 on November 6, 2018 6 million baht</p> <p>Payment Peroid 4 on December 25,2018 4.5 million baht</p>

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2016	Y2017	Y2018	
Mono Group Company Limited	<p><b><u>Agreement of Garden and Landscape Decoration Services</u></b></p> <p>Rhom Bho Property signed an agreement with Mono Group Company Limited to obtain garden and landscape decoration services</p>	-	-	1.85	<p>In 2018, Rhom Bho Property PCL. had signed an agreement with Mono Group Company Limited to obtain garden and landscape decoration services for The Title Nai Yang. The service includes Field work, equipment and planting materials the details below this.</p> <p>1) Rhom Bho Property PCL. had purchased the tree and mixed soil, coir and crutch from Mono Group Company Limited. For use in the landscaping of the sales office area The Title Nai Yang on March 2018 0.57 Million with reference to the market price.</p> <p>2) Rhom Bho Property PCL. had purchased mixed soil, sand, fertilizer from Mono Group Company Limited. For use in the landscaping of the sales office area The Title Nai Yang totaling 1,542,533.40 baht the payment detail below this</p> <p>Payment Period 1 on September 25, 2018 = 535,000 baht</p> <p>Payment Period 2 on October 12, 2018 = 749,000 baht</p> <p>with reference to the market price and comparison to other contractors</p>

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2016	Y2017	Y2018	
Mr. Prasert Vannacharoen	The person had signed an agreement to purchase a condominium unit No. F208 of The Title Rawai Phase 3	-	2.58	-	Mr. Prasert Vannacharoen, and executive of Rhom Bho Property, intended to purchase a condominium unit of The Title Rawai 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.
Mr. Viroj Hutajuta Ms. Cheraya Udomvongsup	Is a guarantor of loans from financial institutions 304.50 million baht the details below this. 1. Long-term loans 290.00 million baht 2. An overdraft (O/D) 10.00 million baht 3. Top Up Bancassurance 4.50 million	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. Viroj 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. Dendanai 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 the company's land and buildings And personal guarantees of directors Which is in accordance with the conditions and contracts made with the insurance company in 2016, To be used for the business of the company. Later on 16 January 2018 the company has fully repaid the loan to the insurance company already.



### **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 1000 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 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.

## Responsibilities of the Board of Directors for Financial Report

The Board of directors was responsible for financial budgeting; as well as financial information that was presented in the company annual report of Rhom Bho Property Public Company Limited. In turn, financial budgeting was made and followed by certified accounting standards, utilizing the accountant policy with sensibleness, stability, and conscientious. There was disclosure of substantial data with the supplement in the bank financials.

The Board of directors have organized a audit committee; of which was contained with the independent committee. This was done to take and be responsible with the quality of reporting financials, and the internal control system; to be able to have excellence. The opinion of the audit committee was presented in the annual report.

The Board of directors had an opinion about the financial reporting; of which the internal system control of the company was stabilized; as well as being abundant could be made reliable for the financial report on the December 31<sup>st</sup>, 2018. Therefore, the auditor of the company checked and integrated following the standards of auditing adjustments; that certified and shown that the budgeting of financials as well as the process of this was correct. This was followed by the principles of accounting that was certified by the accounting principles.



Mr. Suvit Lamsam  
Chairman of the Board of Director



Mr. Dendanai Hutajuta  
Chief Executive Officer

# 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 2018, 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 2018**

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. Suvit Lamsam

Chairman of the Audit Committee

# Report of Independent Auditor

## 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 2018, 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 2018, 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>
<b><i>Cost of property development and land held for development</i></b> 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, 2018, the carrying amount of cost of property development and land held for development are of Baht 689.867 million and Baht 568.994 million, respectively, as disclosed in note 6 and note 8, respectively.	Other than making the inquiries, the audit procedures for cost of property development and land held for development included sampling test as follows:  - 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><b>Cost of property development and land held for development</b></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"> <li>- 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;</li> <li>- 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;</li> <li>- allocation test of cost of property development per unit;</li> <li>- assessing and calculation test of borrowing costs basing on the capitalized borrowing costs;</li> <li>- physical observation project of construction to determine the relationship between physical and accounting records.</li> </ul>
<p><b>Recognition of revenue from sale</b></p> <p>Sale of property is significant high value transaction and affects to the operation of the Company. For the year ended December 31, 2018, sale of property was Bath 311.734 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"> <li>- assessing the efficiency and test of internal control relates to the revenue system;</li> <li>- 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;</li> <li>- testing the calculation of trade discount and discount from warranty;</li> <li>- sale cut-off with sale documents nearby before and after end of reporting period;</li> <li>- reviewing the adjustments relating to sale after end of reporting period.</li> </ul>

## 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 27, 2019

# Statement of Financial Position

## RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

### STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

*Baht*

	Note	2018	2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	253,291,768	236,653,977
Trade and other receivables		174,698	26,917
Cost of property development	4, 6	689,867,370	373,570,474
Inventories		6,492,727	533,825
Other current assets	7	176,832,306	77,361,273
<b>Total current assets</b>		<b>1,126,658,869</b>	<b>688,146,466</b>
<b>Non-current assets</b>			
Restricted bank deposits		414,376	410,716
Land held for development	8	568,993,923	219,530,772
Investment property		2,108,243	-
Property, plant and equipment	9	39,220,494	50,160,210
Intangible assets		1,465,525	1,318,097
Deferred tax assets	10	13,661,778	9,249,499
Other non-current assets		2,082,325	773,455
<b>Total non-current assets</b>		<b>627,946,664</b>	<b>281,442,749</b>
<b>Total assets</b>		<b>1,754,605,533</b>	<b>969,589,215</b>

**RHOM BHO PROPERTY PUBLIC COMPANY LIMITED**
**STATEMENT OF FINANCIAL POSITION**
**AS AT DECEMBER 31, 2018**
**Baht**

	Note	2018	2017
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loan from other company	11	-	25,000,000
Trade and other payables	4, 12	11,444,347	18,989,149
Current portion of liabilities	15	201,347	341,384
Income tax payable		4,040,623	5,795,786
Advance received		891,287,345	327,395,173
Estimated cost of property development		6,242,624	4,974,489
Retention payables		6,446,331	1,545,888
Other current liabilities		4,978,914	2,844,012
<b>Total current liabilities</b>		<b>924,641,531</b>	<b>386,885,881</b>
<b>Non-current liabilities</b>			
Long-term loans from other company	14	269,000,000	50,000,000
Long-term liability under finance lease	15	-	201,347
Employee benefit obligations	16	9,948,850	7,476,073
<b>Total non-current liabilities</b>		<b>278,948,850</b>	<b>57,677,420</b>
<b>Total liabilities</b>		<b>1,203,590,381</b>	<b>444,563,301</b>
<b>Shareholders' equity</b>			
Share capital	17		
Authorized share capital			
440,000,000 ordinary shares in year 2018 and 400,000,000 ordinary shares in year 2017, Baht 0.50 par value		220,000,000	200,000,000
Issued and paid-up share capital			
439,999,039 ordinary shares, in year 2018 and 400,000,000 ordinary shares, in year 2017, fully paid-up		219,999,520	200,000,000
Premium on share capital	17	191,414,236	191,414,236
Retained earnings	18, 19		
Appropriated to legal reserve		15,072,000	13,652,000
Unappropriated		124,529,396	119,959,678
<b>Total shareholders' equity</b>		<b>551,015,152</b>	<b>525,025,914</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,754,605,533</b>	<b>969,589,215</b>



# Statements of Comprehensive Income

## RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

### STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

*Baht*

	Note	2018	2017
<b>Revenues from sales</b>	4	<b>311,733,798</b>	<b>293,881,601</b>
Cost of sales	21	(183,942,686)	(163,311,995)
<b>Gross profit</b>		<b>127,791,112</b>	<b>130,569,606</b>
Other income		12,393,918	7,340,288
Selling expenses	21	(22,868,243)	(17,403,541)
Administrative expenses	4, 21	(81,496,666)	(66,242,633)
Finance costs	22	(106,538)	(5,519,567)
<b>Profit before income tax</b>		<b>35,713,583</b>	<b>48,744,153</b>
Tax expense	23	(7,502,170)	(7,859,861)
<b>Profit for the year</b>		<b>28,211,413</b>	<b>40,884,292</b>
<b>Earnings per share</b>	3		
Basic earnings per share		0.06	0.12
Weighted average number of ordinary shares (shares)		439,999,039	334,761,449
<b>Other comprehensive income :</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Defined benefit plan actuarial gain	16	-	596,139
Income tax relating to items that will never be reclassified to profit or loss	23	-	(119,228)
<b>Other comprehensive income - net of tax</b>		<b>-</b>	<b>476,911</b>
<b>Total comprehensive income</b>		<b>28,211,413</b>	<b>41,361,203</b>

# Statements of Changes in Shareholders' Equity

## RHOM BHO PROPERTY PUBLIC COMPANY LIMITED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
				Legal reserve	Unappropriated	
<b>Balance as at January 1, 2017</b>		<b>140,000,000</b>	-	<b>11,552,000</b>	<b>80,698,475</b>	<b>232,250,475</b>
Increase in ordinary shares	17	60,000,000	191,414,236	-	-	251,414,236
Legal reserve	19	-	-	2,100,000	(2,100,000)	-
Total comprehensive income		-	-	-	41,361,203	41,361,203
<b>Balance as at December 31, 2017</b>		<b>200,000,000</b>	<b>191,414,236</b>	<b>13,652,000</b>	<b>119,959,678</b>	<b>525,025,914</b>
Increase in ordinary shares	17	19,999,520	-	-	-	19,999,520
Stock dividend and dividend paid	18	-	-	-	(22,221,695)	(22,221,695)
Legal reserve	19	-	-	1,420,000	(1,420,000)	-
Total comprehensive income		-	-	-	28,211,413	28,211,413
<b>Balance as at December 31, 2018</b>		<b>219,999,520</b>	<b>191,414,236</b>	<b>15,072,000</b>	<b>124,529,396</b>	<b>551,015,152</b>

*Baht*

# Cash Flow Statement

**RHOM BHO PROPERTY PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

*Baht*

	2018	2017
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>35,713,583</b>	<b>48,744,153</b>
Adjustments to reconcile profit before income tax to cash generated (paid) from operating activities		
Depreciation and amortization	10,030,602	9,716,119
Loss on written-off of equipments	80,838	42,020
Interest income	(1,103,327)	(494,494)
Finance costs	106,538	5,519,567
<b>Cash flow before changes in working capital</b>	<b>44,828,234</b>	<b>63,527,365</b>
<b>Changes in working capital</b>		
Trade and other receivables	(147,781)	(3,250)
Cost of property development	(308,273,026)	(29,133,477)
Inventories	(5,958,902)	13,885
Other current assets	(99,471,034)	(52,158,398)
Restricted bank deposits	(3,658)	1,289,951
Other non-current assets	(1,308,870)	(246,871)
Trade and other payables	(7,544,803)	15,810,035
Advance received	563,892,173	188,767,633
Estimated cost of property development	1,268,135	1,172,164
Retention payables	4,900,442	1,145,539
Employee benefit obligations	2,472,777	2,345,295
Other current liabilities	2,134,902	1,687,612
<b>Cash generated from operations</b>	<b>196,788,589</b>	<b>194,217,483</b>
Interest received	1,103,327	494,492
Income tax paid	(13,669,612)	(20,751,061)
<b>Net cash provided by operating activities</b>	<b>184,222,304</b>	<b>173,960,914</b>
<b>Cash flows from investing activities</b>		
Purchase of land held for development	(349,463,151)	(159,189,185)
Purchase of building and equipments	(775,337)	(9,526,210)
Disposal of equipment	-	2,804
Purchase of intangible assets	(652,058)	(197,009)
<b>Net cash used in investing activities</b>	<b>(350,890,546)</b>	<b>(168,909,600)</b>
<b>Cash flows from financing activities</b>		
Repayments of short-term loans from other company	(25,000,000)	(90,000,000)
Repayments of long-term loans from financial institution	-	(11,663,715)
Proceeds from long-term loans from other company	250,000,000	50,000,000
Repayments of long-term loans from other company	(31,000,000)	-
Repayments of liability under finance lease	(341,384)	(438,989)
Finance cost paid	(8,130,407)	(4,269,649)
Increase in ordinary shares	-	251,414,236
Dividends paid	(2,222,176)	-
<b>Net cash provided by financing activities</b>	<b>183,306,033</b>	<b>195,041,883</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,637,791</b>	<b>200,093,197</b>
Cash and cash equivalents at the beginning of year	236,653,977	36,560,780
<b>Cash and cash equivalents at the end of year</b>	<b>253,291,768</b>	<b>236,653,977</b>

Non - cash items, as follow

**Year 2018**

The Company paid stock dividend in the amount of Baht 20 million (see note 18).

# Notes of Financial Statements

## RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2018

##### 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 27, 2019.

##### 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 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") (revised 2017) and Accounting Guidance ("AG"), which are effective for the financial statements, which its accounting period beginning on or after January 1, 2018.

During the year, have adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2018. These TFRS were aimed at alignment with the corresponding the Company International Financial Reporting Standards, with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the notes to the financial statements to users of TFRS. The adoption of these TFRS does not have any significant impact on the financial statements of the Company.

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.

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Group's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

This TFRS replaces the TAS, TFRS, TSIC and AG as follows:

- TAS 101 Bad and Doubtful Debts
- TAS 103 Disclosures in the Financial Statements of Bank and Similar Financial Institutions
- TAS 104 (revised 2016) Accounting for Troubled Debt Restructuring
- TAS 105 (revised 2016) Accounting for Investment in Debts and Equity securities
- TAS 106 Accounting for Investment Companies
- TAS 107 (revised 2016) Financial Instruments: Disclosure and Presentation
- TSIC for Asset Transferred by Debtors for Debt Settlement
- AG for derecognition of financial assets and financial liabilities
- AG for insurance business to designation of financial instruments at fair value through profit or loss

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

### 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**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

#### **Property development**

Revenue is recognized in the statements of 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.

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

#### **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 <ol style="list-style-type: none"><li>1) The design fees, construction cost of utilities and public facilities. Direct costs relating to property development are allocated based on salable area.</li><li>2) Construction costs are allocated based on salable area</li></ol>
Capitalized borrowing cost	-	Interest expense and fee incurred from loans in bringing the property development, arising before the project will be fully developed, are allocated based on actual incurred relevant to land and construction.

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, transfer fee and commission are recognized as expenses in the period that sales incur.

Loss on devaluation of cost of property development is recognized in the statement of 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.

### **Investment property**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

	<b>Years</b>
Buildings	20

#### Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

#### **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 income or 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 assets. The estimated useful lives are as follows:

	<b>Years</b>
Buildings and constructions	2 - 20
Furniture and office equipment	5
Vehicle	5

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:

	<b>Years</b>
Software licences	5

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.

Gains and losses on disposal by comparing the proceeds from disposal with the carrying amount and are included in expenses in profit or loss.

### **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.

An impairment loss in respect of goodwill is not reversed. 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 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 is calculated by dividing profit for the years by the weighted average number of ordinary shares outstanding during the years.

During the year 2018, the Company paid stock dividends to the ordinary shareholders (see note 17 and 18). The Company adjusted the number of ordinary shares held by the ordinary shareholders existing before dividends paid at the changed proportion of the ordinary shares held by ordinary shareholders, as though the stock dividend had been issued at the beginning of the earliest reporting period.

For the years ended December 31, 2018 and 2017 were as follows:

	<b>Baht</b>	
	2018	2017
Profit for the year	28,211,413	40,884,292
<b>Weighted average number of ordinary shares (Shares)</b>		
Ordinary shares at the beginning of year	400,000,000	280,000,000
Effect of stock dividends and shares issued	39,999,039	54,761,449
Weighted average number of ordinary shares	439,999,039	334,761,449
Basic earnings per shares	0.06	0.12

#### 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, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
<b>Revenues from sales</b>		
Prasert Vannacharoen	-	2,580,282
<b>Purchase of materials and equipments of construction</b>		
Pana 1000 Trees Town Co., Ltd.	17,500,000	1,050,000
Mono Group Co., Ltd.	1,857,988	-
Sam Tunwa Co., Ltd.	219,682	41,436
<b>Office rental</b>		
Sam Tunwa Co., Ltd.	480,000	480,000
<b>Repair expense</b>		
Sam Tunwa Co., Ltd.	131,824	42,468
<b>Service charge</b>		
Pana 1000 Trees Town Co., Ltd.	73,000	-

The significant balances of assets and liabilities with related parties as at December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
<b>Other payable</b>		
Sam Tunwa Co., Ltd.	-	41,436

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, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Short-term benefits	28,334,993	17,391,678
Post-employment benefits	1,654,470	1,431,907
Total	29,989,463	18,823,585



## 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, 2018, the Company paid directors' remuneration in the amount of Baht 1.99 million (year 2017: Baht 1.94 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	Thai	Related person	Shareholders and chief executive

### Bases of measurement for intercompany revenues and expenses

	Pricing policies
Revenue from sales	Net selling price deducted an employee discount at the rate of 15% of net selling price (employee welfare)
Purchase of materials and equipments of construction	Market price
Office rental	Stipulate in the agreement
Repair expenses	Market price
Service charge	Market price

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2018 and 2017 consisted of:

	<b>Baht</b>	
	2018	2017
Cash on hand	1,000,000	700,000
Cash at banks	252,291,768	235,953,977
Total	253,291,768	236,653,977

## 6. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, 2018 and 2017 consisted of:

	<b>Baht</b>	
	2018	2017
Property for sale		
Land	43,842,866	-
Condominium units	597,481,710	140,991,296
Interior decoration	39,315,247	12,865,765
Capitalized interest cost	8,254,007	-
Total	688,893,830	153,857,061
Property under development		
Land	-	43,187,594
Construction in progress and other costs	973,540	176,295,682
Capitalized interest cost	-	230,137
Total	973,540	219,713,413
Grand total	689,867,370	373,570,474

The significant movements of cost of property development for the years ended December 31, 2018 and 2017 were summarized below:

		<b>Baht</b>	
	Note	2018	2017
Transfer out to property, plant and equipment	9	-	(221,030)
Cost of sale and interest expense		134,215,493	131,240,137
Capitalized interest cost	22	8,023,870	230,137

Existing land in the property under development 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 14).

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 note 13).

## 7. OTHER CURRENT ASSETS

Other current assets as at December 31, 2018 and 2017 consisted of:

	<b>Baht</b>	
	2018	2017
Additional cost to obtain the contract	163,873,985	75,095,451
Prepaid expenses	803,470	644,771
Advance payment for purchase goods	11,823,239	1,331,737
Others	331,612	289,314
<b>Total</b>	<b>176,832,306</b>	<b>77,361,273</b>

## 8. LAND HELD FOR DEVELOPMENT

Movements of land held for development for the years ended December 31, 2018 and 2017 consisted of:

	<b>Baht</b>
<b>At cost</b>	
Balance as at January 1, 2017	60,341,587
Purchase/ transfer in	159,189,185
Disposal/ transfer out	-
Balance as at December 31, 2017	219,530,772
Purchase/ transfer in	349,463,151
Disposal/ transfer out	-
Balance as at December 31, 2018	568,993,923

Land held for development were mortgaged as collateral for long-term loans from other company (see note 14).

## 9. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the years ended December 31, 2018 and 2017 consisted of:

Transfer in from cost of

property development	-	-	-	-	221,030	221,030
Disposal/ transfer out	-	-	(74,380)	-	(8,105,145)	(8,179,525)
Balance as at December 31, 2017	3,759,402	57,148,514	8,011,533	4,562,145	-	73,481,594
Purchase/ transfer in	-	-	1,080,639	140,170	-	1,220,809
Disposal/ transfer out	-	(445,471)	(296,846)	-	-	(742,317)
Transfer out to investment property	-	(2,480,285)	-	-	-	(2,480,285)
Balance as at December 31, 2018	3,759,402	54,222,758	8,795,326	4,702,315	-	71,479,801

### Accumulated depreciation

Balance as at January 1, 2017	-	10,181,212	2,790,430	1,217,338	-	14,188,980
Depreciation	-	7,342,843	1,292,587	530,270	-	9,165,700
Disposal/ transfer out	-	-	(33,296)	-	-	(33,296)
Balance as at December 31, 2017	-	17,524,055	4,049,721	1,747,608	-	23,321,384
Depreciation	-	7,502,841	1,562,646	460,485	-	9,525,972
Disposal/ transfer out	-	-	(216,007)	-	-	(216,007)
Transfer out to investment property	-	(372,042)	-	-	-	(372,042)
Balance as at December 31, 2018	-	24,654,854	5,396,360	2,208,093	-	32,259,307

### Net book value

Owned assets	3,759,402	39,624,459	3,961,812	1,227,979	-	48,573,652
Assets under finance leases	-	-	-	1,586,558	-	1,586,558
Balance as at December 31, 2017	3,759,402	39,624,459	3,961,812	2,814,537	-	50,160,210
Owned assets	3,759,402	29,567,904	3,398,966	1,526,292	-	38,252,564
Assets under finance leases	-	-	-	967,930	-	967,930
Balance as at December 31, 2018	3,759,402	29,567,904	3,398,966	2,494,222	-	39,220,494

Depreciation for the years ended December 31, 2018 and 2017 is recognized in the statements of comprehensive income were as follows:

	<b>Baht</b>	
	2018	2017
Depreciation for the years ended December 31		
was included in administrative expenses	9,525,972	9,165,700
As at December 31,		
The gross carrying amount of fully deperciated		
that is still in use	285,808	285,808

On May 22, 2018, the Company redeemed land including construction which were mortgaged as collateral for loans from other company (see note 11).

#### 10. DEFERRED TAX

Deferred tax as at December 31, 2018 and 2017 consisted of:

	<b>Baht</b>	
	2018	2017
Deferred tax assets	13,661,778	9,249,499

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

	<b>Baht</b>					
	January 1, 2017	Profit	Other comprehensive loss	December 31, 2017	Profit	December 31, 2018
<b>Deferred tax assets</b>						
Provision	763,661	231,237	-	994,898	253,627	1,248,525
Employee benefit obligations	1,131,006	483,437	(119,228)	1,495,215	494,555	1,989,770
Property, plant and equipment	841,608	780,385	-	1,621,993	760,486	2,382,479
Guarantee return	1,983,389	3,154,004	-	5,137,393	2,903,611	8,041,004
<b>Total</b>	<b>4,719,664</b>	<b>4,649,063</b>	<b>(119,228)</b>	<b>9,249,499</b>	<b>4,412,279</b>	<b>13,661,778</b>

## 11. SHORT-TERM LOAN FROM OTHER COMPANY

Short-term loans from other company as at December 31, 2018 and 2017 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, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
Beginning balance	25,000,000	115,000,000
Increase	-	-
Decrease	(25,000,000)	(90,000,000)
Ending balance	-	25,000,000

During the year 2018, the Company closed a credit limit of loan from other company in the amount of Baht 119 million and redeemed the collateral (see note 9).

## 12. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	2018	2017
Trade payables	4,285,977	9,524,039
Other payables		
Accrued expenses	3,512,423	4,410,608
Other payables	3,645,947	5,054,502
Total	7,158,370	9,465,110
Grand total	11,444,347	18,989,149



### 13. LOANS FROM FINANCIAL INSTITUTION

The details of loans from financial institution

Financial institution	Million Baht	Period of repayment	Referred interest rate	% Repayment
Commercial	4.50	Within March, 2017	MLR	Monthly repayment of principal with interest of Baht 0.14 million.
Bank	290.00	Within March, 2017	MLR	Repayment of principal 70% of agreement to purchase and sell, when the ownership of condominium units are transferred for revoking. Monthly repayment of interest.

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

	Baht
Beginning balance	11,663,715
Increase	-
Decrease	(11,663,715)
Ending balance	-

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).

### 14. LONG-TERM LOAN FROM OTHER COMPANY

Long-term loan from other company as at December 31, 2018 and 2017 consisted of:

	2018	2017
Long-term loan	269,000,000	50,000,000

Million Baht	Period of repayment	Referred interest rate	%	Repayment
Credit Limit				
300	Within November 2021	MLR		Principal repayment
				First installation December 2018 Baht 31 million
				Second installation November 2019 not less than Baht 100 million
				Third installation November 2020 not less than Baht 100 million
				Fourth installation November 2021 Installment of the remaining principal

Movements of long-term loan other company for the year ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Beginning balance	50,000,000	-
Increase	250,000,000	50,000,000
Decrease	(31,000,000)	-
Ending balance	269,000,000	50,000,000

Land in the property under development and land held for development (see notes 6 and 8) were mortgaged as collateral for credit limit of loan.

## 15. LIABILITY UNDER FINANCE LEASE

Liability under finance lease as at December 31, 2018 and 2017 consisted of:

Year	2018			2017		
	Present value	Deferred	Minimum	Present value	Deferred	Minimum
		interest	lease payment		interest	lease payment
1	201,347	2,217	203,564	341,384	20,236	361,620
2 - 5	-	-	-	201,347	2,217	203,564
	201,347	2,217	203,564	542,731	22,453	565,184

The Company entered into a finance lease agreement for purchase of vehicle which is payable monthly in the amount of Baht 0.02 million. The current portion in the amount of Baht 0.20 million (year 2017: Baht 0.34 million) was presented under current liabilities.

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

## 16. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations in the statement of financial position as at December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
<b>Post-employment benefit plan</b>		
Present value of obligations	9,948,850	7,476,073
Employment benefit obligations	9,948,850	7,476,073

Movements of the present value of employee benefit obligations for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	2018	2017
<b>Post-employment benefit plan</b>		
Employee benefit obligations as at January 1	7,476,073	5,726,917
Included in profit or loss:		
Current service cost	2,311,850	2,189,815
Interest cost	160,927	155,480
Included in other comprehensive income (loss):		
Defined benefit plan actuarial (gain) loss		
Arising from demographic assumption changes	-	(802,841)
Arising from financial assumption changes	-	282,488
Arising from experience adjustments	-	(75,786)
Employee benefit obligations as at December 31	9,948,850	7,476,073

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, 2018 and 2017 (expressed as weighted averages) were as follows:

	2018	2017
Discount rate (%)	2.15	2.15
Salary increases rate (%)	5.00	5.00
Turnover rate (%)	0.00 - 19.00	0.00 - 19.00
Retirement age	60 Years	60 Years
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2008
Disability rate	5% of mortality rate	5% of mortality rate

The result of sensitivity analysis for significant assumptions that affect the present value of the post-employment benefit obligations as at December 31, 2018 are summarised below:

	Increase	Decrease
Discount rate (1% Movement)	(648,049)	764,576
Salary increase rate (1% Movement)	839,162	(729,060)
Turnover rate (1% Movement)	(685,265)	286,130

## 17. SHARE CAPITAL

The Ordinary General Meeting of Shareholders held on April 24, 2018 passed a resolution to approve increase authorized share capital from Baht 200 million to Baht 220 million by issuing 40 million shares of new ordinary shares, at Baht 0.50 par value to support stock dividend payment.

The Company has already registered the increase of its share capital with Ministry of Commerce on May 21, 2018.

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.

## 18. DIVIDEND

The Ordinary General Meeting of Shareholders held on April 24, 2018 passed a resolution to approve stock dividend at the rate of 10 ordinary shares per 1 stock dividend, totaling of 40 million shares or equivalent to Baht 20 million and dividend payment at the rate of Baht 0.0055 per share, totaling of Baht 2.22 million.

## 19. 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.

## 20. 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.

## 21. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2018 and 2017 consisted of:

	<b>Baht</b>	
	2018	2017
Employee expenses	61,078,594	41,082,658
Depreciation and amortization	10,030,602	9,716,119
Sales promotion expenses	49,507,511	32,055,915
Fee expenses	5,144,515	2,425,917
Utility expenses	2,862,128	3,511,943
Property transfer expenses	4,805,387	7,609,371

## 22. FINANCE COSTS

Finance costs for the years ended December 31, 2018 and 2017 consisted of:

	<b>Baht</b>	
	2018	2017
Interest expenses	8,130,408	5,749,704
<b>Less</b> Capitalized interest cost	(8,023,870)	(230,137)
Net	106,538	5,519,567

## 23. INCOME TAX

Corporate income tax of the Company for the years ended December 31, 2018 and 2017 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, 2018 and 2017 as follows:

	<b>Baht</b>	
	2018	2017
<b>Current tax</b>		
Current year	11,914,449	12,508,924
<b>Deferred tax</b>		
Movement in temporary differences	(4,412,279)	(4,649,063)
Tax expense	<u>7,502,170</u>	<u>7,859,861</u>

Income tax recognized in other comprehensive income for the year ended December 31, 2018 and 2017 as follows:

	<b>Baht</b>	
	2018	2017
Employee benefit obligations	-	(119,228)

Reconciliation of effective tax rate

	2018		2017	
	Tax rate		Tax rate	
	%	<b>Baht</b>	%	<b>Baht</b>
Profit before income tax		<u>35,713,584</u>		<u>48,744,153</u>
Income tax using the corporate tax rate	20	7,142,717	20	9,748,831
Addition expenses deductible for tax purposes		(233,616)		(2,352,460)
Expenses not deductible for tax purposes		<u>5,005,348</u>		<u>5,112,553</u>
Current tax	33	11,914,449	26	12,508,924
Movement in temporary differences		<u>(4,412,279)</u>		<u>(4,649,063)</u>
Tax expenses	21	<u>7,502,170</u>	16	<u>7,859,861</u>

## 24. 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.



## 25. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018, the Company had commitments and contingent liabilities as follows:

25.1 The letters of guarantee issued by bank for guarantee the electricity used in the amount of Baht 0.41 million.

25.2 Commitments for payment under agreements as follows:

25.2.1 Rental agreement for office building with a monthly rental of Baht 0.04 million (see note 4).

25.2.2 Service agreement with other persons and companies with a monthly service of Baht 0.23 million.

25.2.3

## 26. DISCLOSURE OF FINANCIAL INSTRUMENTS

### 26.1 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 total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

### 26.2 Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in note 3.

### 26.3 Financial risk management policies

The Company is exposed to fluctuations in interest rates and foreign exchange rates in the market and the risks from default of the agreements by counterparties. The Company had risk management policies as follows:

#### 26.3.1 Interest rate risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Company operations and cash flows. The Company has interest rate risk from cash and loans from other company the financial assets and financial liabilities fluctuate based on the market rate. In addition, the Company has not engaged in any hedging contracts related to interest rates.

#### 26.3.2 Credit risk – trade receivables

The Company has a policy to hedge credit risk from trade receivables by forming a conservative credit policy and by determining the receipt from the sales of goods and service. Therefore, the Company expects that the loss from the collection of those trade receivables should not exceed the allowance for doubtful accounts.

#### **26.4 Fair value**

Most of the financial assets are cash and cash equivalent, trade and other receivables. Most of the financial liabilities are loans from other company and trade and other payables. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

#### **27. EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors' Meeting held on February 27, 2019 passed a resolution to approve the stock dividend at the rate of 2 ordinary shares per 1 stock dividend, totaling of 220 million shares or equivalent to Baht 110 million and dividend payment at the rate of Baht 0.028 per share, totaling of Baht 12.22 million.

# Management Discussion and Analysis

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.

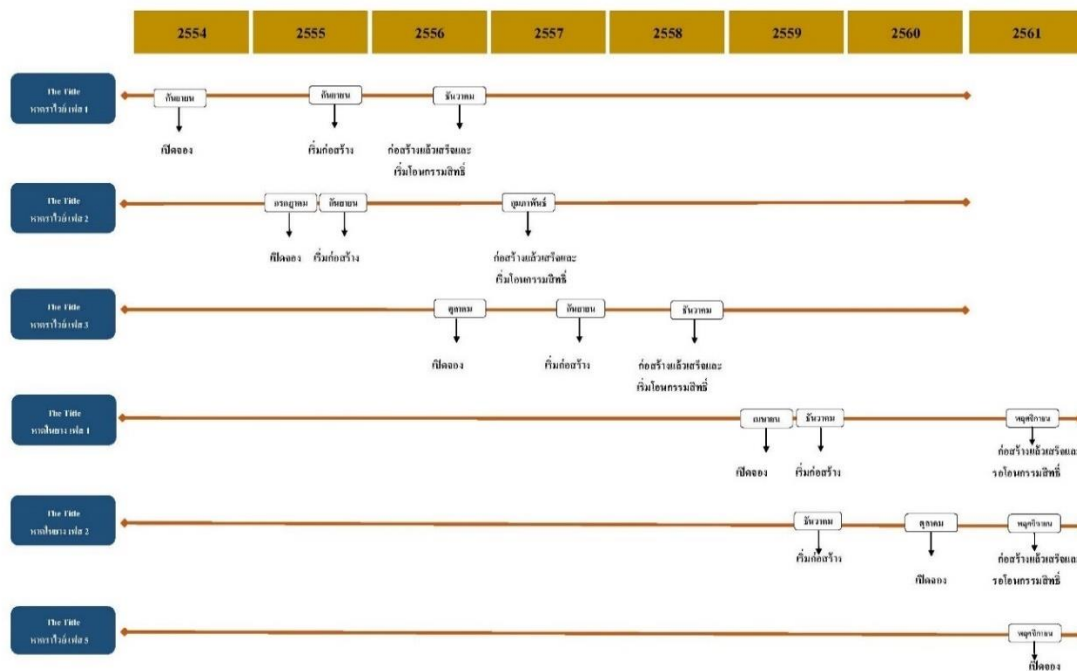
Revenue obtained from the Company's sales and services came from revenue from the sales of real estates as well as other revenue related to the sales of real estates, for instance, revenue from the sales of furniture sets to be featured in condominium units, revenue from decoration or renovation of condominium 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 2016-2018, the Company's revenue from sales and services was estimated at 362.80 million baht, 293.88 million baht, and 311.73 million baht, or a rise of 99.02%, 97.56%, and 96.18%, respectively.

In Y2016, the company had income from selling and services about 362.80 million baht. The main income from the conveyance was from the room of The Title Rawai Phase 3 had a value of 347.76 million baht. There were about 80 rooms, of which costed 33.33 million baht. For all of the rooms in this project; of which is the project that was recently completed and slowly continued to convey from 2015. Afterwards, the income that was left was from The Title Rawai Phase 2; for about 7.56 million baht and had about 2 rooms at 1.67% amounting for a portion of this project. The Title Rawai Phase 1 had a value of about 7.48 million baht and had about 2 rooms at 1.25% of the whole condo.

In Y2017, the company had income from selling and services about 293.88 million baht and is 19.00% compared to the other year. The income had decreased and was affected by the conveyance a little. The reason why is because in 2016, the company just started building The Title Rawai Phase 3. Some customers tried to rush and ask the company to conveyance for them. In addition, the company was conveyance and the rooms for every project altogether consisted of 84 rooms. Furthermore, the conveyance of each room The Title Rawai Phase 1,2 and 3 consisted of about 2 rooms, and 80 rooms. In 2017, the company did not have advertisements to open the new project. There was just only conveyance from the rooms, from The Title Rawai Phase 3; of which consisted of 69 rooms valued at 293.88 million baht.

In Y2018, the company had income from selling and services amounted to 311.73 million baht. Altogether, the income had improved just only 6.07%; when compared to the other year. It was affected from the conveyance of the room in The Title Rawai Phase 3 and consisted of about 70 rooms. At the same time, The Title Nai yang just finished construction. However, it could not convey the available rooms, because of the assessment from the government organization was completed in January 2019. This is the reason why income was made during the 2018. It occurred only from The Title Rawai Phase 3.

## Overview of Project Launch and Transfer of Ownership



The company had a net profit in the year 2016 to 2018 amounted to 90.98 million baht, 40.89 million baht, and 28.21 million baht. Altogether, the net profit was 24.83%, 13.57%, and 8.70% of the income.

In Y2016, the company had a net profit that increased from 2015 and had a value of 80.76 million baht or is about 789.95%, because they had conveyance of the rooms of The Title Rawai Phase 3 to be the main business. In this year, the company will have a number of conveyance of rooms for every project altogether was 84 rooms; of which was higher than compared with 2015. It had a number of conveyed rooms, and for every project it included only 35 rooms; of which the profit had improved. It had covered the payment of the company. It had made the net profit increase, to be 24.72%; of which is the highest from 2015; of which had a net profit of 7.79%.

In Y2017, the company had a net profit that was down about 50.09 million baht or 55.06%. Therefore, the net profit changed downwards and going the same way as the income.

In Y2018, the company had a net profit that was down, by 12.67 million baht, or about 31.00%; because the income was only from The Title Rawai Phase 3 in order to make income not be able to cover the company.

On the 31<sup>st</sup> of December 2016 to the 31<sup>st</sup> of December 2018., the company had property of about 526.83 million baht, 969.59 million baht, and 1,754.61 million baht; by the main property of this company that is related to property project development. For example, the costs of the property development is about 65.66%, 38.52%, and 39.32% of the all the property and the land; that waiting to be developed at 11.45%, 22.64%, and 32.43% of all the property. All of this from the consideration of the property project of the company found that differentiation of the property was affected from affiliation of the cause; of which was affected by the cause of the property. This is because between construction, it was conveyed to the buyer yet. Thus, the company that made a recording caused it to be the development of the project for selling. The costs will be took and shared into the property room; as well as know the costs in the Balance Sheet. Therefore, the year that has conveyance of rooms a lot. For example, in 2016, that has conveyance of the room from The Title Rawai Phase 3 made the property decrease, etc. At the same time, the year that had late conveyance had construction for the project; in order to make the property to improve. For example, 2017 to 2018, it started to construct The Title Nai yang.

On the 31<sup>st</sup> of December 2016 to the 31<sup>st</sup> of December 2018, the company had debt owed amounting to 294.58 million baht, 444.56 million baht, and 1,203.59 million baht. Altogether it is about 55.92%, 45.85%, and 68.60% of the debt owed of the shareholder and the main holder of the debt in the company. The company received funds from the customer beforehand with the money that the company had received from the buyer, before conveyance occurred. For example, room bookings, monthly deposits, and contract fees will be recorded to be the money of the customer beforehand. It could be changed to be income, when conveyance occurs for the buyer. Loaned funds during a short-term period from the financial institution/insurance company with debt owed in the year 2016, from the income received beforehand from books, The Title Rawai Phase 3. In the past, funds were borrowed from the financial institution/insurance company will improve when the company can have plans to be able to develop the project property. Hence, the owed debt could be decreased, when the company is able to sell their rooms. This amount of debt owed can be gradually paid back to the financial institution/insurance company. In 2017 to 2018, income was received and had increased from the down payment from The Title Nai Yang Phase 1 in 2016 The Title Nai Yang Phase 2 in 2017.

On the 31<sup>st</sup> of December 2016 to the 31<sup>st</sup> of December 2018, the company had shareholders consisting of about 232.25 million, 525.02 million, and 551.02 million or it's about 44.08%, 54.15%, and 31.40% of the debt owed to shareholders. The amount of shareholders had increased, because the net profit had improved. Furthermore, the capital of the registered had increased; while the period of 2016 to 2017 had dividends as well as the amount of capital being increased by the following.

In 2016 had a meeting decision from shareholders No. 1/2559 on the 19<sup>th</sup> of August 2016 Dividends were given back to the shareholders. It had a rate of 112 baht from 70 million stocks; of which was valued was at 78.40 million baht. The meeting decision from shareholders No. 1/2016 on the 19<sup>th</sup> of August 2016, had a decision for improving capital from 70-million-baht stock to be 140 million baht stock. It was by composing new common stock and consisted of 700,000 stock. One stock was valued at 100 baht; of which offered to be sold to shareholders. One stock was 100 baht per one stock; that was valued at 70.00 million baht.

With everything else about a meeting decision from shareholders No. 2/2559 on the 3<sup>rd</sup> of October 2016, had capital improved from the registered capital. Before it had a value 140 million baht; of which was improved to be 200 million baht by having new common stock of about 120,000,000 stocks. The value of stock was 0.50 baht, by the decision to improve the capital 120,000,000 stocks; that had details by the following.

- 1) Common stock was valued at 112.80 million stocks; to be able to offering to the public
- 2) The common stock was 7.20 million stocks; of which preferred to committee, director, and employees of the company.

In 2017 on the 16<sup>th</sup> to the 18<sup>th</sup> of October 2017, the company offered to sale common stock for individuals; such as the committee, director, and employees of the company. The total value was about 120,000 stocks; of which one stock was 2.20 baht and was sinking funds were changed already of about 200 million baht on the 20<sup>th</sup> of October 2017

In 2018, the decision of the meeting of shareholders 2018 on the 24<sup>th</sup> of April 2018, had the decision to reimburse stock dividends for the shareholders of about 22,222,222.40 Baht. This was money for defends; of which one stock was about 0.055555556 baht, or it is about 54.53% of net profit; by permitting shareholders to pay cash and by stock dividends.

- a. Dividends were paid to be common stock of the company; of which consisted of 40,000,000 stock (the value per one stock was 0.50 baht) to be the dividends for the rate of the stock. For one stock, it was about 0.05 baht; of which was provided to shareholders and the rest of 10 stocks before per 1 dividend stock. The total of the rest stock was 20,000,000 baht. In case the common stock occurs from paying dividends and happens from the stock of the company, it used to to pay the dividends of the rest of the stock to be cash for shareholders. The rate of the stock was valued at about 0.05 baht.

- b. Dividends were paid to be cash in the rate 0.0055555556 baht.

It was determined that the paid made to pay to the decision, was made on the 18<sup>th</sup> of May 2018, by figuring out the date for recording data of the name of shareholders; to be able to make the right to receive funds on the 3<sup>rd</sup> of May 2018

## 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 2016-2018, the Company's revenue from sales and services was estimated at 362.80 million baht, 293.88 million baht, and 311.73 million baht, or a rise of 98.58%, 97.56%, and 96.18%, respectively

In 2016, the company had income from selling and servicing of about 362.80 million baht or the rate of income being increased to about 183.57 million stock from 2015; of which increased this income because a lot of this income was received from the projects that had a lot of conveyance from the other year. The main source of income from conveyance were from The Title Rawai Phase 3; of which was valued at 347.76 million baht and had 80 rooms rooms. As percentage, it was measured at 33.33% of all the rooms of the project in its' entirety; of which were projects that were just completed. They were started to be sent for conveyance of the customer, that was continued from 2015., and the rest of the income was from conveyance of The Title Rawai Phase 2. The value of this project was 7.56 million baht, and consisted of 2 rooms and measured at 1.67%. The Title Rawai Phase 1 was valued at 7.48 million baht; that consisted of 2 rooms to be a percentage 1.25% of the total amount of rooms.

In 2017, the company had income from selling and services of about 293.88 million baht, or decreased at about 19.00%; when compared to the other year. This amount had decreased because there was not that much conveyance in 2016 At this time, the company just only started construction The Title Rawai Phase 3; of which was just done. This made some customers rush conveyance for the company, by having conveyance for customers from The Title Rawai Phase 1, 2, and 3; of which consisted of about 2 rooms, 2 rooms, and 80 rooms while 2017 the company did not open a new project yet. This is the reason why there was only conveyance with the rooms from The Title Rawai Phase 3, of about 69 rooms and valued at 293.88 million baht.

In 2018, the company had income from selling and services of about 311.73 million baht or the income decreased 6.07%; when compared with the same period of the other years. This had occurred because of the conveyance for all the rooms of The Title Rawai Phase 3 Furthermore, the conveyance of the rooms was 70 in total.



### The Other revenues

In 2016 to 2018, the company had other income of about 3.59 million baht, 7.34 million baht, and 12.39 million baht. As for the percentage they were 0.98%, 2.44%, and 3.82% to be the total of income.

The other income was from customers that had breached their contracts, interest, income from rent, etc. By the income from the customer that did something wrong, the contract was based from booked funds, funds to from a contract, and down payments of which customers had paid; as well as canceled their contracts before. Also, the customers who did not follow their contract is the reason why they were canceled or the customer did not transfer conveyance in the period of time specified; as well there being no feedback from customers, and income generated from renting. The company let the income from the room, be the rent that was opened for the customer by market planning. Therefore, the company will pay investment return to the customer in the period of time that was specified. In 2018, the company had income from the justice individual management in the The Title Rawai Phase 3

**Table 1 Revenue from Sales and Services Classified by Project**

Revenues from sales and service <sup>1/</sup>	Financial statement (Audited)					
	Y2016		Y2017		Y2018	
	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)
The Title Rawai Phase 1	7.48	2.03	-	-	-	-
The Title Rawai Phase 2	7.56	2.05	-	-	-	-
The Title Rawai Phase 3	347.76	94.49	293.88	97.56	311.73	96.18
Total revenues from sales and service	362.80	98.58	293.88	97.56	311.73	96.18
Other income <sup>2/</sup>	5.24	1.42	7.34	2.44	12.39	3.82
<b>Total income</b>	<b>368.04</b>	<b>100.00</b>	<b>301.22</b>	<b>100</b>	<b>324.12</b>	<b>100</b>

**Remark:** <sup>1/</sup>Revenue 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.

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

**Table 2 Status of Transfer of Ownership during 2016-2018**

Project	Y2016		Y2017		Y2018		Accumulated Transfer of Ownership	
	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)
The Title Rawai Phase 1	2	1.25					155	96.88
The Title Rawai Phase 2	2	1.67					120	100
The Title Rawai Phase 3	80	33.33	69	28.75	70	29.17	230	95.83

**Remark:** <sup>1/</sup>Number of condominium units transferred during the year.

<sup>2/</sup>Calculated 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**

Cost of Sales and Services / Gross Profit and Gross Profit of which have land and improvements of land, payment construction, and related construction payments, and marginal costs that received from the contract, etc. Therefore, the marketing costs are commission costs that the company had to pay for the agency. There is an objective for the agency to have responsibility for them, and coordinate for the company; to be able to make sells and products and (conveyance) till completion. The responsibility of the agency is to pick up the customer at the airport, to take the customer to visit around the project, to give information about the project to compare with other projects till bookings are made, coordinated with the customer seriously till the customer is able to make a contract. There has to be responsibility to help the customer check documents and manage them for conveyance. The reason why is because the foreign customer may worry about Thai language documents, and trust the sell of the agency more than the company, because they are the same individuals in a country and be able to use their language. Furthermore, the agency takes the customer to the Department of Land for conveyance, with the officer of the company by having a warming heart for the customer. In case the officer receives power from the customer for conveyance, the customer does not have to arrive there, etc. With the responsibility of the agency of the company, it is different from other agencies. It helps to make the capital costs improve, because the contract of the company will make a record in the property list; of which is shown in the financial budget of the company. In addition, it is to be the marketing costs and be the service in the Statement of Comprehensive Income when conveyance for the buyer.

Nonetheless, the company has a policy to determine the rate of the payment to pay for the sales of the agency, of about 10.00% of the selling value. In some cases, if the agency is able to sell rooms until they are able to obtain a gross profit in the period of time that the company had determine, that agency seller can obtain special commission. For example, in the quarter of one year in 2016 there were agencies who sold towards a gross profit; to be able to sell rooms for the company that were complete. The agency received 26% of the value of the room. Furthermore, the Sales Agent and employees in the company had cooperated to support and make sales marketing receive sales commission as well in the amount of 1.00-2.00% of the value of the room.

Notwithstanding, the commission will be paid to the Agent, Sales Agent, and employees of the company. When the customer mad a booking or a sales contract, or the room that was conveyance only receives commission. In addition, the funds that the company will receive from the customer must be more than the money the company had paid to the Agent, Sales Agent, and employees of the company. The rate should be close to the competition of the company; of which is the property development company in Phuket with a high-competition area. However, the company should consider about effects that cause issues to the marketing costs; of which include the costs for the Sales Agent to be marginal costs that should receive the contract beforehand. Thus, it was took to determine that strategy for the sales price. For the rate that is the agency payment, is not affected by gross profit of the company.

From 2016 to 2018, the company had marketing costs and services that changed to be the same way with the income from sales and services. The company has marketing costs, and services of about 179.86 million baht, 163.31 million baht, and 183.94 million baht; at a rate of selling costs and services with the income from sales and services of about 49.09%, 54.22%, and 56.75% or a gross profit of 49.93%, 43.35%, and 39.43%.

In 2016, the company had selling costs of about 179.86 million baht; of which increased from 2015. of about 112.72 million baht or increased 167.90 million baht. The selling and servicing costs changed to be increased, from the conveyance The Title Rawai Phase 3; while the incremental costs increased together in the contract a lot since the past during 2016 Everything else is from the marketing of the company, because the company increased the payment for the agent to make them have motivation; as well as improving ways to conduct business with the Sales Agent. The objective was to encourage sales. Nonetheless, the payment of the agent was under the rules of the company; of which were not affected by the gross profit for selling costs and servicing income at about 49.21%. The gross profit was 49.93%, by the gross profit changing to be increased compared to the other years; because this year had a lot of conveyance of the rooms of The Title Rawai Phase 3. This project had a price 1 square meter higher than the other expensive project in the past. In addition, the price was changed for the square meter of the

price of the room around The Title Rawai Phase 1,2; of which were increased between 10 to 15%. It followed the marketing plan of the company.

In 2017, the company had selling costs and servicing income of about 163.31 million baht; of which decreased when compared with the year 2016 of about 16.55 million baht or about 9.20%. In 2018, the company had selling costs and servicing income of about 183.91 million baht. It had increased when compared to the year 2017; of which is about 20.63 million baht or about 12.63%. At the same time, the selling costs and servicing income for the income of sales and service in 2017; had amounted to 54.22% and the gross profit was about 43.35%. In 2018 56.75%; as well as the gross profit being 39.43%. The gross profit that had decreased from the company, was from the amount of customers that obtained projects that guaranteed for the rooms of The Title Rawai Phase 3. The transfer of ownership from 2017 to 2018, was to make the income of the company understand the income per room that the value of rooms had decreased. Additionally, there was marked down value that was given to customers.

**Table 3 Costs of Sales and Services**

Costs of Sales and Services	Y2016		Y2017		Y2018	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Costs of sales – Lands and land improvement	3.13	1.74	1.29	0.79	1.31	0.71
Costs of sales – Construction of building	142.97	79.49	122.04	74.73	135.23	73.52
Costs of Sales – Other related expenses <sup>1</sup>	10.80	6.00	11.49	7.04	2.77	1.51
Costs of Sales – Costs of contractual requirements <sup>2</sup>	22.96	12.77	28.49	17.44	44.63	24.26
<b>Total Cost of Sales and Services</b>	<b>179.86</b>	<b>100.00</b>	<b>163.31</b>	<b>100</b>	<b>183.94</b>	<b>100</b>
Percentage of costs of sales and services per revenue obtained from sales and services	49.92		54.22		56.75	
Gross profit margin	50.08		43.35		39.43	

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

<sup>2</sup>New 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, was salary and the benefits of the seller, business tax, selling fees, payment for promotion sales depreciation payments for the room. For example, the payment tax from the sale and the conveyance of the room; of which is the specific business tax, revenue stamp, etc.

The promotion of sales for example is advertisements, marketing activity booth payments, process payment; such as certifying payment, etc.

For the payment sales during 2016 to 2018, there were about 18.94 million baht, 17.40 million baht, and 22.87 million baht. As for the percentage, 5.17%, 5.78%, and 7.06% of the sales and servicing.

In 2016, Costs of Sales of 18.94 million baht; as well as the selling payment that was related to the selling of rooms. For example, specific business tax, selling fees from selling rooms of about 12.29 million baht. The most payment that occurred from selling rooms, was from The Title Rawai Phase 3; of which started to conveyance since 2016; of which followed the rules in the contract.

In 2017, costs of sales of about 17.40 million baht; that decreased from the previous years of about 2.04 million baht or is 10.49% by changing the principle of the payments for selling; in order to be related variable costs with the selling of rooms. For

example, specific business tax, selling fees (selling) of about 7.88 million baht. Main mostly occurred from the selling of rooms in The Title Rawai Phase 3 following the contract that was determined.

In 2018, costs of sales of about 22.87 million baht. It's had increase, compared to the previous years. of about 5.46 million baht or to be 31.40%, by mainly changing from employee payments and the promotion that improved; in terms of selling's. In turn, it had certified the business develop quickly, and for opening new projects in the future.

**Table 4 Costs of Sales**

Costs of Sales	Y2016		Y2017		Y2018	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Salaries, bonuses, and welfares of salespersons	4.16	21.97	5.94	34.15	12.55	54.88
Specific business taxes and trade charges	12.29	64.89	7.88	45.29	5.65	24.70
Promotional and public relations	2.09	11.03	2.65	15.23	3.08	13.47
Other expenses related to sales	0.21	1.11	0.17	0.99	0.08	0.35
Additional costs	0.19	1.00	0.75	4.34	1.51	6.60
<b>Total Costs of Sales</b>	<b>18.94</b>	<b>100.00</b>	<b>17.40</b>	<b>100</b>	<b>22.87</b>	<b>100</b>
Percentage of costs of sales per revenue of sales and services	5.36		5.92		7.06	

#### **Costs of Management**

The main costs of management of the company was salary bonus benefits of the employees, seller, specific business tax, and seller promotion, Depreciation information, and advertising, payment utilities, insurance interest, etc.

In 2016 to 2018, the company had costs for management of about 49.86 million baht, 66.24 million baht, and 81.50 million baht; or about 13.61%, 21.99%, and 25.14% of the income from selling and servicing.

In 2016, the company had costs of management of about 49.85 million baht, by the main payment management in 2016 for salary bonus benefits of the employee seller, depreciation, and other payments of about 24.93 million baht, 6.27 million baht, and 9.46 million baht.

In 2017, the company had costs of management of about 66.24 million baht; of which increased from previous years of about 16.39 million baht or about 32.88%; because the company had improved employees for managing to develop projects. Therefore, the company had increased the salary per for each employee. The payment management increased during 2017, of about employee management; as well as the depreciation of about 32.98 million baht , 17.32 million baht, and 8.97 million baht of which had increased from the year 2016 of 32.29%, 83.09%, and improved to be 43.06%.

In 2018, the company had costs of management of about 81.50 million baht; of which increased from previous years of about 15.25 million baht or about 23.03%; because the company had developed significantly. This is the reason why this company had increased the amount of employees, until the salary had been increased each year for the employee; as well as payment management for other purposes. In 2018, the management of employees and other management of payments was about 44.98 million baht, and 20.82 million baht. The rate had increased for the period of the year 2017, of about 35.97%; of which had increased 17.43%.

**Table 5 Costs of Management**

Costs of Management	Y2016		Y2017		Y2018	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Salaries, bonuses, and welfares of executives	24.93	50.00	33.08	49.94	44.98	55.19
Public utility expenses	2.89	5.80	3.51	5.30	2.86	3.51
Services	5.86	11.76	2.62	3.96	3.98	4.88
Meeting allowance	0.44	0.88	0.33	0.50	0.33	0.4
Other expenses related to management <sup>1</sup>	9.46	18.98	17.73	26.77	20.82	25.55
Depreciation <sup>2</sup>	6.27	12.58	8.97	13.54	8.53	10.47
<b>Total Costs of Management</b>	<b>49.85</b>	<b>100.00</b>	<b>66.24</b>	<b>100</b>	<b>81.50</b>	<b>100</b>
Percentage of costs of management per revenue of sales and services	13.71		22.54		25.14	

**Remark:** <sup>1</sup>Other management costs included security and housekeeping expenses as well as insurance premiums.

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

### **Finance costs**

The finance costs of the company has interest from funds loaned from the financial institution/insurance company; of which was not recorded. Thus, the financial costs of the project and interest was paid by renting and sales contract in 2016 to 2018. The company has financial costs of about 3.68 million baht, 5.52 million baht, and 0.11 million baht. As for the percentage, it was 1.11%, 1.83%, and 0.03% of all income.

In 2016, the financial costs was about 3.68 million baht; of which occurred from the financial institution/insurance company. It was improved; to be able to develop the project and buy land for project developments in the future.

In 2017, the financial costs had improved more than previous years; of about 1.84 million baht. As for the percentage it was 49.97%, because the payment of the financial institution/insurance company that was to develop the project of The Title Nai yang Phase 1 project. In regard to everything else, for the construction of The Title Rawai Phase 3 had development of this project that mostly completed during May 2016. At the same time, the company stopped recording accounts receivable of Capital expenditure of the financial costs; in order to be real estate development costs on September 2016. Therefore, the company had improved the effect of the financial budget in the 6 periods of the month 2017, by managing the risks of the financial costs; of which the company recorded to be payment since June to September 2016. This was to be the financial costs payment that financial costs improved about 1.48 million baht.

In 2018, the financial costs were 0.11 million baht; of which decreased before because the company paid loaned funds back to the financial institution/insurance company. The debt will be completed during 2018, and the interest will be completed in 2018 of The Title Nai yang Beach project. The financial costs of the project was recorded to be real estate development costs; of which is the cost payment. Therefore, it was not recorded in the current operating performance.

### **Expenses on Income Tax**

In 2017, for the expenses on income tax it had decreased from 2016 of about 15.21 million baht or is about 65.93%; because; they knew the profit was from the process of which had decreased from the conveyance of the rooms of The Title Rawai Phase 3

In 2018 the expenses on income tax it had decreased from the same period of time of the previous year; of about 0.36 million baht or as percentage of 4.55%; with related decreased profit from the process.

### **Net profit and net profit margin.**

The company had profit from 2016 to 2018, of about 90.98 million baht, 41.49 million baht, an 28.21 million baht to be the net profit margin; of about 24.72%, 13.57%, and 8.70% of the total income

In 2016, the company had net profit was about 90.98 million baht and occurred from the conveyance of the rooms of The Title Rawai Phase 3 The conveyance was of about 84 rooms, because this time the company did not know the income from the new project; of which was done during construction and ready to conveyance with the profit that had increased. It could cover the payments of the company.

In 2017, the company had a net profit that had decreased of 90.98 million baht or about 50.09 million baht. As for the percentage, it was 55.06%. At the same time, the rate of the net profit was about 13.57% by being decreased to be the time as the income. Furthermore, at the same time the net profit had decreased from the sales income and could not cover some costs. In 2018, the company had a net profit that had decreased compared to the previous years of about 12.67 million baht, or about 31.00%. It occurred from the selling income not being able to afford payments that were to be increased.

### **Shareholders' Equity Yield**

In 2016, the company had a Shareholders' Equity Yield of about 47.65 of 2015. It emerged from the profit, from the conveyance of the rooms of The Title Rawai Phase 3. In that year, the company increased registered costs and paid already about 70 million baht to be 140 million baht.

In 2017, the company had a Shareholders' Equity Yield of about 10.80 and had decreased more than previous years. It was from the profit, that had decreased for the rooms towards conveyance of the rooms; of which mentioned about the selling and servicing income. In this year, the company had paid with capital already of about 140 million baht to be 200 million baht.

In 2018, the company had a Shareholders' Equity Yield had 5.24 and this year the company would give dividends to be stock dividends; to be able to make paid capital increased from 200 million baht to 220 million baht.

## **Financial Analysis**

### **Asset**

During December 31, 2016-December 31, 2018, Rhom Bho Property Public Company Limited possessed its total asset of 526.83 million baht, 969.59 million baht, and 1,754.61 million baht. Significantly, major assets were related to the development of condominium projects, where the real estate ratio was maintained 65.66%, 38.52% and 39.32% of total assets, respectively. Also, the undeveloped lands were considered 11.45%, 22.645%, and 32.43% of total asset.

**Details of Major Real Estates can be summarized by the following:**

### **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 Y2016-Y2018, Rhom Bho Property possessed costs of real estate development of 345.91 million baht, 373.57 million baht, and 689.87 million baht, considered 65.66%, 38.53% and 39.52% of total asset.

By the end of Y2016, the company had the real estate development costs of about 345.91 million baht; of which had decreased from Y2015, because it was the real estate development costs in the current operating performance. It was conveyance for the buyer of The Title Rawai Phase 3.

By the end of Y2017 and Y2018, costs of real estate development remained at 373.57 million baht and 689.87 million baht increased from Y2016 to be 8%; as well as from Y2017, it increased to be 84.67%, because the real estate development costs in the current operating performance. It was conveyance for the buyer of The Title Rawai Phase 3 and The Title Nai yang in Y2017 to Y2018

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

Project	December 31, 2016		December 31, 2017		December 31, 2018	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
The Title Rawai Phase 1	8.68	2.52	8.68	2.32	8.68	1.26
The Title Rawai Phase 2	-	-	-	-	-	-
The Title Rawai Phase 3	271.07	78.36	145.18	38.86	18.16	2.63
The Title Nai Yang Phase 1,2	66.15	19.12	219.71	58.82	661.70	95.92
The Title Rawai Phase 5	-	-	-	-	1.33	0.19
<b>Total</b>	<b>345.91</b>	<b>100.00</b>	<b>373.57</b>	<b>100</b>	<b>689.87</b>	<b>100</b>

### **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 and The Title Nai Yang Phase 1,2 in Y2016 . During December 31<sup>st</sup>, 2016-December 31<sup>st</sup>, 2018, the inventory remained at 0.55 million baht, 0.53 million baht, and 6.49 million baht, considered 0.10%, 0.06, and 0.37% of total assets.

### **Current assets**

The main current assets of the company are insurance interest that paid deposits. Furthermore, there are marginal costs to obtain a contract, etc on the 31<sup>st</sup> of December 2016 to the 31<sup>st</sup> of December 2018The company has about 25.20 million baht, 77.39 million baht, 176.83 million baht in current assets. As for the percentage, it was 4.78%, 7.98%, and 10.08% of all of the company.

The current assets Y2016, were about 25.50 million baht. The marginal costs to obtain a contract was improved from the selling of rooms in The Title Rawai Phase 3, and The Title Nai yang Phase 1 are in accordance with value of the selling of the company.

In addition, the current assets in Y2017 and Y2018 were about 77.36 million baht, and 176.83 million baht. It had improved from 2016, and 2017 with the risks occurring from the marginal costs to obtain a contract of The Title Rawai Phase 3, and The

Title Nai yang Phase 1,2, and The Title Nai yang Phase 1 could conveyance about 252 rooms. It was 100% of the total rooms. For The Title Nai yang Phase 2, the conveyance was about 210 rooms, or about 95 rooms in the project.

#### **The land for development**

The land for development is the land that the company has plans for developing in the future. It was about the cost to obtain land, payment, and related payments; of which was shown with cost-plus pricing from the gain on reversal of impairment loss on the 31<sup>st</sup> of December 2016 to 2018 The company will have land to develop of about 60.34 million baht, 219.53 million baht, 568.99 million baht. As for the percentage, it was 11.45%, 22.64%, and 32.43% of the total amount of properties of the company.

In Y2016 the land for development had decreased from Y2015., because it occurred from the conveyance of land to be real estate development; in order be conveyance in The Title Nai yang.

In Y2017, the land for development had increased about 219.53 million baht. It had improved from the previous year, of about 60.34 million baht; as well as increased 159.19 million baht. The rate of percentage had improved 263.82; and further improved to be the development project in The Title Nai yang.

In 2018, the land for development of the company had about 568.99 million baht; as well as improved 349.46 million baht. The rate of percentage improved 159.19 million baht. It occurred from the location being improved around Nai yang beach, and Bang tao beach for development in the future.

**Table 7 Undeveloped Land Classified by Location**

Unit : Million Baht

Undeveloped Land	December 31, 2016	December 31, 2017	December 31, 2018	Ownership
Land in Rawai Beach	51.22	51.22	51.22	Company
Land in Nai Yang Beach	9.12	9.12	9.12	Obligated with mortgage responsibility
Land in Nai Yang Beach		159.19	197.28	Company
Land in Bang Tao Beach			311.37	Company
<b>Total</b>	<b>60.34</b>	<b>219.53</b>	<b>568.99</b>	

#### **Land, Building, and material**

The building and material of the company had the land, office, and apartment complex of employees, the camping area for the construction employees, and vehicles on the 31<sup>st</sup> of December 2016 to 31<sup>st</sup> of December 2018. There was about 49.62 million baht, 50.16 million baht, 39.22 million baht. As for the rate of percentage, it was 9.42%, 5.17%, and 2.24% of total properties. For example, the building and head office in Phuket province. This was permitted to be the working place, and meeting for the Co-Executive Officer; as well as to be the flat for employees in Phuket.

In Y2017, the land and material had improved from Y2016 to be 0.54 million baht; or about 1.09%.

In Y2018, the land and material had decreased from Y2017 to 10.94 million baht; or about 21.81%.

In Y2016, the land and material had decreased, because there was depreciation of the building and material for the period of the Y2017 The location and material had decreased from building the sales office of The Title Nai yang Face No.1 in Y2018 The company had land and material of which marked down slightly, because it was starting to pay depreciation of the building and material.

**Table 8 Land, Building, and material**

Unit : Million Baht

Land, Building, and material	December 31, 2016	December 31, 2017	December 31, 2018
Land	3.76	3.76	3.76
Building and construction	38.86	39.63	29.57
Decoration and office material	3.16	3.96	3.40
Vehicle	3.34	2.81	2.49
Task during construction	0.49	-	-
<b>Total</b>	<b>49.62</b>	<b>50.16</b>	<b>39.22</b>

**Intangible Asset**

Intangible assets of the company had software copyrights by the net value on the 31<sup>st</sup> of December 2016- 31<sup>st</sup> of December 2018 was 1.68 million baht, 1.32 million baht, and 1.47 million baht. The rate of percentage was 0.32%, 0.14%, and 0.08% of all the property Intangible assets of the company in Y2014. For example, computer software copyrights system was bought for Enterprise Resource Planning or ERP. The company used this system for managing to job in Y2016, by decreased intangible assets of the company because it occurred from these copyrights.

In Y2016, intangible assets of the company were about 0.73 million baht when compared to Y2015. It improved about 77.44%, because the company bought computer software copyrights.

In Y2017 intangible assets of the company were decreased 0.36 million baht when compared to Y2016 It was about 21.32% because it was paid for the computer rights.

In Y2018, intangible assets of the company improved about 0.15 million baht when compared to Y2017, for 11.12 because the company made a website for the company; to be able to improve perfectly of dissemination.

**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, 2016-December 31, 2018, the Company possessed deferred tax asset of 4.72 million baht, 9.25 million baht, and 13.66 million baht, considered 0.90%, 0.95%, and 0.78% 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. On the December 31<sup>st</sup>, 2016-December 31<sup>st</sup>, 2018, the Company's non-current asset remained at 0.53 million baht, 0.77 million baht, and 2.08 million baht, considered 0.10%, 0.08%, and 0.12% of total asset.

**Liability**

On the December 31<sup>st</sup>, 2016-December 31<sup>st</sup>, 2017, Rhom Bho Property Public Company Limited possessed liability valued at 294.58 million baht, 444.56 million baht, and 1,203.59 million baht, considered 55.92%, 45.85%, and 68.60% of total asset. Significant liabilities could be summarized as follows:

### **Account Payable and Other Payables**

Account Payable and Other Payables of the company were construction, selling accounts receivable to buy material to develop the project. On the 31<sup>st</sup> of December 2016 to the 31<sup>st</sup> of December 2018 Accounts receivable of the company had about 3.18 million baht, 18.99 million baht, and 11.44 million baht. As for the rate of percentage, it was 0.60%, 1.96%, and 0.65% in the past the shareholders in regard to the accounting business process of the company,

In 2017, accounts receivable had increased from Y2016 to 15.81 million baht. It occurred from buying material to develop The Title Nai yang Phase 1 and Phase 2

In 2018, accounts receivable had decreased from Y2017 by 7.54 million baht the material was bought to develop the project for The Title Nai yang Phase 1 and Phase 2 as well as being completed in Y2018

**Account payable and other payables can be concluded below:**

**Table 9 Account Payable and Other Payables**

Unit : Million Baht

<b>Account Payable and Other Payables</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>	<b>December 31, 2018</b>
Construction of building	0.39	9.52	4.29
Others <sup>1</sup>	2.79	9.47	7.15
<b>Total</b>	<b>3.18</b>	<b>18.99</b>	<b>11.44</b>

**Remark:** <sup>1</sup>Other payables consisted of pending payments

### **Income Tax Payable**

During December 31, 2016-December 31, 2018, Rhom Bho Property Public Company Limited possessed income tax payable of 14.04 million baht, 5.80 million baht, and 4.04 million baht, considered 2.66 %, 0.60%, and 0.23% 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.

In Y2016 - Y2018, the Company possessed advanced payment of 138.63 million baht, 327.40 million baht, and 891.29 million baht, As for the rate of percentage, it was 26.31%, 33.76%, and 50.80% of total liability and shareholders' equity. The advanced payment from the customer was increased according with the selling point of The Title Nai yang Phase 1 and Phase 2 and opened a project named The Title Rawai Phase 5 (The Title V).



## References

### Registrar (Share)

Thailand Securities Depository Company Limited  
93 Stock Exchange of Thailand Building, Ratchadapisek Road,  
Din-Daeng, Bangkok 10400 Tel: 0-2009-9000 Fax: 0-2009-9991

### Auditor

Siam Truth Audit Company Limited  
338 A Building, Preecha Complex Building A, 8th Floor,  
Rachadapisek Road Soi 20, Samsennok, Huaykwang, Bangkok,  
10310. Tel: 0-2275-9599

### Internal Auditor

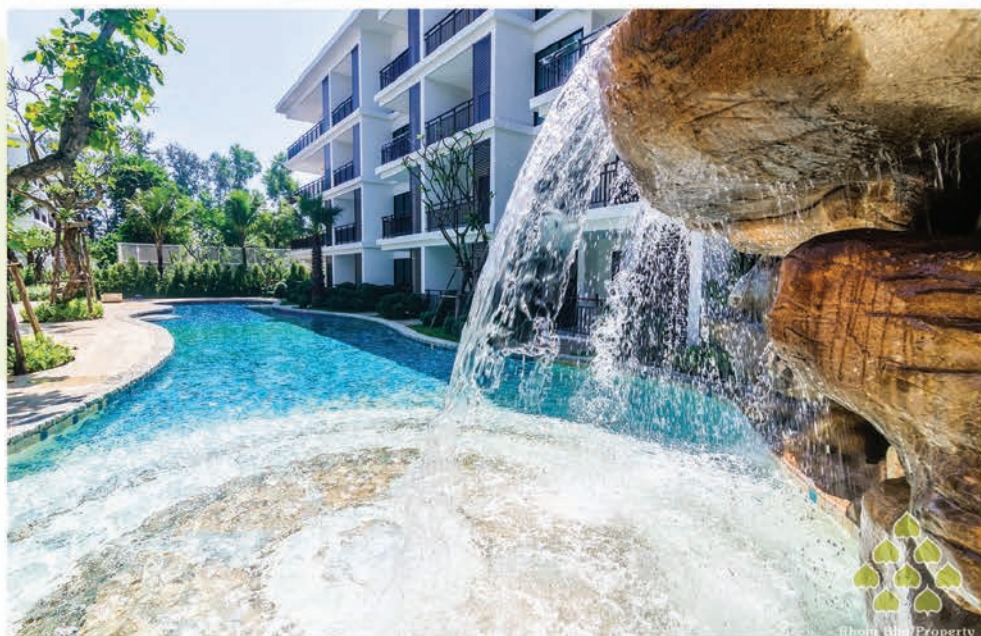
Profess One Office Company Limited  
127 Ladprao Soi 101, Ladprao Road, Klongjan, Bangkok,  
Bangkok 10240. Tel: 0-2731-5200, Fax: 0-2731-5201















# ANNUAL REPORT | 2018



RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

Head office : 53 Sukhonhasawat Road, Ladprao,  
Bangkok 10230

Tel : 02 907 8843-4 Fax : 02 907 8144

Website : [www.rhombho.co.th](http://www.rhombho.co.th)