

ANNUAL
REPORT

2019



Rhom Bho Property

ANNUAL REPORT 2019

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED (TITLE)





Rhom Bho Property



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Message from The Chairman of Board Director



Mr. Suvit Lamsam
Chairman of Board Director

2019 was the year of economic challenge as many countries around the world faced impacts of various economic issues, including the trade war between the United States and China and global economic slowdown. In addition to these issues, Thailand was also affected by tourism problems, the baht appreciation, and the Bank of Thailand's loan-to-value (LTV) measures, which had a direct impact on the real estate sector.

However, Rhom Bho Property Public Company Limited or "TITLE" had a turnover that exceeded our target. We had a total revenue of 1,294.22 Million bath and profit of 234.32 Million bath, up from 310% and 731% respectively when compared to 2018. I, on behalf of the Board of Directors, would like to thank management and all employees who have worked hard to make this success possible.

Although our operating results in 2019 show considerable growth, the Company is aware of the aforementioned impacts and has therefore adjusted management plans in many functions to focus on financial liquidity and appropriate timeframe to launch new projects to be consistent with the current situation to accommodate a strong growth in the future.

On behalf of Rhom Bho Property Public Company Limited, I would like to thank every shareholder and concerned parties, including financial institutions, customers, and the media for their continuing support. Lastly, I assure you that our directors, executives and employees will continue to conduct business under the principles of corporate governance in order to achieve the goals set by the Company in the best interest of the organization.



Mr. Suvit Lamsam
Chairman of Board Director



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



- 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

Company Name	Rhom Bho Property Public Company Limited
Stock Quote	TITLE
Type of Business	Property Development
Registration Number	0107559000478
Registered Capital	329,999,279.50 Baht
Paid-in Capital	329,999,264 Baht
Ordinary Share	659,998,559 Shares
Par Value	0.50 Baht
Subsidiary Company Information	None
Main Office Address	No. 53 Sukhonhasawat rd., Lat Phrao, Bangkok Thailand, 10230
Telephone	02-907-8140-2
Fax	02-907-8144
Website	www.rhombho.co.th
E-Mail	info@rhombho.co.th

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

Summary of Financial Statements

List	2017	2018	2019
Asset (Million Baht)			
Inventories	0.53	6.49	0.56
Total Assets	969.59	1,754.61	1,151.81
Liabilities & Shareholders' Equity (Million Baht)			
Current Liabilities	386.89	924.64	373.41
Non-Current Liabilities	57.68	278.95	18.90
Total Liabilities	444.56	1,203.59	392.30
Paid up Share Capital	200.00	220.00	330.00
Shareholders' Equity	525.03	551.02	759.51
Operation's Result (Million Baht)			
Sales	293.88	311.73	1,277.11
Total Revenue	301.22	324.13	17.11
Gross Profit	130.57	127.79	591.66
Net Profit	40.88	28.21	234.32
Per Share Figure (Baht)			
Net Profit (Loss)	0.12	0.06	0.36
Book Value	1.31	1.25	1.15
Par Value	0.50	0.50	0.50
Liquidity Ratio			
Current Ratio	1.78	1.22	1.52
Quick Ratio	0.61	0.27	0.47
Profitability Ratio			
Gross Profit Margin	0.44	0.41	0.48
Operation Profit Margin	0.16	0.08	0.22
Net Profit Margin	0.14	0.09	0.18
Return on Equities	0.11	0.05	0.36
Efficiency Ratio			
Return on Asset	0.05	0.02	0.16
Financial Policy Ratio			
Debt to Equity Ration	0.85	2.18	0.52
Interest Coverage Ratio	36.28	1,858.48	89.68
Number of Outstanding Shares (Million Shares)	400.00	440.00	660.00

Policy and Overall Business Operations

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

After the management of Mr. Dendanai Hutajuta, the company has pioneered and developed real estate. It started with the development of the Luxury Class on Rawai Beach in 2008, but based on market research and consumer behavior studies, condominium products are more suited to the needs of consumers. The company then has adjusted its business plan to focus on condominium development and launched a condominium project under the name "The Title" which is a low rise 4 floors condominium in 2011 on Rawai Beach, Phuket. The business was strengthened by the development of the company's land and with an outstanding location, unique design of the project, the quality of construction, the environment of the project emphasizes the tranquility and sense of relaxation as the hotel or resort. The goal is to create value and impression to customers. Therefore, the projects developed by the company have received good response from customers continuously.

After the Title 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 1 The Title Residencies Naiyang Phuket 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 condotel 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.

The company has significant changes and developments in business operations and management as follows.

Year 1989

- Registered on September 27th, 1989 by Miss Sirirat Sarttrapai's group, with the initial objective of speculating land for sale in Phuket under the name of "Country Club Company Limited" with the initial registered capital of 1 million baht consisting of 10,000 ordinary shares with a par value of 100 baht per share. The officer was located at 267/4 Soi Sukhumvit 22 (Sai Namthip), Sukhumvit Road, Khlong Tan Subdistrict, Phra Khanong District, Bangkok.

Year 2007

- The group of Mr. Dendanai Hutajuta, who has knowledge and experience in the real estate industry, appreciates the potential of the land that the company holding. They have made memorandum of agreement joint venture to purchase stock from group of Miss Sirirat Sarttrapai, a former shareholders. The main objective is to bring the land company holding area in Rawai Beach, Phuket Province to develop a real estate for sale provided by contract memorandum of agreement, a joint venture with a former shareholder to gradually pay for shares when the property can be developed and sold on the said land.
- Change the company name to "Rhom Bho Property Co., Ltd.," and change the business objective to be real estate development.

Year 2008

- Began to develop a luxury class single house project for sale by using the name "Villa", but from the market research and consumer behavior studies found that the condominiums are more suitable for consumer demand in those locations. Therefore, they adjusted the business plan to focus on condominium real estate development.

Year 2011

- Change the land development model from a single-luxury house (Luxury Class) to low-rise condominium, focusing on resort-style projects by the launching The Title Rawai Phase 1, which is a 4 storey condominium project on area of 4-2-66.80 Rai, 160 units, located in Rawai Beach area, Rawai Sub-district, Mueang Phuket District, Phuket the project value is approximately 494 million baht.
- Relocated the headquarter to 39/133 Soi Pracha Uthit 91, Thung Khru Subdistrict, Thung Khru District, Bangkok.

Year 2012 - 2014

- The group of Mr. Dendanai Hutajuta purchased the shares from Miss Sirirat Sarttrapai, a former shareholder under to the memorandum joint venture has made up in 2007.
- The company launched The Title Rawai Phase 2, a 4-storey condominium project on the area of 4-2-91.80 Rai, in total of 120 units, located in Rawai Beach area, Rawai Sub-district, Mueang Phuket District. Phuket, which is next to the original area of The Title Rawai Phase 1, value approximately 452 million baht.
- The company had resolved to pay dividends at the rate of 84 baht per share from the number of 5 million ordinary shares, equivalent to 4.20 million baht.
- The company increased the registered capital from 1 million baht to 5 million baht by offering new shares to existing shareholders to be used as funds for construction and future project development.
- The company had to pay dividends of 600 baht per share from 5 million ordinary shares, equivalent to 30.00 million baht.
- The company launches The Title Rawai Phase 3, a 4-storey condominium project on an area of 7-2-87 Rai, in total of 240 units, located in Rawai Beach area, Rawai Sub-district, Mueang Phuket District. Phuket Which is adjacent to the same area of Phase 1 and Phase 2, the project value is approximately 1,118 million baht.

Year 2015

- The company had a resolution to pay a dividend at the rate of 1,500 baht per share from 5 million ordinary shares, equivalent to 75.00 million baht.
- The company increased registered capital from 5 million baht to 70 million baht by offering additional shares to existing shareholders to be used as funds for construction and future project development.
- The headquarter moved to No. 53 Sukhonhasawat Road, LatPhrao Subdistrict, LatPhrao District, Bangkok.

Year 2016 - 2017

- The company launched the Title Naiyang Phase 1, a 7-storey condominium project on an area of 4-2-55.1 Rai in total, of 252 units, located in Naiyang Beach area. Thep Kasattri Road - Naiyang Soi Bangma Lao 2/2 Village No. 5, Saku Subdistrict, Thalang District, Phuket Province The project value is approximately 599 million baht.
- Establishment branch at No. 469 Village No. 6, Rawai Sub-district, Mueang Phuket District Phuket,

- The company has approved a dividend of 112 baht per share from 70 million ordinary shares, equivalent to 78.40 million baht.
- The company increased the registered capital from 70 million baht to 140 million baht by offering new shares to existing shareholders to be used as funds for construction and future project development.
- The company transformed into a listed company under the name of " Rhom Bho Property Public Company Limited" and changed the par value of the shares from 100 baht per share to 0.50 baht per share as well as increasing the registered capital from 140 million baht to 200 million baht by issuing and offering of 120 million shares (par price of 0.50 baht).
- On 2nd October 2017, Thailand Securities Depository Company Limited (TSD) appointed a securities registrar.
- On 2nd November 2017, the Stock Exchange of Thailand Board of Directors has sent to receive ordinary shares of Rhom Bho Property Public Company Limited to be listed securities and has officially entered into the securities trading (First day Trade).

Year 2018

- The company launched the Title Naiyang Phase 2, a 7-storey condominium project on an area of 4-3-8 Rai, 220 units, located in Naiyang Beach area. Thap Kasattri Road - Naiyang Soi Bangma Lao 2/2 Village No. 5, Saku Subdistrict, Thalang District, Phuket Province The project value is approximately 798 million baht and construction were completed in the 4th quarter of 2018.
- The 2018 Annual General Meeting of Shareholders resolved to pay dividends to shareholders in total 22,222,222.40 baht, equivalent to dividend payment at the rate of 0.055555556 baht per share or equivalent to 54.35 percent of the net profit by allocating to the existing shareholders by paying dividends and cash as follows.

A. Dividend payment is 40,000,000 ordinary shares of the company (with a par value of 0.50 baht per share), representing dividends at the rate of 0.05 baht per share to the existing shareholders at the rate of 10 per 1 share of the stock dividend, totaling 20,000,000 baht. In the event that the ordinary shares resulting from the dividend payment are calculated as fractions of shares, the Company will pay dividends in respect of such fraction of cash to shareholders at the rate of 0.05 baht per share.

B. Pay dividend in cash at the rate of 0.0055555556 baht per share. The dividend payment date is on 18th May 2018 from which the company dividend payment on a stock dividend; the company, therefore, increased the registered capital from the original registered capital of 200,000,000 baht to the new registered capital of 220,000,000 baht.

- On 5th October 2018, the company signed a contract appointment group of company Best Western Inc. (BWI) to manage the rooms for The Title Rawai Phase 5 which is a condominium in the form of Condotel.
- November 2018, the company launched The Title Rawai Phase 5 project, a 5 storey condominium project on a 5 rai of 228 units by divided into investment area and residential area, managed by Best Western Inc., project value 1,011 million baht.
- Purchased additional 3-2-9.3 Rai of land in Naiyang Beach and 35-0-4.7 Rai of Bang Tao Beach to support the future project development.

Year 2019

- The 2019 Annual General Meeting of Shareholders resolved to pay dividends in the amount of 219,999,520 ordinary shares (with a par value of 0.50 baht per share), representing a dividend payment of 0.25 baht per share. In the event that the ordinary shares arising from dividends are calculated as fractions of shares, the Company will pay dividends in the amount of 109,999,760 baht. The remaining shares of the cash to shareholders at the rate of Baht 0.25 per share Cash dividend per share 0.27777778 baht. The dividend payment date was on May 24th, 2019.
- With the 2019 Annual General Meeting of the shareholders of the company held on 29th April 2019, a resolution was passed regarding the registration of the company's registered capital reduction. Increase registered capital as follows.
 - Reducing the registered capital in the amount of 480.50 baht from 220,000,000 baht to a new registered capital. 219,999,519.50 baht.
 - Increased the registered capital of 109,999,760 baht from the original registered capital of 219,999,519.50 baht is the registered capital of 329,999,279.50 baht to support the stock dividend payment.
- The Board of Directors Meeting No. 3/2019, held on May 17th, 2019, has approved the share repurchase program for financial management purposes. The maximum limit of repurchasing shares is 99,000,000 baht. Specify the number of repurchased shares of 15,000,000 shares from the par value of 0.50 baht per share, equivalent to 3.41 percent of all already shares sold. By purchasing on the Stock Exchange of Thailand and the period for repurchasing shares from 31st May 2019 to 30th November 2019.

From which the company registered number of additional shares sold supported the stock dividend payment already on May 24th, 2019, made the ratio of repurchased shares change to 2.27 percent of the already shares sold.

Board of Directors and Management



Mr. Suvit Lamsam

Chairman of the Board of Director / Chairman of the Audit Committee / Independent Director



Mr. Viroj Hutajuta

Board of Director



Mr. Dendanai Hutajuta

Board of Director / Chief Executive Officer / Chairman of the Executive Committee / The Nomination and Compensation Committee Member / Managing Director of Sales & Marketing (Acting)



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



Mr. Darong Hutajuta

Board of Director / Executive Committee / Managing Director of Product Development



Ms. Cheraya Udomvongsup

Director / Deputy Managing Director of Accounting and Finance



Mr. Chaivuth Chittrakhani

*Chairman of the Risk Management Committee /
Audit Committee Member / The Nomination and
Compensation Committee member / Independent
Director*



Mrs. Jittima Sajjavanij Intujunyong

*Chairman of the Nomination and Compensation
Committee / Audit Committee Member /
Independent Director*



Mr. Prasert Vannacharoen

*Risk Management Committee Member / Managing
Director of Operation and Legal*

Board of Directors and Management As of 31st December 2019

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	■ Master Degree (MBA) Abilene Christian University USA ■ Bachelor's Degree in Accounting, Kasetsart University ■ Director Accreditation Program (DAP) 114/2015 ■ "Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance"	0.13	none	Oct 11 st 2016 - Present 2014-2016 1996-present	■ Chairman of the Board of Director ■ Chairman of the Audit Committee ■ Independent Director ■ Board of Director ■ Assistance Director agency transformation	Rhom Bho Property Public Company Limited Rhom Bho Property Company Limited AIA Company Limited	Property Development Property Development Insurance
2.	Mr. Viroj Hutajuta ■ Director (Authorized Director)	82	■ Master Degree (MS MATHS – Master of Science Mathematics) ■ Mindanao University Philippines	1.35	Father- Mr. Dendana Hutajuta and Mr. Darong Hutajuta	Oct 11 st 2016 - Present 2014-2016 2000-present	■ Board of Director ■ Board of Director	Rhom Bho Property Public Company Limited Rhom Bho Property Company Limited	Property Development 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
			<ul style="list-style-type: none"> ■ Bachelor's Degree in Bann Somdet Chaopraya Rajabhat University ■ Director Accreditation Program (DAP) 118/2005 				<ul style="list-style-type: none"> ■ Board of Director 	Sam Tunwa Company Limited	Selling Timber and logs
3	Mr. Dendanai Hutajuta	60	<ul style="list-style-type: none"> ■ Bachelor's Degree (Accounting) Kasetsart University ■ Mini MBA 35 Thammasart University. ■ Director Accreditation Program (DAP) 118/2015 	57.46	Son of Mr. Viroj Hutajuta and brother of Mr. Darong Hutajuta	Oct 11 st , 2016 - Present	<ul style="list-style-type: none"> ■ Board of Director ■ Chief Executive Officer ■ Chairman of the Executive Committee ■ The Nomination and Compensation Committee Member ■ Managing Director of Sales & Marketing (Acting) ■ Board of Director 	Rhom Bho Property Public Company Limited	Property Development
						2014-2016		Rhom Bho Property 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	4.40	none	Oct 11 st , 2016 - Present Present	■ Board of Director ■ Coordinate-CEO ■ Executive Committee ■ The Nomination and Compensation Committee Member ■ Risk Management Committee Member ■ Managing Director of Planning and Control	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
						2014-2016	■ Board of Director	Rhom Bho Property Company Limited	Property Development
						2001- present	■ Board of Director	COS Audit Company Limited.	Accounting Office
5.	Mr. Darong Hutajuta ■ Board of Director ■ Executive Committee ■ Managing Director of Product Development	59	■ 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. Dendanai Hutajuta	Oct 11 st , 2016 - Present	■ Board of Director ■ Executive Committee Managing Director of Product Development ■ Board of Director	Rhom Bho Property Public Company Limited Rhom Bho Property Company Limited	Property Development 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) 114/2015	1.05	none	Oct 11 st , 2016 - Present	■ Board of Director (Authorized Director) ■ Deputy Managing Director of Accounting and Finance	Rhom Bho Property Public Company Limited	Property Development
						2014-2016	■ Board of Director	Rhom Bho Property Company Limited	Property Development
						2004- present	■ Board of Director	Sam Tunwa Company Limited	Selling Timber and logs
7.	Mr. Chaivuth Chittrakhani	63	■ Master of Public Administration Chulalongkorn University	0.10	none	Oct 11 st , 2016 - Present	■ Chairman of the Risk Management Committee	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
	<ul style="list-style-type: none"> Chairman of the Risk Management Committee Audit Committee Member The Nomination and Compensation Committee member Independent Director 		<ul style="list-style-type: none"> Bachelor's Degree in Economics Banking Ramkhamhaeng university Director Accreditation Program (DAP) SEC/2014 Advanced Audit Committee Program (ACP) 2016 Chief of Financial Officer (CFO) 3 Institute of 			2014-2016 2014-present 2011-present	<ul style="list-style-type: none"> Audit Committee Member The Nomination and Compensation Committee member Independent Director Board of Director Board of Director Board of Director 	Rhom Bho Property Company Limited VIE Company Limited. STC Innovation Company Limited. Customize	Property Development Sell supply material 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
			Development Administration and the Stock Exchange of Thailand ■ Public Administration Economics for Senior Executives, King Prajadhipok's Institute ■ Democratic Politics Course for Senior Executives, Class 16, King			2010- present	■ Board of Director	Technology Company Limited.	Medical equipment
						2009- present	■ Chairman of the Board	Sen-Sale 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
			Prajadhipok's Institute ■ "Updated COSO Enterprise Risk Management:						
8.	Mrs. Jittima Sajjavani 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	0.10	none	Oct 11 st , 2016 - Present	■ Chairman of the Nomination and Compensation Committee ■ Audit Committee Member ■ Independent Director ■ Board of Director	Rhom Bho Property Public Company Limited Rhom Bho Property Company Limited	Property Development 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
9.	Mr. Prasert Vannacharoen ■ Risk Management Committee Member ■ Managing Director of Operation and Legal	59	Program (DAP) 114/2015 ■ Advanced Audit Committee Program (ACP) 2016	0.97	none	2012 – 2014	■ Chairman of the Committee on Factsheets	Office of Public Sector Anti- Corruption Commission (PACC)	government authority
						2011 - 2014	■ Operations Assistant of the Senator		government authority
						2010 - 2011	■ Secretary to the President	Senate of Thailand	Government Authority
						Oct 11 st , 2016 - Present	■ Risk Management Committee Member	Rhom Bho Property Public Company Limited	Property Development
						2000- present	■ Managing Director of Operation and Legal ■ Board of Director	Sam Thunwa Company Limited	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"> ■ Bachelor Degree in Cooperative Economics, Kasetsart University 						



OUR PROJECT



• 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





RAWAI BEACH



• THE TITLE RAWAI PHASE 1 & 2



RAWAI BEACH



• THE TITLE RAWAI PHASE 3





NAI YANG BEACH

• THE TITLE RESIDENCIES
(NAIYANG-PHUKET) PHASE 1 & 2



NAI YANG BEACH

• THE TITLE RESIDENCIES
(NAIYANG-PHUKET) PHASE 1 & 2





Nature of Business

1. Revenue Structure

Revenue structure of the company Classified by project type from 2017 - 2019

Revenues from Sale of Goods and Rendering of Services ^{1/}	Financial Statement (Audited)					
	Year 2017		Year 2018		Year 2019	
	Value	Proportion	Value	Proportion	Value	Proportion
	(Million baht)	(percent)	(Million baht)	(percent)	(Million baht)	(percent)
The Title Rawai Phase 3	293.94	97.56	311.73	96.18	35.88	2.77
The Title Naiyang Phase 1					527.35	40.75
The Title Naiyang Phase 2					713.88	55.16
Revenues from Sale of Goods and Rendering of Services Total	293.94	97.56	311.73	96.18	1,277.11	98.68
Other Revenues ^{2/}	7.34	2.44	12.39	3.82	17.11	1.32
Total Revenues	301.28	100.00	324.12	100.00	1,294.22	100.00

Note : ^{1/} 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.

^{2/} 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 ("company") 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 31st, 2019 is as follows.

The sales status, the transfer of ownership, and the construction of the Company's projects as of December 31st, 2019

Project	Location	Project characteristics	Month / Year of Reservation / Sales	Month / Year of construction completed or expected to be completed.	Project area (rai-ngan-wa)	Project value (1)		Cumulative sales ^{1/} (2)		Accumulated transfer of ownership ^{2/} (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	1,109	238	1,104	1	9	100.00	98.75
4. The Title Rawai Phase 5	Rawai Beach, Phuket	condominium 5 floors	Nov 2019	Dec 2021	5-1-25.9	228	1,091	56	212	0	0	172	879	28.00	0.00
5. The Title Naiyang phase 1	Naiyang Beach, Phuket	condominium 7 floors	Apr 2016	Oct 2018	4-2-55.1	252	642	236	576	211	511	16	66	100.00	79.60
6. The Title Naiyang Phase 2	Naiyang Beach, Phuket	condominium 5,7 floors	Oct 2017	Oct 2018	4-3-8	220	798	214	774	203	735	6	24	100.00	92.11

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

^{2/} Accumulated transfer of ownership is a unit with transfer of ownership already.

Our project which was launched on December 31st, 2019 is summarized as follows:

1. The Title Rawai Phase 1



Landscape



Location	Rawai Beach, Phuket
Status	Ready to move in
Project area	4-2-66.8 (rai-ngan-wa)
Project design	Condominium 4 floors 4 buildings
Unit	160 Units
Unit type	Studio (27 sq. m.) 16 Units 1 Bedroom (34 - 45 sq. m.) 112 Units 2 Bedrooms (63 sq. m.) 32 Units
Project value	494 Million baht
Average selling price/sq. m.	66,000 Baht/sq. m.
Target group	<ul style="list-style-type: none"> Thai clients (Phuket Locals) Thai clients (Real estate investors) Foreign clients (Tourists / Real estate investor / Retirees) Businessman
Project Highlight	<ul style="list-style-type: none"> 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



Landscape



Location	Rawai Beach, Phuket
Status	Project Finished
Project area	4-2-91.8 (rai-ngan-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	<ul style="list-style-type: none"> Thai clients (Phuket Locals) Thai clients (Real estate investors) Foreign clients (Tourists / Real estate investor / Retirees) Businessman
Project Highlight	<ul style="list-style-type: none"> 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 bedrooms. 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

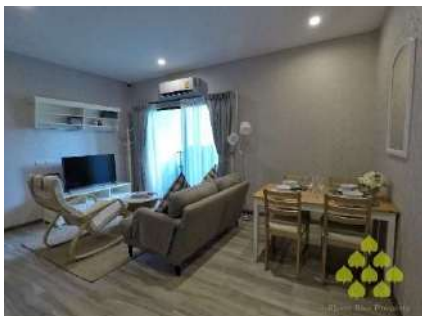


Landscape



Location	Rawai Beach, Phuket
Status	Ready to move in
Project area	7-2-87 (rai-ngan-wa)
Project design	Condominium 4 floors 7 buildings
Unit	240 units
Unit type	<ul style="list-style-type: none"> Studio (27 sq. m.) 44 Units 1 Bedroom (34 - 45 sq. m.) 156 Units 2 Bedrooms (63 sq. m.) 40 Units
Project value	1,118 Billion baht
Average selling price/sq. m.	86,500 Baht/sq. m.
Target group	<ul style="list-style-type: none"> Thai clients (Phuket Locals) Thai clients (Real estate investors) Foreign clients (Tourists / Real estate investor / Retirees) Businessman
Project Highlight	<ul style="list-style-type: none"> With our scrupulous design, you can experience the beautiful atmosphere of nature surrounded by tropical greenery and the bright blue of the pool. 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. 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. Located on the magnificent beach of Rawai, The Title Phase 3 is considered to be the best project on Rawai Beach. 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. At the right and reasonable price, we choose the materials based on our clients' needs, most cost-effective and on sustainability.

4. The Title Residences Naiyang Phuket Phase 1



Landscape



Location	Naiyang Beach, Phuket
Status	Ready to move in
Project area	4-2-55.10 (rai-ngan-wa)
Project design	Condominium 7 floors 3 buildings (E, F, G)
Unit	252 Units
Unit type	1 Bedroom (34 - 46 sq. m) 252 units
Project value	599 Million baht
Average selling price/sq. m.	61,280.84 Baht/sq. m.
Target group	<ul style="list-style-type: none"> Thai clients (Phuket Locals) Thai clients (Real estate investors) Foreign clients (Tourists / Real estate investor / Retirees) Businessman
Project Highlight	<ul style="list-style-type: none"> 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.

5. The Title Residences Naiyang Phuket Phase 2



Landscape



Location	Naiyang Beach, Phuket
Status	Ready to move in
Project area	4-3-8 (rai-ngan-wa)
Project design	Condominium 2,6,7 floors 4 buildings (A, B, C, D)
Unit	220 units
Unit type	<ul style="list-style-type: none"> 1 Bedroom (34 - 46 sq. m.) 206 units 2 Bedrooms (52-61 sq. m.) 14 units
Project value	798 Million baht
Average selling price/sq. m.	90,525.21 Baht/sq. m.
Target group	<ul style="list-style-type: none"> Thai clients (Phuket Locals) Thai clients (Real estate investors) Foreign clients (Tourists / Real estate investor / Retirees) Businessman
Project Highlight	<ul style="list-style-type: none"> 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 (RAWAI-PHUKET)



BW Premier
COLLECTION
by BEST WESTERN

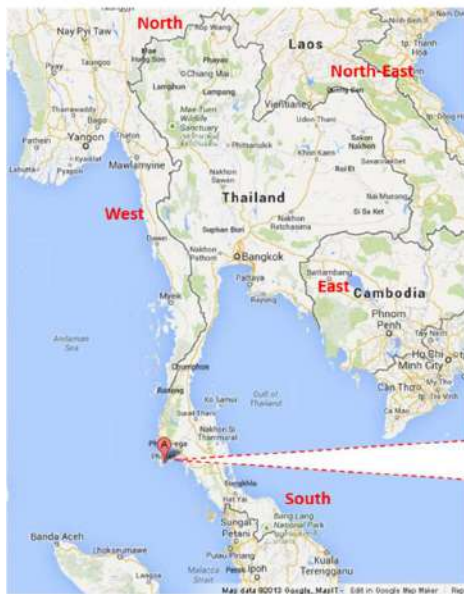
Landscape



Location	Rawai Beach, Phuket
Status	<ul style="list-style-type: none"> Under construction in Year 2019 It is expected to complete construction within a Q4 years 2020. Grand opening on November 2018
Project area	5-1-0 (rai-ngan-wa)
Project design	Condominium 5 floors 4 buildings (U, V, X, Y)
Unit	228 Units Investment Area: 124 units Residential Area: 104 units By Best Western Inc.
Unit type	<ul style="list-style-type: none"> 1 Bedroom (35 sq.m.) 129 units 1 Bedroom (41 sq. m.) 84 units 2 Bedrooms (69-78 sq. m.) 15 units
Project value	1,011 Billion baht
Average selling price/sq. m.	111,344.45 Baht/sq. m.
Target group	<ul style="list-style-type: none"> Thai clients (Phuket Locals) Thai clients (Real estate investors) Foreign clients (Tourists / Real estate investor / Retirees) Businessman
Project Highlight	<ul style="list-style-type: none"> The highlight is the project will be divided into 2 zones Investment Zone and Residential Zone. 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 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 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. 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.

Location of The Title Project

Phuket on Map of Thailand



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 31st, 2019 may be summarized as follows:

Project	Thai Clients	Foreign Clients
The Title Rawai Phase 1 and The Title Rawai Phase 3		
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
The Title V (The Title We)		
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
The Title Residences Naiyang Phuket		
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 Facebook <https://www.facebook.com/thetitlephuket/>, Instagram : [the_title_phuket](#), VK.com : <https://vk.com/club164549875>, and 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, 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, where the customer may enter to study the introductory details of each project.

4.5 Target groups

The determination of the target customers of the company is divided into 2 types which are Thai and foreign customers, executives or business owners who want to have their own accommodation for resting and traveling by sea in clean, fresh atmosphere, convenient to travel, not far from Phuket International Airport and Bangkok, and also suitable for being a place to relax after retirement. In addition, there is a target group that likes to invest in real estate in the type of condominiums for rent. Once the units have been purchased and transferred, the owners can join the Rental Program which is managed by a professional hotel management company. As an alternative for the customers who are interested to buy for a long-term- return investment.

The company has therefore set up a marketing plan to boost sales with the "Guaranteed Yield" project to meet the demand of those customers. Another group of customers of the company are those who work in Phuket with the objective of being main residence. Primarily, the heavy traffic in Phuket is causing the need to live near the office that is the tourism location, or those who want to relax for a long term near the city center.

In the years 2015-2019 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).

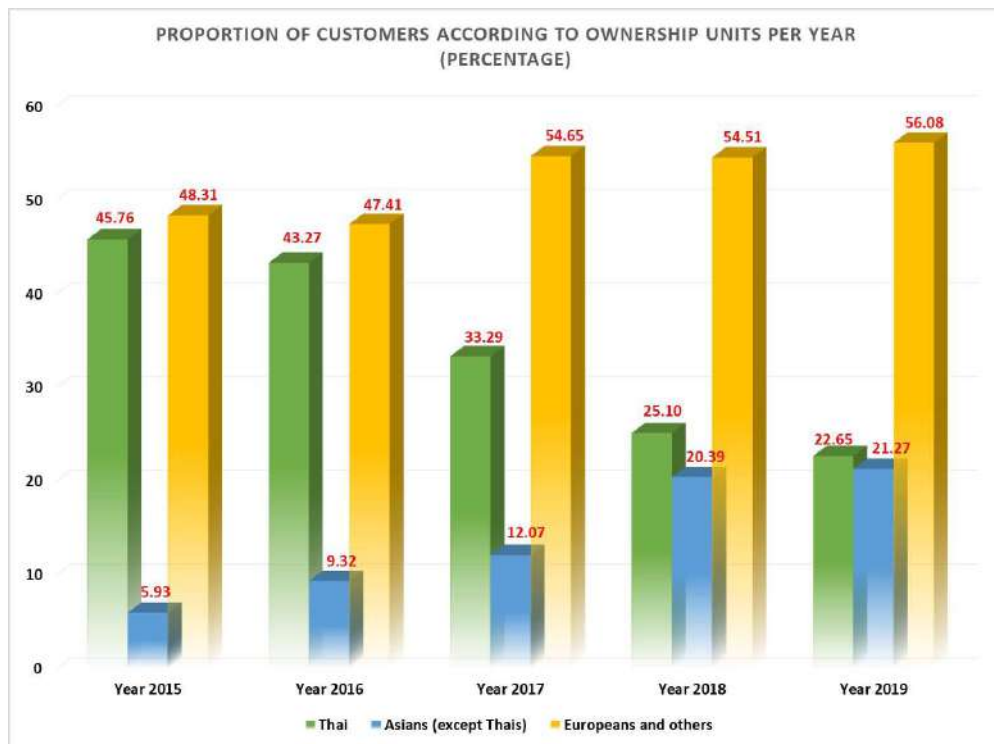
Table of customer proportions according to ownership units in years 2015 – 2019

Target Group	Proportion of customers according to ownership units per year (percentage)*				
	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
Thai	45.76	43.27	33.29	25.10	22.65
Asians (except Thais)	5.93	9.32	12.07	20.39	21.27
Europeans and others	48.31	47.41	54.65	54.51	56.08
Total	100.00	100.00	100.00	100.00	100.00

Sale Category	Proportion of customers according to ownership units per year (percentage)*				
	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
Freehold	100.00	85.30	63.80	52.46	49.90
Leasehold	-	14.70	36.20	47.54	50.10
Total	100.00	100.00	100.00	100.00	100.00

* Shows apartment ownership proportions for customers of all projects combined, which is composed of projects The Title Rawai Beach Phase 1, 2, 3, 5 and The Title Residencies Naiyang Phase 1, 2. 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.

Proportion of customers according to ownership units per year (percentage)*

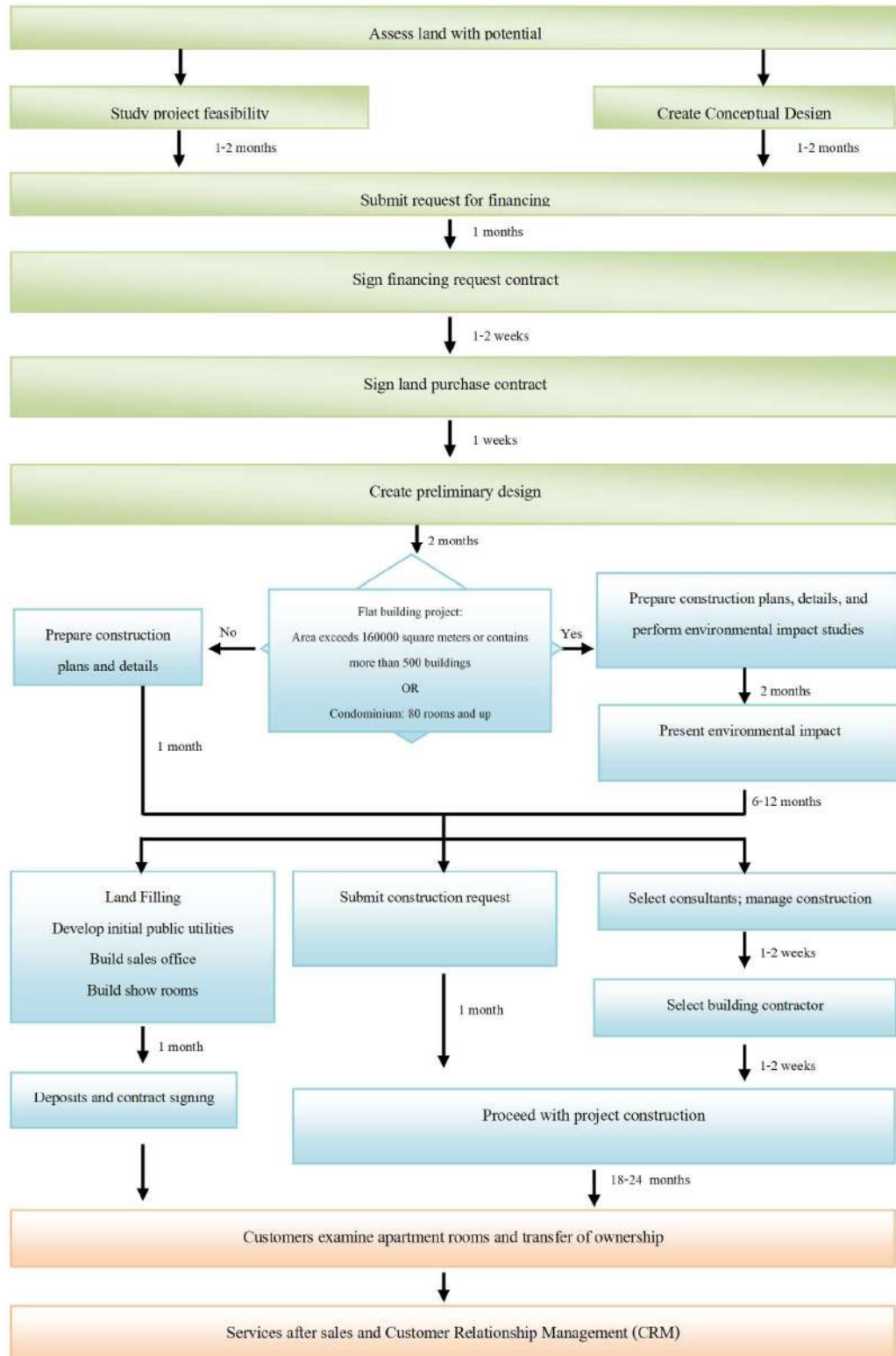


Proportion of customers according to ownership units per year (percentage)



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 31st, 2019 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 93 units, valued at 322 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 3	1,118	240	100%	1	5	With ownership transfer
The Title Rawai Phase 5	1,091	228	28%	56	212	The project is expected to be completed and ready to be transferred during the 4 th quarter of 2020.
The Title Naiyang Phase 1	642	252	100%	25	66	With ownership transfer
The Title Naiyang Phase 2	798	220	100%	11	39	With ownership transfer
Total	4,595	1,220	-	93	322	-

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 and <http://www.rhombho.co.th/th/contact-us> The company also study the impact on the updated laws and regulations from the government, as well as the changes in public utilities and transportation that affect the real estate business in order to be able to adapt to various changes appropriately and rapidly. In addition, we study new business opportunities, increasing channels of monetization and how to increase business potential as well as business risk prevention tools for the company, such as studying the feasibility of condominium projects in various locations, in terms of market demand, competition, construction methods, financial feasibility..., etc. These information enable the company to plan marketing strategies and execute projects efficiently.

Summary of Thai Economy and Real Estate Industry Overview

Industry and competition

Tourism Industry in Thailand

The Economic Research Center expected Thailand's tourism industry to "grow but at a slower pace" in 2019. In 2018, although the overall tourism was affected by the decline in Chinese tourists, there was an increase in the number of tourists from Europe, America, Africa, and ASEAN region, particularly Malaysia. In addition, with the adoption of the measure to waive the visa-on-arrival fee for citizens of 21 countries, which was expected to help increase the number of foreign tourists by not less than 30 percent, the annual revenue from tourism grew by 10 percent and reached three trillion baht.

For 2019, the Tourism Authority of Thailand (TAT) expected the total revenue to reach 3.4 trillion baht, a 10 percent growth similar to the previous year. Foreign visitors were projected to amount to 40 million, generating 2.2 trillion baht in revenue, with the first three largest visitors coming from 1) East Asia 28.5 million (+ 6.6%), 2) Europe 7.4 million (+5.8 %), and 3) America 1.6 million (+ 5.9%). Domestic tourists were estimated to reach 177 million, generating 1.2 trillion baht in revenue.

Niche Tourism Market Strategy for 2019

International market ➡ expand customer base with special interests through the "Amazing Thailand Open to the New Shades" campaign

- The Middle East - high end tourists
- ASEAN - family and holiday tourists
- South Asia - focus on niche markets such as weddings and honeymooners
- Europe - target first-time visitors
- USA - women of working age

Domestic market ➡ stimulate spending to distribute income to secondary cities through the "Amazing Thai Cool" campaign






- Northern region - target potential markets focusing on northern life and culture
 - Northeastern region - expand senior tourist base
 - Eastern region - target SMEs and business groups (promote weekday trip)
 - Southern region - focus on community and seasonal tourism
-

In 2019, TAT continued to use the Amazing Thailand campaign as a marketing communication tool, but the campaign was divided into international and domestic markets as follows:

International marketing communication campaign/Amazing Thailand: Open to the New Shades highlighted unique local Thai experiences to attract foreign tourists to Thailand. The campaign invited visitors to immerse in tourist experiences unlike anywhere else in the world and explore the ever-changing yet uniquely Thai culture.



Domestic marketing communication campaign/Amazing Thai Cool aimed to promote domestic tourism, making it cooler and more exciting than ever before. The campaign emphasized in-depth travel experiences to explore the beauty and coolness of every destination. In 2019, local people across Thailand were highlighted as local heroes:

-  Hero who protects the way of life and culture.
-  Hero who carries on local wisdom.
-  Hero who tells local awe-inspiring stories.
-  Hero who helps Thai people see and understand the world in a new light.
-  Hero who is ordinary yet dignified and truly loves their hometown.

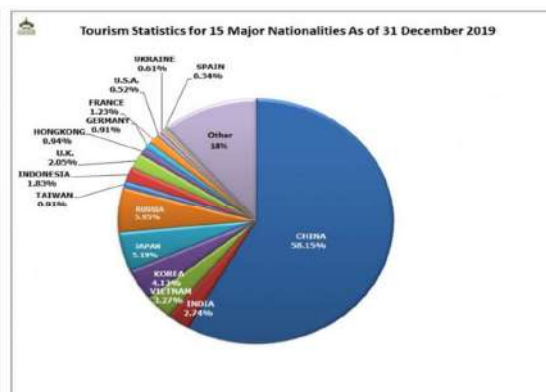
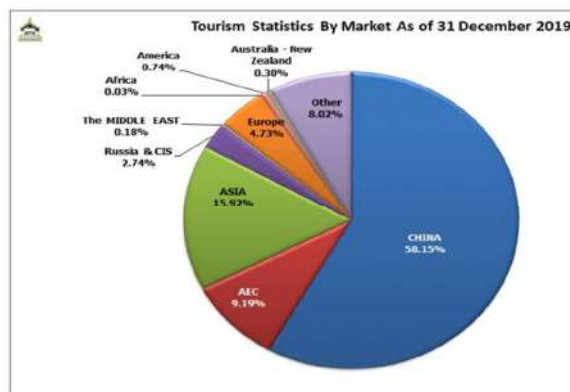
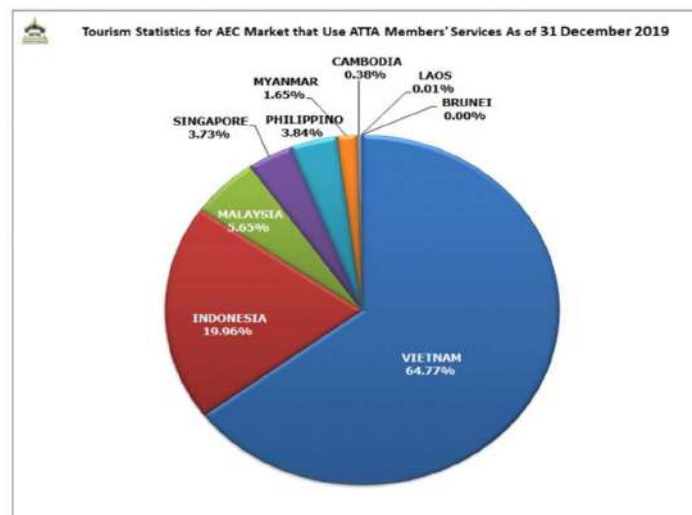


Risk Factors for the Tourism Industry

The tourism industry in 2019 had the following risk factors:

1. The fluctuation of the global economy affected the income of tourists, causing them to travel less or spend less on goods and services.
2. There were more competitors in the tourism sector, especially Asian countries such as Japan, Taiwan, and South Korea that were actively marketing to attract tourists to their countries.
3. Overcrowding in popular tourist destinations may lower quality or repeat tourists to shorten their travel time in Thailand or change their destinations to other countries.
4. The decline in Chinese tourists severely affected business operators focusing on Chinese tour services, such as two or three-star hotels, accommodations/condominiums for rent, restaurants, and tour bus-boat services.

Graph showing the number of foreign tourists visiting Thailand in 2019



Source : <http://www.atta.or.th/statistics-international-tourists-arriving-in-thailand-as>



Trend in the International Tourist Market

1. East Asian Tourists: The number of tourists from the ASEAN region, South Korea, and Japan is likely to grow, while the Chinese tourism market should recover more visibly in the second half of the year. However, the direction of China's economy and yuan, as well as the tourism competition with other countries such as Japan, South Korea, and Vietnam must be closely watched.

2. South Asian Tourists: Tourists from India

continue to grow. However, Thai operators in the tourism sector may face fierce competition as many countries are striving to attract Indian tourists.

3. European Tourists: Tourists from Germany and France continue to grow, while the growth of Russian tourists may depend on the ruble. However, Brexit may negatively affect inbound tourists travelling from the UK to Thailand due to high expense and long flight duration.

4. Tourists from other regions: Tourists from the Middle East will continue to decline due to economic issues in their countries, causing them to choose closer tourist destinations, except for Israeli tourists. Moreover, tourists from the USA and South Africa are likely to grow.

Kasikorn Research Center expected the number of European tourist arrivals to Thailand to be on a par with the previous year, reaching 6.66 million, contracting by 1.5 percent from 2018. Their spending in Thailand may reach 4.68 billion baht, contracting by 1 percent due to the decrease in the number of overnight stays and the depreciation of many European currencies against the baht, which may cause tourists to align their travel plans with their budgets, especially during the high season when travel expenditures are higher.



Source: https://kasikornbank.com/international-business/en/Thailand/IndustryBusiness/Pages/201901_Thailand_TourismOutlook19.aspx

Asia and ASEAN regions remain Thailand's main international tourism market. This is especially true for the Middle East as the number of Israeli tourist arrivals to Thailand continues to grow. In October, international tourists visiting Thailand reached 3.04 million, up 12.51 percent YOY, generating 1.4 billion baht in revenue or up 9.27 percent. This shows that even during the global economic slowdown, Thailand's tourism is still growing due to an increasing number of tourists from the same region. The top five international tourists visiting Thailand in October were from China, Malaysia, India, Laos, and South Korea.







Source: www.posttoday.com/economy/news/607206

From January to October 2019, the number of international tourist arrivals to Thailand reached 32.05 million, up 4.29 percent, generating 1.57 trillion baht in revenue, up 3.97 percent. The top five international tourists during these 10 months were from India, the Philippines, Taiwan, Laos, and Brunei. The growth of Middle Eastern tourists was the result of the joint promotion of the Tourism Authority of Thailand and charter flights, as well as the Yom Kippur holiday, causing the number of Israeli tourists to increase by 132.92 percent. The number of Indian tourists grew 37.9 percent as a result of the visa-on-arrival fee waiver scheme, while the increase in Chinese tourists was due to the Chinese National Day.

Source: www.posttoday.com/economy/news/607206

Tourism Industry in Phuket

This map shows the location of Phuket and its islands.

-  To the North is Phang Nga province.
-  To the east is the Andaman Sea, where a deep sea port is located.
-  To the south lies Mueang Phuket District and the Andaman Sea.
-  To the west lies Kathu District and the Andaman Sea.

Most of Phuket is surrounded by beaches and small islands, making the province a potential tourist destination.

Phuket consists of three districts: Mueang Phuket District, Thalang District and Kathu District. The main road is Thepkasattri Road. It is easy to travel to Phuket by boat from nearby provinces such as Phang Nga and Krabi. It also has a deep sea port located in Ao Makham Subdistrict, east of the island, to accommodate large tourist boats and cargo ships. For air transportation, Phuket has an



international airport for both domestic and international flights from leading airlines and the international terminal has been expanded to accommodate growing air traffic.

In 2019, Phuket's economy was expected to slow down by 5.2 percent, with a central tendency of 4.8-5.6 percent per year. On the supply side, the growth was expected to slow down by 8.6 percent, with a central tendency of 8.2-9.2 percent. The growth of the service sector was expected to be 8.7 percent, with a central tendency of 8.2-9.1 percent per year. The factor attracting international tourists to Phuket was the visa-on-arrival fee exemption for 21 countries, which resulted in an increase in the number of tourists. In addition, both government and private sector agencies continually promoted Phuket's tourism by holding roadshows in various countries such as England, with "Phuket Road Shot to UK," India, and Germany to attract new tourist markets. Many tourism activities were developed to boost tourism revenue, such as the Back to the Past event during the Chinese New Year, Beach Music Festival in August, and ASEAN sports competitions (e.g., Phuket King's Cup Regatta). On the demand side, consumer confidence decreased due to the economic slowdown, causing them to spend their money more cautiously and travel less.

With regard to economic stability, in 2019, inflation in Phuket was expected to be at 2.2%. This inflation was largely a result of falling energy prices as global crude oil prices dropped and higher labor costs due to minimum wage increase.

Economic stability in Phuket in the year 2019, inflation is expected at 2.2%. The factors affecting the price of energy are adjusted down according to the crude oil price in the world market. Higher as the increase of the minimum wage, which will reflect the price of some products.

Factors Affecting Phuket's Economy in 2019

1. Government's tourism promotion policies.
2. Political situation and policy direction of the new government after election.
3. The impact of the trade war between the United States and China.
4. Environment and natural resource degradation.
5. Natural disasters including drought and weather conditions.
6. Issues affecting tourists' decision to travel, such as China's economic slowdown, the global economic slowdown and threat from terrorism.
7. Fuel prices on the world market and appreciation of the Thai baht.
8. Lack of safety confidence.



Source: <http://www.cgd.go.th/pkt>

Phuket economic forecast report 2019 and 2020, No. 3/2019, September 2019, Number of Tourists (The number of tourists passing through the airport and tourists passing through immigration) is estimated that by 2019, the number of tourists coming to visit will be at 20.3 million, with an expected range of 20.2-20.4 million, down from Expected in June 2019 due to the trade war between China and U.S.A., inflation, baht appreciation and insecurity at sea safety measures which affect to the decision traveling. Causing competition with various countries to attract foreign tourists, resulting in more choices of destinations for tourists are changing the group travel to free independent travel. However, the government has extended the Visa on Arrival (VOA) fee waiver for 21 countries traveling to Thailand until April 2020, resulting in an increase in the number of tourists such as tourists. Indian in addition. Government and private agencies have continually organized tourism marketing incentives. By launching a road show in various countries such as England (Phuket Road Show to UK), India, Germany or project "Phuket Road Show to Siberia 2019" in August 2019 by issuing road shows in 3 main cities, Novosibirsk, Krasnoyarsk and Irkutsk (Siberia Federal District) in the Russian Federation, to promote new target for increasing arrivals to Phuket. Tourism development is still uniquely local. Including the development of tourism activities that will increase revenue, such as organizing the Chinese New Year, Beach Music Festival in August, international sporting events with ASEAN countries, such as the Phuket King's Cup Regatta In addition, Phuket is also ready for the water transportation infrastructure, where large cruises can come to dock for tourists visiting the island to shop all day. In addition, On 20 August 2019 the Cabinet approved the measures to stimulate tourism economy. "Tasting, shopping, using" gives registered users the right to receive 1,000 baht. To be used as a travel expense, which can be used from 27 September 2019 - 30 November 2019, Phuket has more than 100,000 registered and selected tourists, which the measure should stimulate the economy in by 2020, 22.0 million tourists are expected to arrive, with an estimated range of 21.9-22.1 million.

Source: <http://www.cgd.go.th/pkt>

Tourist Growth Estimate



(Source: Phuket Provincial Office of Comptroller General – Phuket Economic Forecast Report and Area-Based Collaborative Research Unit)

Phuket is a popular tourist destination for foreigners and Thais alike, ranked No. 1 out of 100 tourist destinations according to Euromonitor International Market Research Report. The number of tourists traveling to Phuket has increased 8-10% every year.

Most of these tourists are from China and Europe. The airport and passenger terminal have therefore been expanded to accommodate 13 million passengers per year. In addition, regular and charter flights directly to the Phuket Airport have increased without having to stop at the Suvarnabhumi Airport. For the real estate development industry, new real estate projects in Phuket



Source : Phuket Provincial Office of Comptroller General – Phuket Economic Forecast Report and Area-Based Collaborative Research Unit)

have dropped in the past three to four years. As a result, both high and mid end housing projects are presently in demand from buyers who want to live in Phuket and purchase for investment. Most of these buyers are Thais and foreigners from Europe and Asia, such as China, Singapore, and Hong Kong, who have been working in this region and are familiar with Phuket. There are also new buyers that include Russian, Australia, New Zealand, and Canadian tourists who want to purchase homes to live in after retirement. In addition, the Phuket Airport has been expanded to accommodate a growing number of passengers from around the world.

Phuket aims to become the world's tourism economic center, with smart city technologies that encompass six aspects, including infrastructure, transportation, rail transport network, road transport, and air transport. Currently, the government has set aside a large budget to move Phuket toward sustainable economic growth. It has implemented five policies focusing on Phuket, two of which, including MICE Phuket City (Meeting, Incentive Travel, Conventions, Exhibitions) and Phuket Smart City, aim to drive Phuket to becoming a model for other provinces. It is hoped that Phuket will be able to increase its provincial products by not less than five times over the next 20 years and accommodate more than two times the number of tourists. In addition, the Digital Economy Promotion Agency (DEPA) has invested in infrastructure projects to support smart mobility, smart safety, and smart economy, including the installation of edge CCTV recording systems at tourist attractions, airports, checkpoints, ports, and economic centers.

(Source: Phuket Provincial Office of Comptroller General – Phuket Economic Forecast Report and Area-Based Collaborative Research Unit))

Condominium Market in Thailand

Data from the Real Estate Information Center shows that the overall real estate market in 2019 was affected by global economic slowdown, new housing loan regulation based on collateral value, and higher household debt



Source: Real Estate Information Center

obligation. In 2019, the transfer of ownership has increased considerably in the first three months before the measures from Bank of Thailand came into effect. The measures included individual income tax deduction of not more than 200,000 baht for the first home purchase of not more than five million baht and mortgage and transfer fee reduction for homes under one million baht. It was

expected that the number of housing ownership transfers throughout the country will stand at 335,000 units, down 7.7 percent YOY.

After implementing the LTV (loan-to-value) measure with housing loans in May-July 2019, the number of customers visiting the project dropped to 50 percent. Housing project reservations decreased by 30-40 percent for horizontal houses and by 50-60 percent for condominiums. Many companies slowed down new projects or reduced the size of new projects. Real demand buyers delayed their purchase decision as they were not sure whether the loan will be approved. The market slowdown was reflected through the decrease in housing transfer units and values throughout the country in the second quarter of 2019 to -14.7 percent and -13.8 percent YOY respectively. Bangkok and its perimeter were most affected, with the units dropping -18.9 percent and the value -16.5 percent. The provincial areas were less affected, with the units decreasing -9.8 percent and the value -8.1 percent. Many housing units in Bangkok, perimeter, and large provinces were purchased for investment purposes and used as second homes.

In the second half of 2019, after all concerned parties were familiarized with the LTV measure to a certain extent and the reduction of interest rates in August, the real estate market should recover and the ownership transfer across the country should grow by 3.7 percent. However, when compared to the same period of the previous year, the ownership transfer still stood at -1.6 percent, but it should gradually improve in the third and fourth quarters.

It should be noted that there are some differences between demand in Bangkok and its perimeter and the provinces. Some buyers in Bangkok and perimeter purchase condominiums for long-term investment and short-term speculation, while most buyers in the provinces purchase condominiums for residential purposes, though purchases for long-term investment are not uncommon. For horizontal houses, most are purchased for residential purposes.

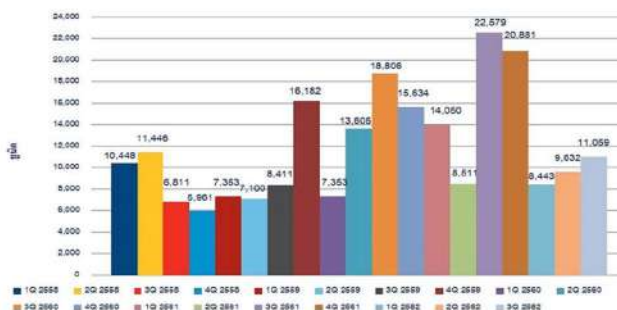
Source: Real Estate Information Center

Bangkok Condominium Market Overview

There were approximately 11,059 pre-sale condominium units in the third quarter of 2019, down 51 percent from the third quarter of 2018 but up by 1,424 units or 14.78 percent from the previous quarter. This increase from the previous quarter is because all developers wanted to sell and conduct marketing activities in the third quarter instead of the last quarter, which may leave them unable to achieve their annual targets. However, many developers adjusted their plans to lower the number of condominium pre-sales after a delay in the first half of the previous year because most developers were trying to sell the remaining stock in the market. Many pre-sale condominium projects in the third quarter were large projects with more than 1,000 units, located in the outer areas near the BTS and MRT that were currently under construction, especially the orange line Rama 9-Ramkhamhaeng. It was found that a number of major developers on the stock market recently invested in condominium development projects in these areas. There are many developers who are currently conducting a feasibility study for new project developments in these areas as well.

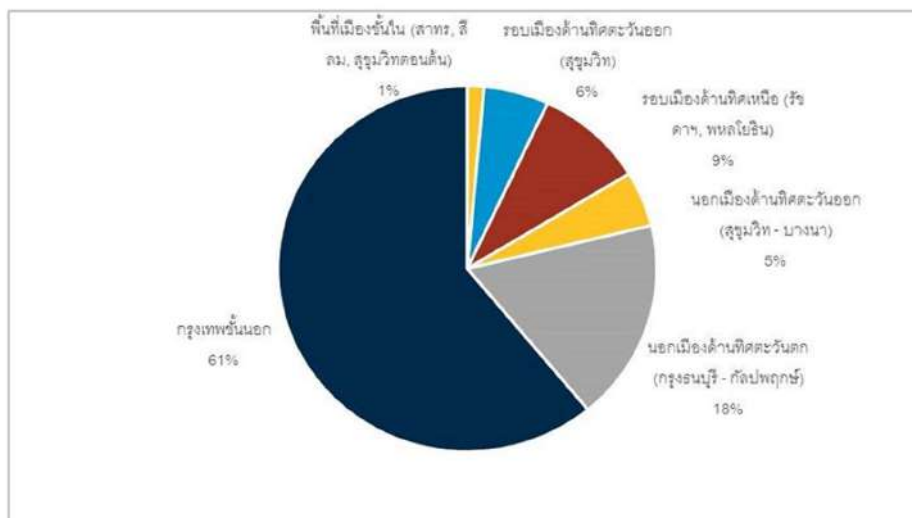
(Source: TerraBKK.com - <https://www.terrabkk.com/news/196720>)

Salt Condo launches for sale starting from 1st quarter 2015 - 3rd quarter 2019 quarterly



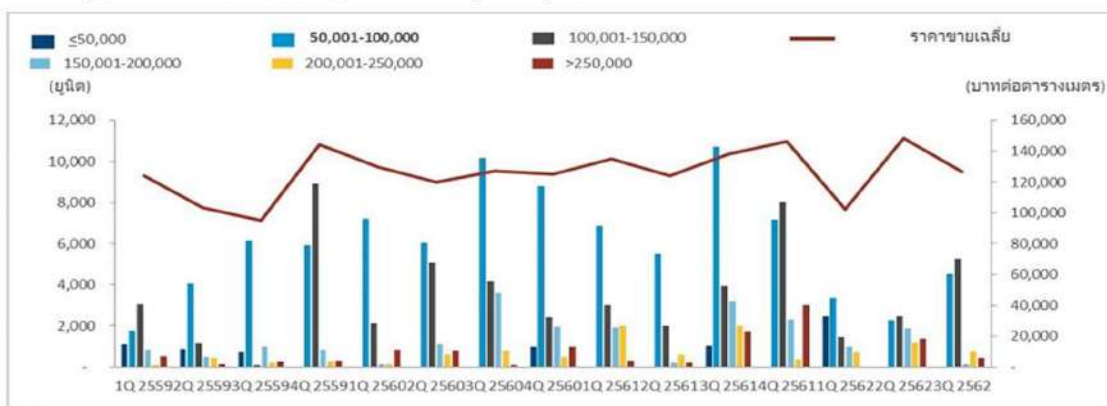
Source: Collier International Thailand Research Department

Supply of new condominiums by area (units)



Source: Collier International Thailand Research Department

Selling price of condominiums, new sales, quarterly classified

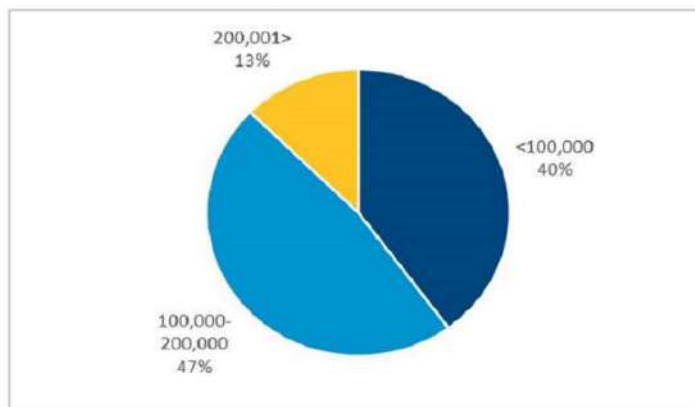


Source: Collier International Thailand Research Department

The average selling price of pre-sale condominiums in the third quarter of 2019 was 126,530 baht per square meter, down 14.7 percent from the previous quarter. About 61 percent of the pre-sale projects in the third quarter were located in the outer Bangkok area and more than 40 percent or about 4,509 pre-sale units in the last quarter were sold for 50,000 - 100,000 baht per square meter. Most of the condominium projects were large projects with more than 1,000 units, located in the outskirts near BTS and MRT that were currently under construction, especially the orange line Rama 9-Ramkhamhaeng and only one project was located in the inner city area (Sathorn, Silom, Sukhumvit), resulting in the falling of pre-sale condominium prices in the third quarter of 2019.

Pre-sale condominiums below 100,000 - 200,000 baht per square meter had the highest average selling rate, around 47 percent of the total units pre-sold in the third quarter of 2019, followed by condominiums below 100,000 baht per square meter at 40 percent. This reflects that the mid-to mid-upper market in the locations along BTS and MRT are still of interest to customers, even though many projects developed in recent years are in this price range.

Average selling rate of newly open condominiums classified by price

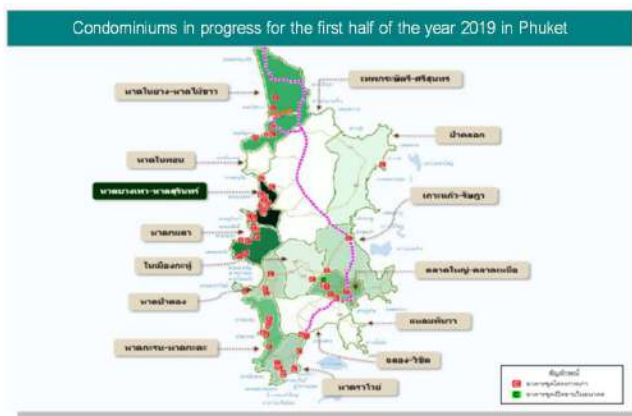


Source: Collier International Thailand Research Department

(Source: TerraBKK.com - <https://www.terrabkk.com/news/196720>)

Condominium Market in Phuket

Real estate investment in Phuket continued to grow throughout 2019 for both housing investment and investment in hotel and other development, especially housing. Although the land price in Phuket is constantly rising, new housing projects were launched throughout the past year. In 2019, due to higher land price, the number of local investors who previously made investments decreased slightly. However, new local investors have also emerged. They invested in small projects with an area of 2-3 rai to build 10-20 houses for quick sale online. Previously, it was rare to see investment in small projects in Phuket, there were only medium and large projects.



In addition, it can be seen that in recent years that many large companies from Bangkok have increasingly invested in Phuket, including public companies that previously had investment in the province and large companies that are new to the investment market in Phuket.

Over the past two to three years, there was an oversupply of condominiums in Phuket due to investment in many development projects at the same time. At present, these projects are almost sold out and investors are planning to launch new condominium projects, which are constantly in demand in Phuket.

Investment in Phuket throughout 2019 should be valued at not less than 20,000 million baht. The investment in housing estates and condominiums alone should be valued not less than 12,000 million baht and grow at 5-10 percent yearly. This is because investors are confident in the potential of Phuket as the world's tourist destination with many tourists visiting from around the world. People continue to come to Phuket for work and business in Phuket, resulting in increasing demand for housing, especially projects under three million baht. Luxury projects along the west coast of the island for sale to foreigners for living and investment have been emerging.

Source: Real Estate Information Center, Daily Manager 360° newspaper

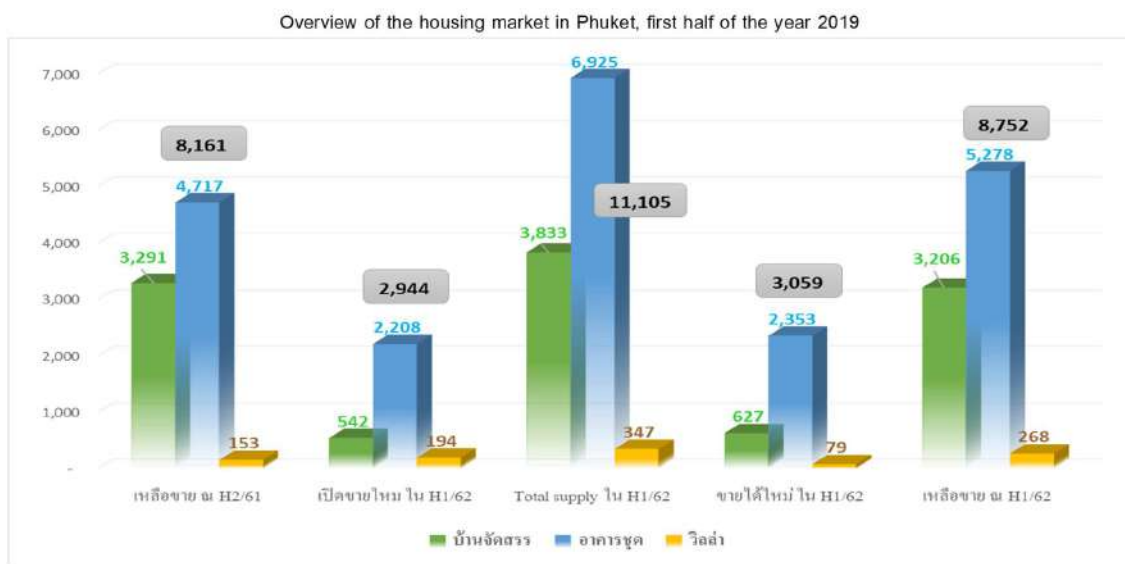
Competition in Real Estate Development Business and Housing Market in Phuket

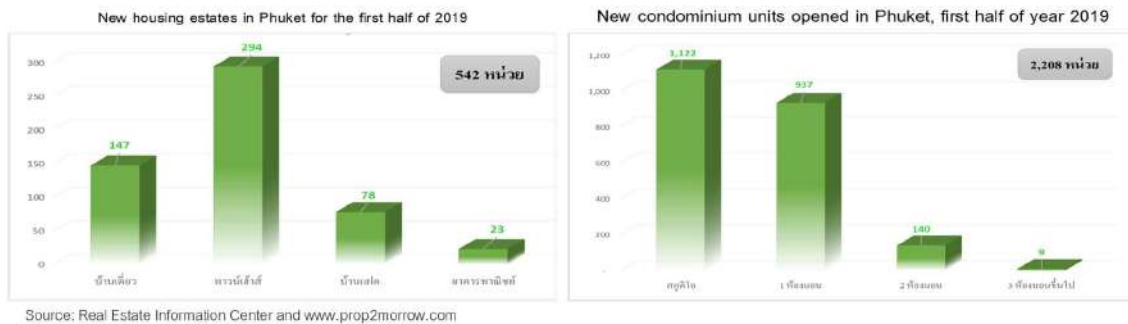
Phuket, the pearl of the Andaman, is the largest island in Thailand, surrounded by 32 small islands on the Indian Ocean. Once a rich source of tin ore, today, it is the world's tourist center, known for its beautiful white sand beach, clear sea, and unique art and culture, all within an area of 543 square kilometers.

Aside from Bangkok and perimeter, Phuket is a tourist city that is worth investment in real estate development. Considering various growth factors, it can be seen that Phuket is a city with great potential both in terms of tourism and investment. Most potential areas are located in the seaside zone to appeal to customers

with purchasing power. The condominium market in Phuket targets buyers who want to purchase second homes or to rent to tourists. Another important target group is people working in Phuket. Furthermore, Phuket has many international educational institutions. As a result, housing is constantly in demand. However, housing development is limited by the island nature of Phuket, which makes condominiums an attractive option for the latent population working or studying in Phuket.

Information from the Ministry of Tourism and Sports Tourism statistics for 2019, summarizing the situation of staying Number of visitors and revenue from visitors From January - August 2019, from 9.65 million tourists visiting Phuket and generating more than 313.19 million baht in tourism revenue, 7.06 million foreign tourists. At the end of 2018, Central Pattana Public Company Limited launched a mega project, Central Festival Phuket Phase 3, on an area of 136 rai. Another project that is still under development was a new shopping center under the name Porto de Phuket on an area of 50 rai. It is aimed to be the one and only open-air shopping center that perfectly combines design, lifestyle, retail, and natural space. The project is located in Choeng Thale Sub-district, near Laguna Phuket, the No.1 high-end residence in Phuket. In addition, the Mall Group has planned to develop Blue Pearl Project, a large department store on an area of 150 rai. Airports of Thailand Public Company Limited has also undertaken the Phuket International Airport Expansion Phase 3 to accommodate up to 25 million passengers per year. As a result of the investment in the above projects, the areas around these projects have received a lot of attention from condominium developers and Thai and foreign buyers. With the growth of tourism, many development projects from the government have also continued to emerge in Phuket over the past one to two years.



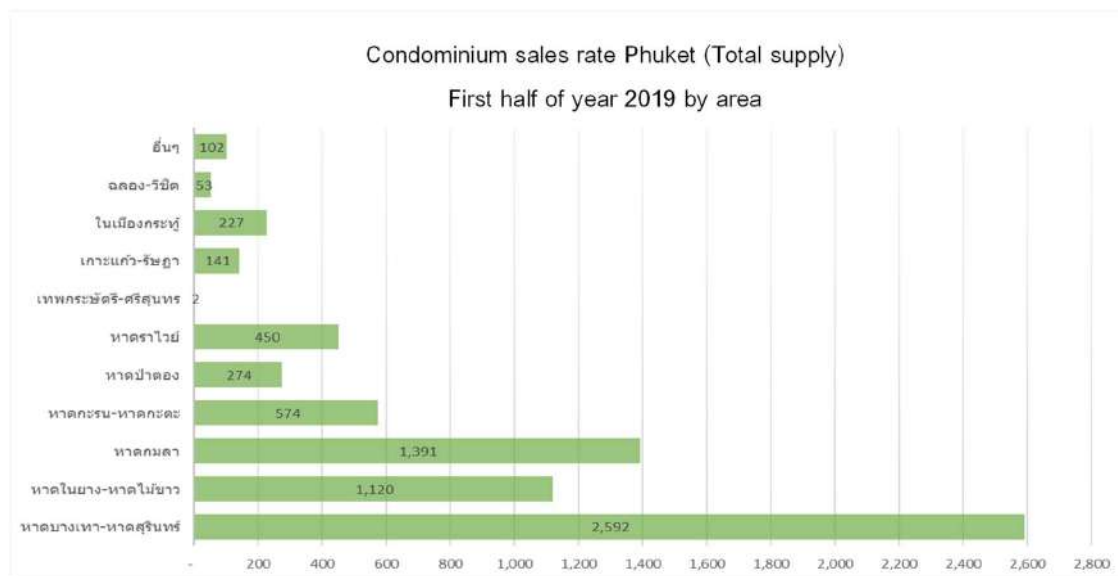


Data from the Real Estate Information Center shows that pre-sales in Phuket in the first half of the year included 627 housing units, 2,353 condominium units, and 79 villa units. Unsold inventory included 3,206 housing units, 5,278 condominium units, and 268 villas. The project can be divided into 2,208 pre-sale condominium units (1,122 studios, 937 one bedrooms, 140 two bedrooms, and 9 three bedrooms and up) and 542 pre-sale housing units (147 single houses, 294 townhouses, 78 twin houses, and 23 commercial buildings). When classifying pre-sales by area, Naiyang and Mai Khao Beaches have 1,138 pre-sale units at 2-3 million baht, Kamala Beach has 498 units at 5-7.5 million baht, Bang Tao and Surin Beaches have 456 units at 5-7 million baht, Karon and Kata Beaches have 244 units at 3-5 million baht, Patong Beach has 199 units at 3-5 million baht, Kathu has 136 units at 5-7.5 million baht, and other areas have 99 units at 10 million baht.

Source: Real Estate Information Center and www.prop2morrow.com



The bestselling condominiums in Phuket are in the price range of 3-5 million baht, followed by 5-7.5 million baht and 2-3 million baht. Most condominiums in the price range of 1.5-2 million baht are located in the city center area and have been up for sale over the past four to five years. From the data, it is seen that other bestselling condominiums are those in the price range of 5-7.5 million and over 10 million baht. The projects up for sale over the past two years have attracted a lot of attention from both Thai and foreign buyers. They are sold for 80,000 - 130,000 baht per square meter. This price range has been very popular over the past two years in Phuket's condominium market.



(Source: Real Estate Information Center and www.prop2morrow.com)

Bestselling locations include Bang Tao Beach, Surin Beach, Naiyang Beach, Mai Khao Beach, and Kamala Beach, which are considered to be a very prominent location in the condominium market in Phuket. The sales in these locations focus on guaranteed rental return of five percent for three years and seven percent for three years. About 49 percent of all projects are bought by foreigners. However, they may be up for long-term lease sale for 30 + 30 + 30 years to increase sales for foreign buyers. In the first half of the year, it was found that there were a large number of Chinese and French buyers interested in buying condominiums in Phuket, especially condominiums in Rawai, Nai Harn, Bang Tao, and Kamala Beaches.

(Source: Real Estate Information Center and www.prop2morrow.com)

For the direct competitors of small to medium sized companies, the development and sale projects in the area are similar to the sales areas of the company.

Projects of other operators that are selling nearby the various project areas of the company

Area	Name of Projects	Name of Developers	Units	Prices
Rawai beach	At the Tree Condominium	Baan Thai Rom Klaow Co., Ltd.	69	Start 3.4 to 20 Mb.
	Saturday Residence	The Attitude Club Co.,Ltd.	119	Start 5.8 to 13 Mb.
	Babilon Sky Graden	Billfishing Phuket Co., Ltd.	44	Start 4.9 to 6.6 Mb.
	Calypso Garden Residences	EVG group	86	Start 4.1 to 9.5 Mb.
	Utopia Dream Condo	Utopia Development Co.,ltd.	570	Start 2.7 to 5.1 Mb.
Naiyang beach	Beachfront Bliss	Ten trillion Co.,Ltd.	93	Start 5.1 to 6.8 Mb.
Surin beach	Aristotle Condo Surin	The Aristo Group	168	Start ๓ 3.6 to 4.8 Mb.
	The Panora Phuket	Silvan Property Co.,Ltd.	486	Start 4.2 to 20.4 Mb.
Naihan beach	COCO SEA	CON – F Group Co.,Ltd.	376	Start 5.3 to 10 Mb.
Karon beach	The View Phuket	The View Co.,Ltd.	54	Start 36 to 42 Mb.
	Aristo Karon Condo	The Aristo Group	301	Start 4.4 to 9.8 Mb.
	The Proud Residence	Proud Real Estate Public Company Limited	191	Start 4.1 to 5.1 Mb.
Kamala beach	Naka Bay Sea View Condominium	Pisona Group Co.,Ltd.	76	Start 5.4 to 5.7 Mb.
	Kamala Bay Ocean View Cottages	Phuket Holiday Services Co., Ltd.	300	Start 5.9 to 9.9 Mb.
Maikhaw beach	Baan Mai Khao	Sansiri Public Company Limited	206	Start 8.99 Mb.
Bangtoa beach	Seventh Sky Condominium	Seventh Sky	171	Start 3.2 to 12.5 Mb.
	Ocean Stone Laguna	Millstone Developments	87	Start 6.5 to 10.8 Mb.

Note: www.baania.com, <https://www.baanthai.co.th>, company website



Risk Factors

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 undergo 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

The principle of revenue recognition from the sale of real estate of the company is when the contract and the project are completed and can transfer the ownership of the condominium to the buyer; therefore, if the construction of the project is delayed, the company will not be able to transfer the ownership to the customer and recognize revenue from sales which is the main income. However, the company has a policy of a high proportion of down payments. For Thai customers reserve 100,000 baht, contract 100,000-200,000 baht, down payment 15-20% of the sales value. And for foreign customers reserve 100,000 baht, contract 25% of the sales value and down payment 50% of the wholesale value. As a result, most customers who have booked and pay installments will not leave the down payment and will wait until the ownership can be transferred, resulting the company can be able to recognize the certain income, while the ownership has not yet been transferred, the company will receive advance payments or down payments from customers who have reserved continuously. Although it is not yet recognized the income, the company will have the working capital and liquidity to operate the business without interruption. There is more control and strict construction in accordance with the plan. At present, there is another project under construction which is THE TITLE V (Rata-Phuket).

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 enters 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 overseas and are only available to pay for the unit once they 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 31st, 2019

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 3	1	5	2	With ownership transfer
The Title Rawai Phase 5	56	212	66	The project is expected to be completed and ready to be transferred during the 4 th quarter of 2020.
The Title Naiyang Phase 1	25	66	20	With ownership transfer
The Title Naiyang Phase 2	11	39	12	With ownership transfer
Total	93	322	100	

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

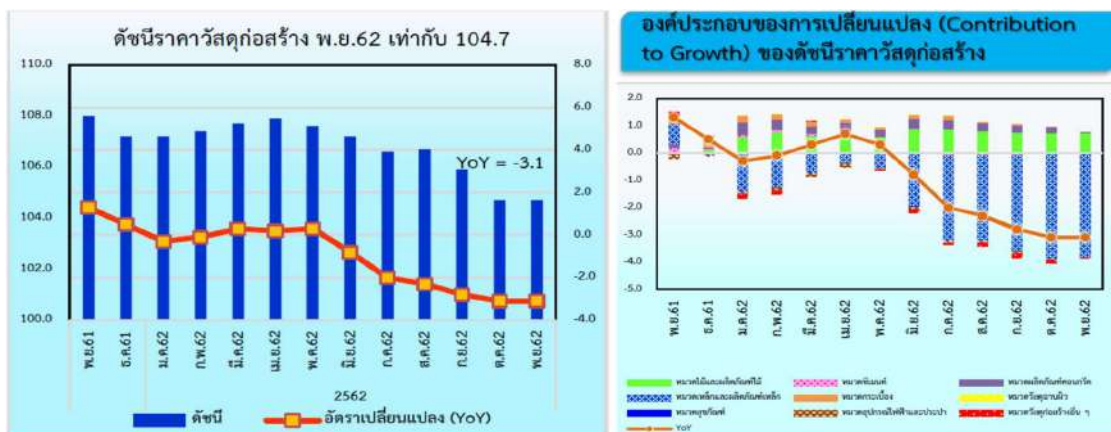
The company earn income from developing real estate that are mainly condominium projects. From its establishment to December 31st 2019, the company had developed total of 6 projects. During 2013-2018, more than 90 % of company's revenue are from condominium development. this expose the company to risk 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 31st, 2019

Project	Sign contract but not transfer of ownership (million baht)	Residual value for sale (million baht)	Status
The Title Rawai Phase 1	-	29	Ready to move in
The Title Rawai Phase 3	5	9	Ready to move in
The Title Rawai Phase 5	212	879	Under construction
The Title Naiyang Phase 1	66	66	Ready to move in
The Title Naiyang Phase 2	39	24	Ready to move in
Total	322	1007	

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.



Source: Bureau of Trade and Economic Indices, Office of Policy and Strategy Trade Institutions

Construction material price index in November 2019 was equal to 104.7, compared with November 2018, decreased by 3.1%, which is the 6th month consecutive decline, with significant factors from the decrease of the price index of steel category and product (16.5%), cement category (0.2%) and other construction material categories (0.2%) consistent with demand indicators such as cement sales volume, producing capacity in the construction category, sales volume and domestic steel prices, etc., while the wood and wood products, the concrete products and the electrical and plumbing equipment categories increased according to the import price combined with production situation indicated that the construction material prices continue to move in line with domestic demand and supply.

(Source: Bureau of Trade and Economic Indices, Office of Policy and Strategy Trade institutions)

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.

The company has proceeded to reduce such risk factors by providing personnel with knowledge and experience in surveying all plots of land before making a purchase contract, including area surveying or if there are some suspicion about the wide boundaries, public, government regulation issues and prohibitions, city

plan, land expropriation line, connection or other issues, the company has a coordinating unit to request certification from various government agencies. In addition, the land recruitment and procurement process will be enforced through a committee consisting of expert chief executives in land and land development, business, finance, legal and government regulations and risk management to ensure that the company can buy quality land at a reasonable price to be able to generate income according to the business plan specified by the company.

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 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 Mr. Dendanai Hutajuta 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.

9. 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.

10. Risk from financial sourcing and interest rate

From economic fluctuations and the country's household debt is at a high level, as well as the result of changes in credit policies of the Bank of Thailand results Financial institutions strict in considering and approving loans for entrepreneurs and consumer, for the entrepreneurs may impact on accession of financial resources. However, the company prevents the risk that may occur by creating credibility with financial

institutions by referring to the strong performance and continuous growth of the company. And the company have sufficient funds and credit facilities for business expansion, as well as a financial institution that is a partner ready to support the loan for the development of the company's future project. In case of the credit for Thai customers may be affected by more credit approval strictness, which may affect the company's revenue due to customers who want to buy condominiums need to request a loan from a financial institution. Therefore, the criteria for credit approval of financial institutions are important inevitable factors so that the proportion of credit rejection to minor customers for purchasing property has increased rate. The company realizes such risk and plans to manage the risk notifying customers to request loans from financial institutions at least 3 months before conveyancing. In this case, the company has negotiated with commercial banks to facilitate for the customers to contact for credit from commercial bank and to support customers to get loans quickly.

11. Risk from control by major shareholder

On December 31st, 2019, Mr. Dendanai Hutajuta group holds 57.46% 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 shareholder will not be able to balance the control from Mr. Dendanai Hutajuta 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.

12. 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 Hutajuta, Mr. Sasipong Pinkaew, Mr. Prasert Vannacharoen, 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.

13. Risks from economic, technological, and various situation changes.

Under rapidly economic changes, asymmetry in customers' demand and supply, rule and regulation changes, trends of the development and technological changes of the world affects the company's operations throughout the expectations of increased investors and stakeholders. The company recognizes the risk and therefore plans and defines business strategy plans in line with economic conditions, including change support plans and uncertainty that will occur in the future in accordance with the changing circumstances, such as considering the suitability of new projects, buying land for future development project, cash flow management etc. In addition, the company holds regular meetings to assess the situation by comparing data from reliable institutions and sources for consideration and uses the information for considering business guidelines.

Shareholding Structure and Management

1. Registered capital The Company's paid-up capital as of December 31st, 2019 is as follows:

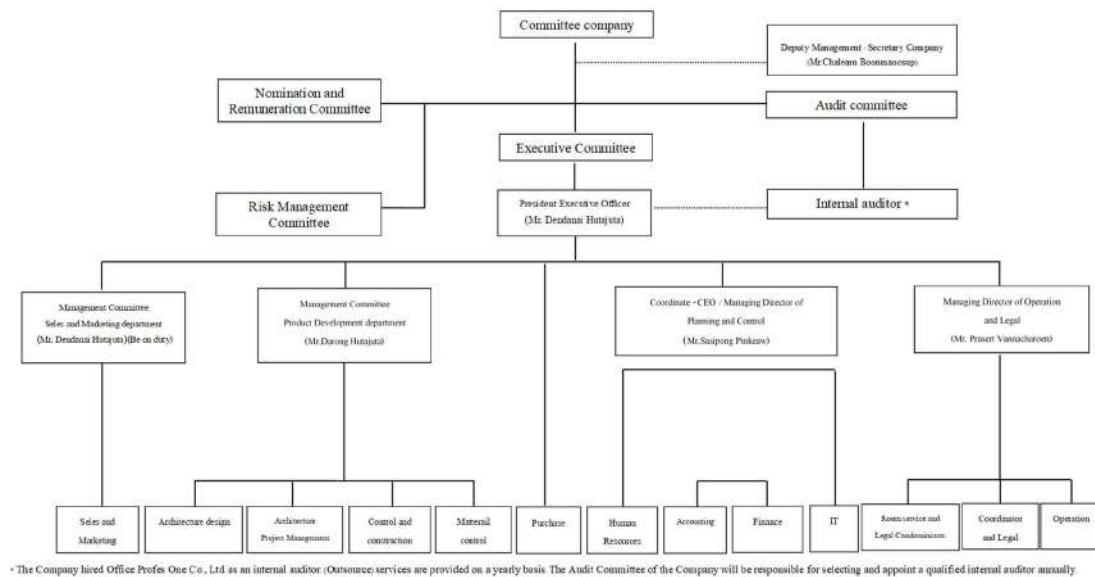
Registered capital	:	329,999,279.50 Baht
Paid-up capital	:	329,999,264 Baht
Divided into ordinary shares	:	659,998,559 Shares
Par value	:	0.50 Baht

2. Shareholders

Name of shareholders of the Company As appeared in the list of shareholders as of March 5th, 2020

No.	Name of shareholders	Numbers of stocks (Stocks)	Proportion of stocks shareholders (%)
1	Mr. Dendanai Hutajuta	379,245,000	57.46
	Mr. Darong Hutajuta	25,920,000	3.93
	Mr. Viroj Hutajuta	8,910,000	1.35
	Grouping of Mr. Dendanai Hutajuta	414,075,000	62.74
2	Mr. Sasipong Pinkaew	27,020,000	4.09
3	Mr. Mai Mang Lee	13,200,000	2.00
4	Thai NVDR Company Limited	12,256,229	1.86
5	BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED	10,395,220	1.58
6	Miss. Chanida Thumma-amornsin	7,786,590	1.18
7	Mr. Prasert Vannacharoen	6,405,000	0.97
8	Mrs. Kasemsri wanrot	6,357,450	0.96
	Other shareholders	162,503,070	24.62
	Total	659,998,559	100.00
	Total paid-up capital	329,999,264	
	Thai shareholders	1,219	99.43
	Foreign shareholders	7	0.57

Organization Chart of December 31st, 2019



The corporate structure of the Company as at December 31st, 2019 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	Priority to
1.	Mr. Suvit Lamsam	Chairman of the Board of Director / Chairman of	October 3 rd , 2016
2.	Mr. Viroj Hutajuta	Board of Director	October 3 rd , 2016
3.	Mr. Dendani Hutajuta	Board of Director	October 3 rd , 2016
4.	Mr. Sasipong Pinkaew	Board of Director	October 3 rd , 2016
5.	Ms. Cheraya Udomvongsup	Board of Director	October 3 rd , 2016
6.	Mr. Darong Hutajuta	Board of Director	October 3 rd , 2016
7.	Mr. Chaivuth Chittrakhani	Audit Committee Member / Independent Director	October 3 rd , 2016
8.	Mrs. Jittima Sajjavanij	Audit Committee Member / Independent Director	October 3 rd , 2016

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 Pinkaew 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 Cheraya 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 inquiry officer or Withdraw petition Compromise for words etc. Mr. Dendanai Hutajuta or Mr. Darong Hutajuta or Mr. Sasipong Pinkaew anyone must sign and company seal.

Details of attendance of Committees name for the year 2018 - 2019

Name of committees	Meetings number / All meetings after the reception position.	
	Year 2018	Year 2019
1. Mr. Suvit Lamsam	5/5	5/5
2. Mr. Viroj Hutajuta	5/5	5/5
3. Mr. Dendanai Hutajuta	5/5	5/5
4. Mr. Darong Hutajuta	5/5	5/5
5. Mr. Sasipong Pinkaew	5/5	5/5
6. Ms. Cheraya Udomvongsup	5/5	5/5
7. Mr. Chaivuth Chittrakhani	5/5	5/5
8. Mrs. Jittima Sajjavanij Intujunyong	5/5	5/5

2. Audit Committee

The Audit Committee consists of 3 persons include

Audit Committee name	Position	Priority to promote
1. Mr. Suvit Lamsam	Chairman of the Audit Committee / Independent Director	November 7 th ,2019
2. Mr. Chaivuth Chittrakhani	Audit Committee Member / Independent Director	November 7 th ,2019
3. Mrs. Jittima Sajjavanij Intujunyong	Audit Committee Member / Independent Director	November 7 th ,2019

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

Details attendance of Member of audit committee for the year 2018 – 2019 include.

Audit Committee name	Meetings number / Total number of meetings	
	Year 2018	Year 2019
1. Mr. Suvit Lamsam	4/4	4/4
2. Mr. Chaivuth Chittrakhani	4/4	4/4
3. Mrs. Jittima Sajjavanij Intujunyong	4/4	4/4

3. Risk Management Committee

Risk management committee consists of 3 persons include.

Risk management committee name	Position	Priority to promote
1. Mr. Chaivuth Chittrakhani	Chairman of the Risk Management Committee	November 7 th ,2019
2. Mr. Prasert Vannacharoen	Risk Management Committee Member	November 7 th ,2019
3. Mr. Sasipong Pinkaew	Risk Management Committee Member	November 7 th ,2019

In 2019, the Risk Management Committee attended and chaired the meeting to review and manage the risk of the Company on 1 time as of November 7th, 2019

4. Nomination and Compensation Committee

Nomination and compensation committee consists of 4 persons include.

Nomination and compensation committee name	Position	Priority to promote
1. Mrs. Jittima Sajjavanij Intujunyong	Chairman of the Nomination and Compensation Committee	November 7 th ,2019
2. Mr. Chaivuth Chittrakhani	Nomination and Compensation Committee member	November 7 th ,2019
3. Mr. Dendanai Hutajuta	Nomination and Compensation Committee member	November 7 th ,2019
4. Mr. Sasipong Pinkaew	Nomination and Compensation Committee member	November 7 th ,2019

In the year 2019, the Nomination and Compensation Committee attended the meeting and was responsible for recruiting and determining the remuneration of the Company on 1 time as of November 7th, 2019

5. Executive Committee

Executive Committee consists of 3 persons include

Executive committee name	Position	Priority to promote
1. Mr. Dendanai Hutajuta	Chief Executive Officer	November 7 th ,2019
2. Mr. Darong Hutajuta	Board of Director	November 7 th ,2019
3. Mr. Sasipong Pinkaew	Board of Director	November 7 th ,2019

Board of Directors

The Company's management is in accordance with the Notification of the Securities and Exchange Commission No.17/2008 on December 15th,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 16th, 2015 and the Board of Directors' Meeting No. 7/2016 on November 2nd, 2016 (the first time after conversion), the Board of Directors approved the appointment of Mr. Charoen 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 committee Report and Annual Company Report
 - 1.3 Invitation to the Annual Meeting of Shareholders and Meeting Shareholders Report
2. Maintain the report by Committee or Executives
3. Operation the committee and executive shall prepare reports on their interests in accordance with Section 89/14 of the Securities and Exchange Act and related persons. These are related to the management of the business of the company or its subsidiaries in accordance with the law.
4. Maintain a report of interest reported by a Committee or Executives and a copy sending report of the under section 89/14 shall be sent to the President and the President of the Audit Committee within seven (7) days from the date of receipt of the report.
5. Provide a document retention system or evidence related to the display of information and correct maintain, complete and verifiable records and documents for a period of not less than ten (10) years from the date on which such document or information is prepared.
 - 5.1 Preservation of documents and evidence this includes any storage by computer system or any other system that can be viewed without the text not change.
 - 5.2 Information resolutions for the Shareholders' Meeting.
 - 5.3 Financial Statements and Reports on Financial Position and Performance of the Company or any other required to be disclosed under section 56, section 57, section 58 or section 199 of the Securities and Exchange Act.
 - 5.4 Opinion the company when the Offeror has made a tender offer from the shareholders.
 - 5.5 Providing information or other reports concerning the business of the company to disseminate to the shareholders or the public according Capital Market Supervisory Board.
6. Other operate as prescribed by the Capital Market Supervisory Board.
7. Provide information, advice and communication about law compliance with the rules, regulations and of the company relevant regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand Include knowledge about Corporate Governance to directors and related parties also ensures that the directors, executives, and executives are properly and consistently observed significant changes are reported to the directors.

8. Contact coordinator the Company also informs about the document to Executives and President of the company to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
9. Prepare agenda invitation letter including the annual report the documents of Annual General Meeting of Shareholders and the President Committee Meeting Company.
10. Hold Shareholders' Meeting the Board of Directors meeting shall be in accordance with the law company regulations and good practices.
11. Coordinate with shareholders on various proposals to bring the management committee and president consider.
12. Prepare the shareholders 'meeting for the president in the shareholders' meeting.
13. Attend the shareholders 'meeting and take care the shareholders' meeting goes legally valid.
14. Recording Shareholders' Meeting and the President Committee Meeting also follow up the resolution of the shareholders' meeting and President Committee Meeting Company.
15. Maintain each policy recording and the Company's regulations have been properly and completely verified by the and President Committee.
16. Ensure that information is disclosed and reported to the agency responsible. Directing the company in accordance with the rules and regulations of the agency, providing information and advice to directors and executives. To make reports according to the laws or regulations. It requires disclosure to the public for transparency like reporting securities holdings.

Directors and Executive's Remuneration

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

1. Directors Remuneration

Monetary remuneration

Remuneration for the Board of Directors

The Annual General Meeting of Shareholders for the year 2019, held on April 29th, 2019 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 2.5 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 2019 will be within the limit of Baht 2,500,000 with the remuneration paid to the President committee's company until the shareholders' meeting it approve.

Remuneration for directors for the year 2017-2018 is summarized as follows:

Committee name	Year 2017				Year 2018				Year 2019			
	Allowance	Monthly	Bonus Committee	Total	Allowance	Monthly	Bonus Committee	Total	Allowance	Monthly	Bonus Committee	Total
1. Mr. Suwit Lamsam ^{2/}	100,000	180,000	100,000	380,000	100,000	180,000	100,000	380,000	100,000	180,000	100,000	380,000
2. Mr. Viroj Hutajuta	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000
3. Mr. Dendanai Hutajuta ^{1/}	-	-	200,000	200,000	-	-	185,000	185,000	-	-	350,000	350,000
4. Mr. Darong Hutajuta ^{1/}	-	-	200,000	200,000	-	-	185,000	185,000	-	-	350,000	350,000
5. Mr. Sasipong Pinkaew ^{1/}	-	-	200,000	200,000	-	-	185,000	185,000	-	-	350,000	350,000
6. Ms. Cheraya Udomvongsup	-	-	-	-	-	-	100,000	100,000	-	-	100,000	100,000
7. Mr. Chaivuth Chittrakhani ^{2/}	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000
8. Mrs. Jittima Sajjavanij Intujunyong ^{2/}	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000
Total	325,000	612,000	1,000,000	1,937,000	325,000	612,000	1,055,000	1,992,000	325,000	612,000	1,550,000	2,487,000

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

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

2. President Compensation

Detail	Year 2017	Year 2018	Year 2019
President Compensation consists 5 persons	18,823,586	29,989,463	26,850,111

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 2019. The details of the audit fees are as follows

Audit Fee	Year 2019 (Baht)
1. Annual audit fee	800,000.00
2. Review of interim financial statements	750,000.00
Total	1,550,000.00

In Year 2019, 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 2019, The company paid for non-audit fee to the auditors such as transportation and other expense etc. Total 177,983.04 Baht

Personnel

Total Employees

Total number of employees (Excluding management) as at December 31st, 2017 to December 31st, 2019, there were 70 persons, 96 persons and 106 persons respectively, consisting of the following employees:

Department	December 31 st , 2017	December 31 st , 2018	December 31 st , 2019
Seles and Marketing	15	15	14
Purchase	3	2	2
Architecture design	3	5	6
Architecture Project Management	3	2	2
Control and construction	11	15	15
Material control	2	1	1
Human Resources	1	4	4
Accounting	10	11	11
Finance	2	2	2
IT	2	4	5
Room service	3	14	19
Legal Condominiums	4	9	12
Coordinator and Legal	3	3	4
Operation	7	8	8
Company Secretary	1	1	4
Total	70	96	106

Employee Remuneration

The remuneration of employees (excluding executives) in the year 2017 to year 2019 are Baht 29.97 million, Baht 46.67 million and Baht 66.75 million baht 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 April 1st 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 31st, 2019, the company has no labor disputes.

The Corporate Governance

Section 1 Title

The Board of Directors has a policy to promote ethics and integrity, striving to conduct business in accordance with the Code of Ethics in all aspects and the Principles of Corporate Governance Policy. It is the duty and responsibility of directors, executives, and every employee to acknowledge and strictly comply with the Company's policies and regulations to establish trust among shareholders and to achieve business goals, thereby enabling the Company to grow sustainably.

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

Employee compensation shall be determined in accordance with business standards, along with employee skill development and incentives, to ensure effective and efficient performance. In addition, the Company shall give employees the opportunity to express their opinions to improve the work and promote good relationships between organizational units. The Board of Directors takes employment seriously and considers capabilities and performance of individual employees without discrimination. It provides equal opportunities for women and the underprivileged in line with the principles of fairness, equality, and suitable qualifications to promote sustainable career advancement. The Company has adopted a short-term and long-term employee compensation policy that is consistent with the Company's operating results and employee performance. In addition to compensation, the Company has provided appropriate welfare benefits to employees. It has regularly reviewed welfare benefits to account for changing economic conditions. These benefits include travel allowance and a provident fund to give employees financial stability and security after employment termination or retirement.

In assessing employee performance, the Company has put a performance evaluation system in place. The supervisor shall evaluate employee performance based on the performance indicators that reflect the Company's operations and notify employees of what to improve on in order to become more efficient and ready

for a higher position. The Company shall use the performance evaluation results to prepare an individual employee development plan in accordance with the Company's employee development plan.

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. Shareholders' Meeting

- 1.1 The Company shall hold an annual shareholders' 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.
- 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

2.1 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.

2.2 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.

2.3 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 or email 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.

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.

In 2019, the company has disclosed company information to the investors by manipulating Company Snapshot on a quarter, which investors can download from the company's website <http://www.rhombho.co.th/investor-relations/shareholder-information/download/company-snapshots?Year=2019> and *newsletters*: <http://www.rhombho.co.th/th/investor-relations/newsroom/update/set-announcements> to regularly present important events of the company which are public relations news through the media to investors and those who are

interested in studying the company report or for more information at contact by Email: info@rtomoho.co.th or tel.no. 02-907-8140-2, Fax: 02-907-8144.

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

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.

Chief Executive Officer

At the Board of Directors Meeting No. 7/2559 on 2 November 2016, the Board of Directors has determined the scope of duties and responsibilities of the Chief Executive Officer as follows:

Scope of Duties and Responsibilities of Chief Executive Officer

- Oversee and manage daily operation and/or management of the Company, as well as the overall governance in accordance with policies, business strategies, operation objectives and plans, financial goals, and budgets approved by the Board of Directors and/or meeting of shareholders.
- Develop business plans and determine management authority. Set business and annual budgets to be proposed to the Board of Directors for approval and report progress under such plans and budgets to the Board of Directors.
- Determine the corporate structure; management procedures; employee selection, training, employment, and termination; employee pay rate, salary, compensation, bonus, and welfare to be submitted to the Executive Committee and/or Board of Directors (whichever the case may be).

- Monitor and report the Company's status. Suggest alternatives and strategies in line with policy and market situation.
- Oversee and regulate the Company's operations such as finance, risk management, internal control, operational and supporting functions, and resource management.
- Represent the Company and communicate with the government and other regulatory agencies.
- Communicate with the public, shareholders, customers, and employees to ensure good reputation and image of the Company.
- Ensure that good corporate governance is in place.
- Issue, revise, add, and improve rules, regulations, and orders related to the Company's operations such as employment, appointment, removal, employee discipline, determination of salary and other compensations, and welfare.
- Negotiate and approve transaction agreements and/or any task related to daily operations and/or management within the financial limits approved by the Board of Directors in the Table of Approval Authorities.
- Hold any authority, duty, and responsibility as assigned or according to the policy set by the Board of Directors to sub-authorize and/or appoint other persons to carry out specific tasks on behalf of the Chief Executive Officer within the scope of authorization specified in the authorization letter and/or in accordance with rules, regulations, or orders from the Board of Directors.

The authorization of duties and responsibilities by the Chief Executive Officer shall not be done in a way that authorizes or sub-authorizes the Chief Executive Officer or authorized person(s) to approve transactions with which he/she has conflicts of interest (as defined in the Notification of Securities and Exchange Commission) or material interest or any other conflicts of interest with the Company and/or subsidiary companies, unless such transaction approvals are in accordance with the policy and rules approved by the Board of Directors or shareholder meeting.

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.

Note:

- One approval per one time.
- The above table of approval authorities was approved by the Board of Directors Meeting No. 7/2559 (first meeting after business transformation) on November 2nd, 2016.
- Approval of transactions with connected parties must be considered in conjunction with the criteria for "connected transactions" under Section 89/12 of the Securities and Exchange Act and Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551, and Notification of the Stock Exchange of Thailand on Connected Transactions B.E. 2546.
- Approval of purchase or sale of assets of the Company or subsidiary companies must be considered in conjunction with the criteria for "acquisition and disposition of assets" under Section 89/29 of the Securities and Exchange Act and Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551, and Notification of the Stock Exchange of Thailand on Acquisition and Disposition of Assets B.E. 2547.

Duties and Responsibilities of the Board of Directors

- 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.
- Determine vision, policies, objectives, operation plans, financial strategies, annual budget, and business directions of the Company and ensure that Management performs in accordance with the

determined policies efficiently and effectively to maximize economic value for shareholders and for sustainable growth.

- 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.
- 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.
- Assess performance and set remuneration of directors and high ranking executives.
- Be accountable for operating results and performance of management and ensure it conducts its duties attentively and carefully.
- Ensure that feasible and reasonable business objectives are clearly determined and can be evaluated to be used as guidelines for operations.
- Ensure that business operations and practices are carried out with honesty.
- Ensure that a risk management system is implemented by management efficiently and effectively.
- 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.
- 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.
- Ensure reliable accounting system, financial reporting, and auditing, as well as internal control system assessment.
- 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.
- 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.
- Acknowledge important audit reports prepared by the Audit Committee or Internal Audit Department, as well as audit accounts and company advisors and determine resolutions.
- Consider management structure and appoint managing director, executive committee, and other committees as appropriate.
- Hold an annual ordinary general meeting of shareholders within four months from the end of an accounting period.
- Approve a nomination of auditor and consider an audit fee to be proposed before a meeting of shareholders for approval.

- 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.
- Appoint, assign, or advise a committee or working group to consider or carry out specific tasks on behalf of the Board.
- Ensure that each committee complies with its committee charter.
- Consider and approve matters related to the Company or deemed appropriate in the Company's best interest.
- 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

- 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.
- 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.
- 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.
- 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.

- 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.
- 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.
- 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.
- 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.
- Review and approve or ratify any transaction made between the Company and related party required to be disclosed by the Securities and Exchange Commission.
- Review the internal audit plan in accordance with Generally Accepted Auditing Standards.
- Ensure that an appropriate and efficient risk management system is in place.
- Report the Audit Committee's performance to the Board of Directors at least four times a year.
- Provide opinions on appointment, dismissal, and evaluation of internal audit officers.
- 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.
- The Audit Committee is entitled to hire a consultant or outsider under the Company's regulations to provide opinions or advice as necessary.
- 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.
- 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.
 - Revise and improve the Charter of the Audit Committee.
 - 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.
 - 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.
 - 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.
 - 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

Nomination

- 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.
- 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.

- Recruit and select suitable candidates for executive positions, especially president and chief executive officer.
- 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.
- Prepare, review, and conclude a succession plan and management continuity for president position annually and report to the Board of Directors.
- Perform any other nomination task as assigned by the Board of Directors.

Remuneration

- 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.
- 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.
- Approve the determination of directors' annual remuneration.
- Be accountable for the Board of Directors. Clarify and answer queries about remuneration of directors, committee members, and senior executives at a shareholders' meeting.
- 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.
- 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

- Set a risk management policy and framework to be submitted to the Board of Directors for approval.
- Set, review, and improve the enterprise risk management framework.
- Monitor the risk indicators and conduct a risk assessment.
- Oversee and encourage having an enterprise risk management system in place in line with business strategies, objectives, and changing situations.
- Report important risks to the Board of Directors and Audit Committee and propose how to manage such risks.

- 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.
- 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.
- 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.
- Perform any other task as assigned by 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.

2.1 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).

2.2 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. Chaivuth Chittrakhani, Chairman of the Risk Management Committee / Audit Committee Member / The Nomination and Compensation Committee member / Independent Director attended the seminar on "Risk Management Program for Corporate (RCL) No.18/2019" on October 21st-22nd, 2019.

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 requires the Board of Directors to conduct self-assessment at least once a year, every year to enable the Board to review its performance, issues, and obstacles during the previous year and increase the Board's effectiveness. The Company sets in place processes, procedures, and instruments to allow Management and Committees to monitor operation performance improvement, and evaluation. If the operating results differ from the predetermined goals, the Company shall make corrections within an appropriate time period. The Company has consistently complied with the internal control system and report the audit results to the Audit Committee every quarter. The Audit Committee performs duties independently in analyzing the report. In the past year, the Company was able to operate with sufficient care and caution.

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

Important Policies and Compliance

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

Skills, Knowledge, and Experience of the Board (IOD suggests adding the skill matrix for the Board Committee)

The Board of Directors consists of eight directors with expertise in various fields, leadership, and vision, able to independently determine the direction of the business and operations in accordance with the mission and policies of the Company with an effective risk management framework. The Company employs the skill matrix method to appoint the directors, taking into consideration the qualifications of directors that are beneficial to the organization, such as work experience, knowledge, integrity, risk and risk management skills, leadership, and legal knowledge, as shown in this table.

Skill Matrix of RHOMBHO PROPERTY PCL. Board of Directors																	
Director's Name	Diversity		Skill, Experience and Expertise, Education									Board of Director			Specific Committee		
	Gender	Age	Engineer	Financial Accounting / Auditing	Economics	Public Administration	Jurisprudence / Legal	Marketing / PR	Business Management	Corporate Governance	Capital market	Non - Executive Director	Executive Director	Independent Director	Audit Committee	Risk Management Committee	Nomination and Compensation Committee
Mr. Suwit Lomkarn	M	59		✓	✓	✓			✓	✓	✓	✓		✓	✓		
Mr. Yinyo Hattajon	M	82				✓			✓	✓	✓	✓					
Mr. Deedanaai Hattajon	M	60		✓	✓	✓		✓	✓	✓	✓		✓				✓
Mr. Saipong Pankorn	M	58		✓	✓	✓		✓	✓	✓	✓		✓			✓	✓
Mr. Darong Hattajon	M	59	✓			✓			✓	✓	✓		✓				
Ms. Chanyra Udomvongsap	F	53		✓		✓			✓	✓	✓	✓					
Mr. Chaiyuth Chintoladani	M	63		✓	✓	✓			✓	✓	✓	✓		✓	✓	✓	✓
Ms. Nimma Sajjavanij Intijanyong	F	59				✓	✓		✓	✓	✓	✓		✓			✓
Mr. Prasert Vannachareon	M	59			✓	✓	✓		✓	✓	✓	✓					
Total			1	5	5	9	2	2	9	9	9	6	3	3	3	2	4

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:

- 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.
- Directors shall be elected at a shareholders' meeting by the majority of votes in accordance with rules and procedures as follows:
 - 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 directly via email to: "Mr. Suvit Lamsam Chairman of the Board of Director / Chairman of the Audit Committee / Independent Director at email: suvit.l@rhombho.co.th or send a letter to "53 Sukhonhasawat 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 an AGM meeting.

Dividend Payment

Board Date	Payment Date	Dividend Type	Dividend (Baht/Share)	Operating Period
April 24 th , 2018	May 18 th , 2018	Common stock	0.05	01/01/2017 - 31/12/2017
April 29 th , 2019	May 24 th 2019	Common stock	0.0277777778	01/01/2018 - 31/12/2018

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 an AGM meeting.

Personnel Development Policy

As employees are the cornerstone of driving a sustainable business growth, the Company has a policy to train and develop employees and treat employees fairly and equitably.

In 2019, the Company improved employee skills and knowledge through training. It has developed an annual training roadmap to act as a guideline for long-term employee development, given to employees at all levels, from practitioner level to management. In addition, the Company takes the budget allocation for public and in-house training seriously as well.

The Company has offered 22 training courses for employees throughout 2019, including 4 human resource courses, 2 computer skills courses, and 16 hard skills courses.

Training Roadmap Year 2019			Department					
Rhom Bho Property	Number of staff training	15 persons	Board	Human	Accounting and finance	Procurement	Coordination and Jurisic	Construction
	Training hours	307 hours						
	Training hours (hour / person / year)	20.5 hours						
Orientation	Rules	Safety Supervisor					/	/
	ISO							
	Other							
		Recalculating employee benefits from changes in labor laws		/				
		Tax burdens for hiring employees, the latest employment contract under the labor law, social security 2019		/				
		Tax burdens affecting companies, including tax planning and accounting techniques, 140 Employee benefits and benefits		/	/			
Law	Act							
Computer Skill	System							
	Microsoft Office	Techniques for using Excel for work efficiency		/				
		Excel PivotTable for Accounting			/	/	/	
Team work								
		Changes in financial reporting standards.			/			
		Preparation of financial statements and financial analysis for real estate.			/			
		Penetrate accounting issues of real estate sales.			/			
		(No) secret to the Convention for the avoidance of double taxation.			/			
		E-Tax Invoice&E-Receipt.			/			
		Techniques for writing reconciliation reports Por. 30, Por. Dor. 54, Por. 36, Por. 40 And the differences in Thai Financial Reporting Standards No. 15.			/			
		Changes in financial reporting standards			/			
		Sale Promotion and the impact of the standard financial reporting on revenue from contracts made with			/			
		Tips for good communication and effective work for accountants.				/	/	
		How to measure performance and report on procurement				/		
		Techniques to think positively and creatively To self-development Develop an effective team.					/	
		Risk Management Program for Corporate Leaders (RCL).	/					
		Understand the financial instruments group (TFRS9, TAS32 and TFRS 7).			/			
		Analysis of the South and Western Housing Market 2020.					/	
		Rules for shareholder meeting Board meeting.					/	
		Law's and practices for accepting and receiving checks Should know the accounting-finance department.			/			



The Company also encourages department heads to transfer knowledge and work techniques to new and existing employees to maintain the same standard of quality. It has provided working incentives and standard welfare benefits as follows:

1. Review compensation and welfare benefits, such as a provident fund and leave entitlement to be consistent with the economic conditions, taking employee quality of life into consideration. In addition to welfare benefits, the Company allows employees to take leave as entitled and needed, such as vacation leave, sick leave, business leave, maternity leave, ordination leave, military service leave, and training leave.

2. The Company has provided incentives to sales staff who are able to achieve targets as a reward for their effort and commitment to the organization.

Career Advancement

The Company helps employees with excellent performance to grow alongside the Company. During the annual performance evaluation, these employees will be nominated for a higher position. The consideration criteria has been set to be at the same standard for transparency.

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.

Activities in 2019

Type of Activity	Description
Religious activities	1. Offering Buddhist Lent candle and Dharma supplies at Wat Doi Thamma Chedi, Sakon Nakhon.
Environmental responsibility activities	1. Collecting garbage on a beach and in nearby community 2. Growing trees with the Rawai Sub-district Municipality
Charity activities	1. Donating blood to the Thai Red Cross. 2. Donating drinking water, rice, and dry food to victims from Tropical Storm Pabuk in the South. 3. Donating drinking water to flood victims in the northeast.
Social responsibility activities	1. Organizing Children's Day activities at Wat Sawang Arom School. 2. Holding a banquet for the elderly with water-pouring ceremony and recreation activities at the Phuket Elderly Social Welfare Development Center. 3. Giving scholarships to Ban Khon Phitthaya School in Uttaradit and Phan Phitthayakhom School in Chiang Rai.

- Beginning and end of Buddhist Lent merit making



Wat Doi Thamma Chedi is located in Ban Na Si Nuan, Tong Khob Sub-district, Khok Si Suphan District. The temple covers an area of 900 rai in an open forest on a rocky mountain suitable for Dharma practice and meditation. Wat Doi Thamma Chedi is a forest temple that adheres to the practices of Phra Ajarn Man Phutatto. It is one of the four temples regarded by Phra Dhammavisutthimongkol (Luangta Mahabua Yansampanno) as a Buddhist university of practice for its strict rules and practices.

For this reason, the company has organized a merit making project to offer a Buddhist Lent candle and Dharma supplies to the monks at Doi Tham Chedi Temple, Sakon Nakhon to promote Buddhism and carry on a beautiful cultural tradition.

- Donating cloth to the Phuket Elderly Social Welfare Development Center



Representatives from the company organized a social responsibility activity to give white clothes to the elderly on the Buddhist Lent Day at the Phuket Elderly Social Welfare Development Center.

- Collecting ocean garbage



The company has organized a garbage collecting activity at Nai Yang and Rawai Beaches, Phuket to promote awareness that marine pollution problem is caused by human activities, affecting the coastal ecological system and marine life.

- Helping Tropical Storm Pabuk victims



Due to the impact of Tropical Storm Pabuk on 35,000 villagers of eight provinces in the southern region, especially Nakhon Si Thammarat, the company has donated drinking water, rice, and dry food to help the Pabuk victims and relieve their suffering.

- Helping flood victims



The company took part in helping and providing relief for flood victims in the northeastern region. The representatives from the company brought 6,000 bottles of drinking water to the Rawai Sub-district Donation Center, Muang District, Phuket to help the flood victims.

- Food for the elderly



The management team and employees from the company traveled to the Phuket Social Welfare Development Center hold a banquet for the elderly, a water pouring ceremony, and recreation activities.

- Giving scholarships to Ban Khon Phitthaya School in Uttaradit



The company promotes youth education and provides scholarships for excellent students who lack funds to continue to receive education and develop their potential to keep up with today's world and get a chance to pursue a higher education. It provided 10 scholarships worth 2,000 baht each to secondary education students at Ban Khon Phitthaya School in Uttaradit.

- Giving scholarships to Phan Phitthayakhom School in Chiang Rai



The company promotes youth education and provides scholarships for excellent students who lack funds to continue to receive education and develop their potential to keep up with today's world and get a chance to pursue a higher education. It provided 10 scholarships worth 2,000 baht each to secondary education students at Phan Phitthayakhom School in Chiang Rai.

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

- 6.1 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.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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.
- 6.6 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 2019, 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	40



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. 1/2019, dated February 27th, 2019, 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. 1992 (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 2017, 2018, and 2019 could be summarized as follows:

Individuals / Parties of Conflict	Relationship
Sam Tunwa Company Limited	<ul style="list-style-type: none"> ■ As of December 31st, 2019, major shareholders of Sam Tunwa were executives of Rhom Bho Property, including Mr. Dendanai Hutajuta holding 23.20%, Ms. cheraya Udomvongsup holding 3.60%, and Mr. Prasert Vannacharoen holding 3.60% of Sam Tunwa's shares. ■ Ms. cheraya Udomvongsup, Mr. Virot Hutajuta, and Mr. Prasert Wannacharoen were members of the Board of Directors, where one of them had signed and affixed the company's seal. ■ Providing high-quality lumber and wood flooring products as well as excellent installation services.
Pana 1000 Tree Town Company Limited	<ul style="list-style-type: none"> ■ As of December 31st, 2019, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 100.00% of the company's shares. ■ Mrs. Yupa Hutajuta, a relative of Mr. Dendanai Hutajuta, was named a member of the Board of Directors having signed and affixed the company's seal. ■ Specializing in distributing plants and garden decoration (soft scape).
Mono Group Company Limited	<ul style="list-style-type: none"> ■ As of December 31st, 2019, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 100.00% of the company's shares. ■ Mrs. Yupa Hutajuta, a relative of Mr. Dendanai Hutajuta, was named a member of the Board of Directors having signed and affixed the company's seal. ■ Specializing in garden and landscape decoration (hard scape).
Mr. Dendanai Hutajuta	<ul style="list-style-type: none"> ■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31st,2019, the person held shares of 57.46 % of the Company's registered capital.
Mr. Darong Hutajuta	<ul style="list-style-type: none"> ■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31st,2019, the person held shares of 4.38% of the Company's registered capital.
Mr. Virot Hutajuta	<ul style="list-style-type: none"> ■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31st,2019, the person held shares of 1.35 % of the Company's registered capital.
Ms. Cheraya Udomvongsup	<ul style="list-style-type: none"> ■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31st,2019, the person held shares of 1.05 % of the Company's registered capital.
Mr. Prasert Vannacharoen	<ul style="list-style-type: none"> ■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31st,2019, the person held shares of 0.97 % of the Company's registered capital.

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2017	Y2018	Y2019	
Sam Tunwa Company Limited	<u>Purchase of Equipment and Construction Materials</u> Rhom Bho Property PCL. purchased equipment and construction materials from Sam Tunwa Company Limited.	0.08	0.35	-	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: 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. 2. Wood flooring used for the repair of the office with the total value of 0.01 million baht reference to the market price.
	<u>Trade Account Payable</u> As of the ending date, the amount of payment of equipment and construction materials remained unpaid to Sam Tunwa Company Limited.	0.04	-	-	In 2017, Rhom Bho Property PCL. 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. In 2017, Rhom Bho Property PCL. had purchased equipment and construction materials from Sam Tunwa Company Limited to be used for general business purposes, totaling 0.35 million baht 1. Purchased Takien Thong from Sam Tunwa Company Limited building boat at The Title Naiyang 0.22 million baht with reference to the market price. 2. Purchased Teng wood from Sam Tunwa Company Limited for the repair House B 0.13 million baht with reference to the market price. 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 st , 2018 has already been paid

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2017	Y2018	Y2019	
	<u>Office Rental Fee</u> Rhom Bho Property PCL. rented a space owned by Sam Tunwa Company Limited to establish its head office.	0.48	0.48	0.96	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 Sukhonthasawat Road, Lat Phrao sub-district, Lat Phrao district, Bangkok. With the size of 130 square meters, the rental fee was agreed at the rate of 40,000 baht per month including electricity and water expenses. Rhom Bho Property. had initially signed the rental agreement in year 2015, after contract finished Rhom Bho Property. Continue contract for 1 year started January 1 to December 31 st , 2016, January 1 to December 31 st , 2017 and January 1 to December 31 st , 2018. By the same rental rate with reference to the market price. Rhom Bho Property. 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
		Y2017	Y2018	Y2019	
Pana 1000 Company Limited	<u>Agreement of Plant Purchase</u> Rhom Bho Property PCL. signed an agreement with Pana 1000 Company Limited to purchase plants for garden and landscape decoration.	1.05	17.57	5.88	<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 Naiyang Phase 1 value 1.05 million baht excluding vat with reference to the market price</p> <p>In 2018, Rhom Bho Property. Had purchased the trees from Pana 1000 company limited. For decorative landscaping the details below this</p> <p>1) Rhom Bho Property. had purchased one Fiddle Leaf Fig from Pana 1000 Company Limited to plant in front of sales office The Title Rawai on May 2018 mauled 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 Period 1 on September 25th, 2018 4 million baht</p> <p>Payment Period 2 on October 16th, 2018 3 million baht</p> <p>Payment Period 3 on November 6th, 2018 6 million baht</p> <p>Payment Period 4 on December 25th, 2018 4.5 million baht</p> <p>In 2019, the payment was as followed:</p> <p>5th payment on 5/3/2562 was 2,981,830.40 baht.</p> <p>The price of those trees was compared with the market price and were already compared with other contractors.</p>

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2017	Y2018	Y2019	
	<p>- The company bought trees with installation around 2-storeys office building of the Title Nai Yang beach from Panapan Tree town Co., Ltd.</p> <p>- The company signed the tree-purchasing contract with installation to renovate the landscape around sales office of The Title Rawai from Panapan Tree Town Co., Ltd</p> <p>- The company bought trees with installation to renovate the landscape around sales office of The Title Nai Yang from Panapan Tree Town Co., Ltd.</p>	0.48	0.48	0.96	<p>In 2019, the payment was as followed: 5th payment on 5/3/2562 was 2,981,830.40 baht.</p> <p>The price of those trees was compared with the market price and were already compared with other contractors.</p> <p>In 2019, the company bought trees with installation from Panapan Tree Town Co., Ltd. as following items:</p> <ol style="list-style-type: none"> 1) The company bought trees with installation around 2-storeys office building of the Title Naiyang beach in October, 2019 valued 0.91 million baht. The price was a total price with installation and transportation and already compared with the market price. 2) The company bought trees with installation to renovate the landscape around sales office of The Title Rawai in November, 2019 valued 0.30 million baht. The price was a total price with installation and transportation and already compared with the market price. 3) The company bought trees with installation to renovate the landscape around sales office of The Title Naiyang in December, 2019 valued 1.69 million baht. The price was a total price with installation and transportation and already compared with the market price.

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2017	Y2018	Y2019	
Mono Group Company Limited	<p><u>Agreement of Garden and Landscape Decoration Services</u></p> <p>Rhom Bho Property signed an agreement with Mono Group Company Limited to obtain garden and landscape decoration services for The Title Naiyang. The service includes Field work, equipment and planting materials the details below this.</p> <p>1) Rhom Bho Property, 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 Naiyang on March 2018 0.57 Million with reference to the market price.</p> <p>2) Rhom Bho Property, had purchased mixed soil, sand, fertilizer from Mono Group Company Limited. For use in the landscaping of the sales office area The Title Naiyang totaling 1,542,533.40 baht the payment detail below this</p> <p>Payment Period 1 on September 25th, 2018 = 535,000 baht</p> <p>Payment Period 2 on October 12th, 2018 = 749,000 baht</p> <p>with reference to the market price and comparison to other contractors</p> <p>In the year 2019, make the following payments.</p> <p>Payment Period 3 on May 5, 2019 = 259,533.40 baht</p> <p>Which the price of said plant material the price is comparable to the market price.</p> <p>And the price is comparable with other contractors.</p>	-	1.85	0.25	

Individuals / Parties of Conflict	Description	Value (Million Baht)			Necessity and Reasonableness
		Y2017	Y2018	Y2019	
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 PCL, 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 rd , 2017.
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.	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, January 16 th , 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 21st, 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 31st, 2019. 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 2019, 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 2019

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 2019, 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

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 December 31st, 2019, 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 December 31st, 2019, 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>
<i>Cost of property development and land held for development</i> Cost of property development and land held for development are significant high value transaction and comprise a various cost component such as cost of land, cost of land development, construction costs, related cost for property development and capitalized borrowing cost. As at December 31 st , 2019, the carrying amount of cost of	 Other than making the inquiries, the audit procedures for cost of property development and land held for development included sampling test as follows:

<i>The key audit matter</i>	<i>Audit procedures</i>
property development and land held for development are of Baht 350 million and Baht 488 million, respectively, as disclosed in note 6 and note 8, respectively.	<ul style="list-style-type: none"> - assessing the efficiency and test of internal control relates to the purchase system and property development system;
<p><i>Cost of property development and land held for development</i></p> <p><i>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 comprise a various cost components, which affects to the complicated records, allocations and computations.</i></p>	<ul style="list-style-type: none"> - inspecting the evidences relating to purchase of land between the Company and the seller for example; agreement to purchase and sell includes evidences of land payment and document communicated with the government; - inspecting the evidences relating to the property development which is from the distributor and subcontractor such as purchase and sell agreement, related contracts, invoices and evidence payment; - allocation test of cost of property development per unit; - assessing and calculation test of borrowing costs basing on the capitalized borrowing costs; - physical observation project of construction to determine the relationship between physical and accounting records.
<p><i>Recognition of revenue from sale</i></p> <p><i>Sale of property is significant high value transaction and affects to the operation of the Company. For the year ended December 31st, 2019, sale of property is of Baht 1,277 million.</i></p> <p><i>I have identified the sale of property to be the key audit matters as its high value is significant to the financial statements.</i></p>	<p>Other than making the inquiries, the audit procedures for sale of property included sampling test as follows:</p> <ul style="list-style-type: none"> - assessing the efficiency and test of internal control relates to the revenue system; - inspecting sale documents incurred during the year comprised purchase and sale agreement, long - term lease agreement, receiving documents, ownership transfer and registration document and other conditions specified in purchase and sale agreement; - testing the calculation of trade discount and discount from warranty; - sale cut-off with sale documents nearby before and after end of reporting period; - inspecting revenue from sales recorded through the general journal. - reviewing the adjustments relating to sale after end of reporting period.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my

report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Bunjong Pichayaprasat)

Certified Public Accountant

Registration No.7147

Siam Truth Audit Company Limited

Bangkok, February 14, 2020

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

Baht

	Note	2019	2018
Assets			
Current assets			
Cash and cash equivalents	5	176,727,251	253,291,768
Trade and other receivables		437,369	174,698
Cost of property development	4, 6	350,419,583	689,867,370
Inventories		558,867	6,492,727
Other current assets	7	38,639,145	176,832,306
Total current assets		566,782,215	1,126,658,869
Non-current assets			
Restricted bank deposits		414,376	414,376
Land held for development	8	488,486,703	568,993,923
Investment property	9	4,463,234	2,225,156
Property, plant and equipment	10	72,897,946	39,103,581
Intangible assets		955,563	1,465,525
Deferred tax assets	11	16,055,656	13,661,778
Other non-current assets		1,755,857	2,082,325
Total non-current assets		585,029,335	627,946,664
Total assets		1,151,811,550	1,754,605,533

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

Baht

	Note	2019	2018
Liabilities and shareholders' equity			
Current liabilities			
Short-term loan from other company	12	150,000,000	-
Trade and other payables	13	18,215,799	10,195,866
Current portion of liabilities		-	201,347
Income tax payable		13,163,350	4,040,623
Advance received		160,367,745	883,177,555
Estimated cost of property development		12,065,849	6,242,624
Retention payables		9,809,711	6,446,331
Other current liabilities		9,784,729	14,337,185
Total current liabilities		373,407,183	924,641,531
Non-current liabilities			
Long-term loans from other company	14	5,000,000	269,000,000
Provisions for employee benefit	15	13,896,796	9,948,850
Total non-current liabilities		18,896,796	278,948,850
Total liabilities		392,303,979	1,203,590,381
Shareholders' equity			
Share capital	16		
Authorized share capital			
659,998,559 ordinary shares in year 2019 and 440,000,000 ordinary shares in year 2018 , Baht 0.50 par value		329,999,280	220,000,000
Issued and paid-up share capital			
659,998,559 ordinary shares, in year 2019 and 440,000,000 ordinary shares, in year 2018, fully paid-up		329,999,264	219,999,520
Premium on share capital		191,414,236	191,414,236
Retained earnings			
Appropriated			
Legal reserve	19	26,792,000	15,072,000
Treasury stocks reserve	18	13,233,897	-
Unappropriated	17	211,302,071	124,529,396
Treasury stocks	18	(13,233,897)	-
Total shareholders' equity		759,507,571	551,015,152
Total liabilities and shareholders' equity		1,151,811,550	1,754,605,533

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

Baht

	Note	2019	2018
Revenues from sales		1,277,109,834	311,733,798
Cost of sales	21	(685,446,039)	(139,312,805)
Gross profit		591,663,795	172,420,993
Other income		17,105,434	12,393,918
Selling expenses	21	(203,866,547)	(69,002,003)
Administrative expenses	4, 21	(104,825,584)	(79,992,787)
Finance costs	22	(2,098,173)	(106,538)
Profit before income tax		297,978,925	35,713,583
Tax expense	23	(63,657,746)	(7,502,170)
Profit for the year		234,321,179	28,211,413
Earnings per share	3		
Basic earnings per share		0.36	0.04
Weighted average number of ordinary shares (shares)		658,426,866	659,998,528
Other comprehensive income (loss) :			
Items that will never be reclassified to profit or loss			
Defined benefit plan actuarial gain	15	(465,814)	-
Income tax relating to items that will never be reclassified to profit or loss	23	93,163	-
Other comprehensive income (loss) - net of tax		(372,651)	-
Total comprehensive income (loss)		233,948,528	28,211,413

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

FOR THE YEAR ENDED DECEMBER 31, 2019								Baht	
	Note	Issued and paid-up		Premium on share capital	Retained earnings				Total
					Appropriated				
		share capital	Legal reserve	Treasury stocks reserve	Unappropriated	Treasury stocks			
Balance as at January 1, 2018		200,000,000	191,414,236	13,652,000	-	119,959,678	-	525,025,914	
Increase in ordinary shares	16	19,999,520	-	-	-	-	-	19,999,520	
Stock dividend and dividend paid	17	-	-	-	-	(22,221,695)	-	(22,221,695)	
Legal reserve	19	-	-	1,420,000	-	(1,420,000)	-	-	
Total comprehensive income		-	-	-	-	28,211,413	-	28,211,413	
Balance as at December 31, 2018		219,999,520	191,414,236	15,072,000	-	124,529,396	-	551,015,152	
Increase in ordinary shares	16	109,999,744	-	-	-	-	-	109,999,744	
Stock dividend and dividend paid	17	-	-	-	-	(122,221,956)	-	(122,221,956)	
Treasury stocks	18	-	-	-	13,233,897	(13,233,897)	(13,233,897)	(13,233,897)	
Legal reserve	19	-	-	11,720,000	-	(11,720,000)	-	-	
Total comprehensive income		-	-	-	-	233,948,528	-	233,948,528	
Balance as at December 31, 2019		329,999,264	191,414,236	26,792,000	13,233,897	211,302,071	(13,233,897)	759,507,571	

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

Baht

	2019	2018
Cash flows from operating activities		
Profit before income tax	297,978,925	35,713,583
Adjustments to reconcile profit before income tax to cash generated (paid) from operating activities		
Depreciation and amortization	7,801,673	10,030,602
Loss on written-off of equipments	95,866	80,838
Interest income	(513,551)	(1,103,327)
Finance costs	2,098,173	106,538
Cash flow before changes in operating assets and liabilities	307,461,086	44,828,234
Changes in operating assets and liabilities		
Trade and other receivables	(262,671)	(147,781)
Cost of property development	440,581,235	(308,273,026)
Inventories	5,933,860	(5,958,902)
Other current assets	138,193,162	(99,471,034)
Restricted bank deposits	-	(3,658)
Other non-current assets	326,469	(1,308,870)
Trade and other payables	8,019,933	(7,544,803)
Advance received	(722,809,809)	563,892,173
Estimated cost of property development	5,823,225	1,268,135
Retention payables	3,363,380	4,900,442
Provisions for employee benefit	3,482,132	2,472,777
Other current liabilities	(4,552,459)	2,134,902
Cash generated from operations	185,559,543	196,788,589
Interest received	513,551	1,103,327
Income tax paid	(56,835,735)	(13,669,612)
Net cash provided by operating activities	129,237,359	184,222,304
Cash flows from investing activities		
Purchase of land held for development	(29,736,582)	(349,463,151)
Purchase of investment property	(2,413,813)	-
Purchase of building and equipments	(31,820,976)	(775,337)
Purchase of intangible assets	(62,274)	(652,058)
Net cash used in investing activities	(64,033,645)	(350,890,546)

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

Baht

	2019	2018
Cash flows from financing activities		
Proceeds from short-term loans from other company	150,000,000	-
Repayments of short-term loans from other company	-	(25,000,000)
Proceeds from long-term loans from other company	5,000,000	250,000,000
Repayments of long-term loans from other company	(269,000,000)	(31,000,000)
Repayments of liability under finance lease	(201,347)	(341,384)
Finance cost paid	(2,110,776)	(8,130,407)
Repurchase for treasury stocks	(13,233,897)	-
Dividends paid	(12,222,211)	(2,222,176)
Net cash provided by (used in) financing activities	(141,768,231)	183,306,033
Net increase (decrease) in cash and cash equivalents	(76,564,517)	16,637,791
Cash and cash equivalents at the beginning of year	253,291,768	236,653,977
Cash and cash equivalents at the end of year	176,727,251	253,291,768

Non - cash items, as follow

Year 2019

The Company paid stock dividend in the amount of Baht 110 million (see note 17).

Year 2018

The Company paid stock dividend in the amount of Baht 20 million (see note 17).

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 14, 2020.

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 (“TFAC”) and the financial reporting requirements of the Securities and Exchange Commission.

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

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

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

period, and in the period of the revision and future periods, if the revision affects both current and future periods.

New TFRS

a) Financial reporting standards that became effective in the current year

During the year, the Company have adopted the new and revised TFRS which are effective for fiscal period beginning on or after January 1, 2019. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the financial statement to users of TFRS. The adoption of these TFRS does not have any significant impact on the Company's financial statements.

b) Financial reporting standard that will become effective in the future

The Federation of Accounting Professions issued of new and revised financial reporting standards and interpretations including accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding 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, except a set of 5 financial reporting standards related to financial instruments and TFRS 16 Leases that have changed key principles of these standards are summarized below.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five TAS, TFRS and TFRIC as follow:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company'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 accounting guidance (“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

TFRS 16 Leases

TFRS 16 Leases establishes principles for the recognition, measurement, presentation and disclosure of leases, requiring lessees to recognize assets and liabilities for all leases which the lease term is over 12 months. There are substantially unchanged to lessor accounting from its predecessor, lessors continue to classify leases as operating or finance.

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

- TAS 17 (revised 2018) Leases
- TSIC 15 (revised 2018) Operating Leases-Incentives
- TSIC 27 (revised 2018) Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TFRIC 4 (revised 2018) Determining whether an Arrangement contains a Lease

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 is measured at the fair value of the standalone selling price of each performance obligation in contracts.

Revenue from contracts with multiple elements are allocated by fair value of standalone selling price in each performance obligation. In case of contracts have both obligations to perform at point of time and overtime, difference from revenue recognition and performance obligations at the beginning of contracts is recognized as contract assets or contract liabilities and recognized over the contracts periods.

Revenue from sale of real estate

Revenue from sale of real estate is recognized at the point in time when control of residential condominium units is transferred to the customer, generally when the Company transfers the ownership (Freehold) or the significant risks and rewards of ownership (Leasehold) to the customer.

Revenue is measured at the amount of the consideration received or receivable of residential condominium units after deducting discounts and consideration payable to a customer.

Sale of real estate contract, which includes provision for items without charge or the sales price includes the price of various premiums such as furniture and fixtures because the free of charge items are component parts of real estates, which are the main performance obligations under the contracts. In the event that the Company has not yet delivered any premiums to the customer, the Company has to adjust revenue from sale of real estate for premiums and record such value as deferred revenue from sale of real estate. The costs of provision for items without charge are recognized as part of cost of sale of real estate.

The Company makes payments such as registration fee for the transfer of real estates and common area fee to the juristic person of real estate projects on behalf of customers. If the Company receives distinct goods or services from the customer, the Company recognizes such payments as an expense when the distinct goods or services are consumed. But if not, such payments are recognized as a reduction of revenue.

Revenue from sale of goods

Revenue from sale of goods is recognized when control of the goods is transferred to customers, generally on delivery of goods.

No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due.

Revenue from sales are measured at the amount of consideration received or expect to be received for delivered goods after deduction of returns and discounts, excluding value added tax.

For sale with warranties to assure that the goods complies with agree-upon specifications, the Company recognized the warranty according to TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.

Advances received from customers

Advances received from customers is classified as current liabilities and recognized as revenue when the Company transferred control over the goods to the customers. For the advances that contain a significant financing component, they include the interest expense accreted on the contract liability under the effective interest method. The Company uses practical expedient which is not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Rental income and its related services

Rental income and its related services are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

Consideration payable to the customer

The Company recognized for consideration payable to the customer as a reduction of the revenue.

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

Costs of obtaining a contract

Costs of obtaining a contract is commission paid to obtain a customer contract recorded as an asset. An impairment loss is recognized to the extent that the carrying amount of an asset recognized exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

The Company amortized costs of obtaining a contract on a systematic basis that is consistent with the pattern of revenue recognition for the related contract.

Costs of obtaining a contract which its amortization period of the asset that the Company otherwise would have used is one year or less, costs to obtain a contract are immediately recognized as 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.

Trade and other receivables

Trade and 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">1) The design fees, construction cost of utilities and public facilities. Direct costs relating to property development are allocated based on salable area.2) Construction costs are allocated based on salable area
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 comprehensive income.

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

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

Inventories

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

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

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

Capitalization of interest cost

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

Land held for development

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

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

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:

	<i>Years</i>
Buildings	8 - 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, it's 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:

	<i>Years</i>
Buildings	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:

	<i>Years</i>
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.

Repurchase of share capital (treasury stock)

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

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 less treasury stocks during the years.

During the year 2019, the Company paid stock dividends to the ordinary shareholders (see note 16 and 17). 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, 2019 and 2018 were as follows:

	<i>Baht</i>	
	2019	2018
Profit for the year	234,321,179	28,211,413
Weighted average number of ordinary shares (Shares)		
Ordinary shares at the beginning of year	440,000,000	440,000,000
Ordinary shares for capital reduction	(961)	(961)
Effect of stock dividends and shares issued	219,999,489	219,999,489
Treasury stocks (see note 18)	(1,571,662)	-
Weighted average number of ordinary shares	<u>658,426,866</u>	<u>659,998,528</u>
Basic earnings per shares	<u>0.36</u>	<u>0.04</u>

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, 2019 and 2018 were as follows:

	<i>Baht</i>	
	2019	2018
Purchase of materials and equipments of construction		
Pana 1000 Trees Town Co., Ltd.	5,891,055	17,500,000
Mono Group Co., Ltd.	258,533	1,857,988
Sam Tunwa Co., Ltd.	-	219,682
Office rental		
Sam Tunwa Co., Ltd.	960,000	480,000
Repair expense		
Sam Tunwa Co., Ltd.	-	131,824
Service charge		
Pana 1000 Trees Town Co., Ltd.	-	73,000

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 0.08 million.

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2019 and 2018 consisted of:

	<i>Baht</i>	
	2019	2018
Short-term benefits	24,584,800	28,334,993
Post-employment benefits	2,265,311	1,654,470
Total	26,850,111	29,989,463

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, 2019, the Company paid directors' remuneration in the amount of Baht 2.49 million (year 2018: Baht 1.99 million).

Nature of relationship

Name of company	Country	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

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase of materials and equipments of construction	Market price
Office rental	Market price
Repair expenses	Market price
Service charge	Market price

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2019 and 2018 consisted of:

	Baht	
	2019	2018
Cash on hand	700,000	1,000,000
Cash at banks	176,027,251	252,291,768
Total	176,727,251	253,291,768

6. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, 2019 and 2018 consisted of:

	<i>Baht</i>	
	2019	2018
Property for sale		
Land	5,492,217	43,842,866
Condominium units	82,676,876	597,481,710
Interior decoration	9,352,084	39,315,247
Capitalized interest cost	1,164,561	8,254,007
Total	98,685,738	688,893,830
Property under development		
Land	102,029,910	-
Construction in progress and other costs	149,703,935	973,540
Total	251,733,845	973,540
Grand total	350,419,583	689,867,370

The significant movements of cost of property development for the years ended December 31, 2019 and 2018 were summarized below:

		<i>Baht</i>	
	Note	2019	2018
Cost of sale		669,011,842	134,215,493
Transfer from land held for development	8	101,120,846	-
Capitalized interest cost	22	12,603	8,023,870

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 (see note 14).

On March 26, 2019, the Company closed a credit limit of long-term loan from other company of Baht 300 million and redeemed the collateral (see notes 14).

7. OTHER CURRENT ASSETS

Other current assets as at December 31, 2019 and 2018 consisted of:

	<i>Baht</i>	
	2019	2018
Incremental cost of obtaining the contracts	36,988,063	163,873,985
Prepaid expenses	835,809	803,470
Advance payment for purchase goods	502,273	11,823,239
Others	313,000	331,612
Total	38,639,145	176,832,306

8. LAND HELD FOR DEVELOPMENT

Movements of land held for development for the years ended December 31, 2019 and 2018 consisted of:

	<i>Baht</i>
	Note
At cost	
Balance as at January 1, 2018	219,530,772
Purchase/ transfer in	349,463,151
Disposal/ transfer out	-
Balance as at December 31, 2018	568,993,923
Purchase/ transfer in	29,736,582
Disposal	-
Transfer to cost of property development	6 (101,120,846)
Transfer to property, plant and equipment	10 (9,122,956)
Balance as at December 31, 2019	488,486,703

Land held for development were mortgaged as collateral for short-term loans from other company of Baht 150 million (see note 12).

On March 26, 2019, the Company closed a credit limit of long-term loan from other company of Baht 300 million and redeemed the collateral (see notes 14).

9. INVESTMENT PROPERTY

Movement of investment property for the years ended December 31, 2019 and 2018 consisted of:

		<i>Baht</i>		
	Note	Land	Building	Total
At cost				
Balance as at January 1, 2018		-	-	-
Purchase		-	-	-
Transfer from property, plant and equipment	10	116,913	2,480,285	2,597,198
Disposal/ transfer out		-	-	-
Balance as at December 31, 2018		116,913	2,480,285	2,597,198
Purchase		-	2,413,813	2,413,813
Disposal/ transfer out		-	-	-
Balance as at December 31, 2019		116,913	4,894,098	5,011,011
Accumulated depreciation				
Balance as at January 1, 2018		-	-	-
Transfer from property, plant and equipment	10	-	372,042	372,042
Disposal/ transfer out		-	-	-
Balance as at December 31, 2018		-	372,042	372,042
Depreciation		-	175,735	175,735
Disposal/ transfer out		-	-	-
Balance as at December 31, 2019		-	547,777	547,777
Net book value				
Balance as at December 31, 2018		116,913	2,108,243	2,225,156
Balance as at December 31, 2019		116,913	4,346,321	4,463,234

	<i>Baht</i>	
	2019	2018
Items recognized in profit or loss relating to investment properties		
Rental income	240,000	20,000
As at December 31,		
Future minimum lease received under operating lease agreements		
Within 1 year	240,000	240,000
1 - 5 years	220,000	460,000

Investment property of the Company with its carrying amount of Baht 4.46 million were appraised with the appraisal value of Baht 11.63 million by Kawin appraisal Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on the market approach as per the appraisal report dated December 18, 2019.

Investment property of the Company with its carrying amount of Baht 2.23 million were appraised with the appraisal value of Baht 10.77 million by Global asset valuer Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on the market approach as per the appraisal report dated January 3, 2019.

10. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the years ended December 31, 2019 and 2018 consisted of:

		Baht					
				Furniture and		Assets under	
	Note	Land	Building	office equipment	Vehicles	construction	Total
At cost							
Balance as at January 1, 2018		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
Disposals/ transfer out		-	(445,471)	(296,846)	-	-	(742,317)
Transfer to investment property	9	(116,913)	(2,480,285)	-	-	-	(2,597,198)
Balance as at December 31, 2018		3,642,489	54,222,758	8,795,326	4,702,315	-	71,362,888
Purchase/ transfer in		-	19,398,530	1,330,151	813,668	29,747,057	51,289,406
Transfer from land held							
for development	8	9,122,956	-	-	-	-	9,122,956
Disposals/ transfer out		-	(6,409,818)	(449,988)	-	(19,468,430)	(26,328,236)
Balance as at December 31, 2019		12,765,445	67,211,470	9,675,489	5,515,983	10,278,627	105,447,014
Accumulated depreciation							
Balance as at January 1, 2018		-	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 to investment property	9	-	(372,042)	-	-	-	(372,042)
Balance as at December 31, 2018		-	24,654,854	5,396,360	2,208,093	-	32,259,307
Depreciation		-	5,301,210	1,347,402	405,090	-	7,053,702
Disposal/ transfer out		-	(6,362,607)	(401,334)	-	-	(6,763,941)
Balance as at December 31, 2019		-	23,593,457	6,342,428	2,613,183	-	32,549,068
Net book value							
Owned assets		3,642,489	29,567,904	3,398,966	1,526,292	-	38,135,651
Assets under finance leases		-	-	-	967,930	-	967,930
Balance as at December 31, 2018		3,642,489	29,567,904	3,398,966	2,494,222	-	39,103,581
Owned assets							
Balance as at December 31, 2019		12,765,445	43,618,013	3,333,061	2,902,800	10,278,627	72,897,946

	<i>Baht</i>	
	2019	2018
As at December 31,		
The gross carrying amount of fully depreciated		
that is still in use	3,010,771	285,808

11. DEFERRED TAX

Deferred tax as at December 31, 2019 and 2018 consisted of:

	<i>Baht</i>	
	2019	2018
Deferred tax assets	16,055,656	13,661,778

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

	<i>Baht</i>					
	January 1, 2018	Profit	December 31, 2018	Profit (loss)	comprehensive income	December 31, 2019
Deferred tax assets						
Provision	994,898	253,627	1,248,525	1,164,645	-	2,413,170
Employee benefit obligations	1,495,215	494,555	1,989,770	696,426	93,163	2,779,359
Property, plant and equipment	1,621,993	760,486	2,382,479	(8,983)	-	2,373,496
Guarantee return	5,137,393	2,903,611	8,041,004	448,627	-	8,489,631
Total	9,249,499	4,412,279	13,661,778	2,300,715	93,163	16,055,656

12. SHORT-TERM LOAN FROM OTHER COMPANY

Short-term loans from other company as at December 31, 2019 and 2018 consisted of:

<i>Million Baht</i>	Period	(%)	
Credit limit	of repayment	Referred interest rate	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
150	Within December 2020	MLR	Repayment of principal within December 2020

Movements of short-term loan other company for the years ended December 31, 2019 and 2018 were as follows:

	<i>Baht</i>	
	2019	2018
Beginning balance	-	25,000,000
Increase	150,000,000	-
Decrease	-	(25,000,000)
Ending balance	150,000,000	-

Land held for development were mortgaged as collateral for loans (see note 8).

13. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2019 and 2018 consisted of:

	<i>Baht</i>	
	2019	2018
Trade payables	4,786,535	4,285,977
Other payables		
Accrued expenses	12,178,622	3,512,423
Other payables	1,250,642	2,397,466
Total	13,429,264	5,909,889
Grand total	18,215,799	10,195,866

14. LONG-TERM LOAN FROM OTHER COMPANY

Long-term loan from other company as at December 31, 2019 and 2018 consisted of:

	<i>Baht</i>	
	2019	2018
Long-term loan	5,000,000	269,000,000

<i>Million Baht</i>		%	
Credit Limit	Period of repayment	Referred interest rate	Repayment
300	Within November 2021	MLR	Principal repayment First installation December 2018 amount of 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
350	Within December 2023	MLR	Principal repayment First installation December 2021 not less than Baht 100 million Second installation December 2022 not less than Baht 100 million Third installation December 2023 not less than Baht 150 million

Movements of long-term loan other company for the year ended December 31, 2019 and 2018 were as follows:

	<i>Baht</i>	
	2019	2018
Beginning balance	269,000,000	50,000,000
Increase	5,000,000	250,000,000
Decrease	(269,000,000)	(31,000,000)
Ending balance	5,000,000	269,000,000

Land in the property under development (see notes 6) were mortgaged as collateral of loan of Baht 350 million.

On March 26, 2019, the Company closed a credit limit of long-term loan from other company of Baht 300 million and redeemed the collateral (see note 6 and 8).

15. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit in the statement of financial position as at December 31, 2019 and 2018 were as follows:

	<i>Baht</i>	
	2019	2018
Post-employment benefit plan		
Present value of obligations	13,896,796	9,948,850
Provisions for employee benefit	13,896,796	9,948,850

Movements of the present value of provisions for employee benefit for the years ended December 31, 2019 and 2018 were as follows:

	<i>Baht</i>	
	2019	2018
Post-employment benefit plan		
Provisions for employee benefit as at January 1	9,948,850	7,476,073
Included in profit or loss:		
Current service cost	2,863,137	2,311,850
Interest cost	237,524	160,927
Past service cost	381,471	-
Included in other comprehensive income (loss) :		
Defined benefit plan actuarial (gain) loss		
Arising from demographic assumption changes	(495,383)	-
Arising from financial assumption changes	(53,247)	-
Arising from experience adjustments	1,014,444	-
Provisions for employee benefit as at December 31	13,896,796	9,948,850

On April 5, 2019, a revised Labor Protection Act was published in the Royal Gazette which stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more to entitle to receive not less than 400 day's compensation at the latest wage rate.

This change is considered a post-employment benefits plan amendment caused the Company has additional provisions for employee benefit.

The Company recognizes the effect of the mentioned change as past service costs as an expense in profit or loss for the period 2019.

Principal actuarial assumptions as at December 31, 2019 and 2018 (expressed as weighted averages) were as follows:

	2019	2018
Discount rate (%)	2.20	2.15
Salary increases rate (%)	5.00	5.00
Turnover rate (%)	0.00 - 15.00	0.00 - 19.00
Retirement age	60 and 65 Years	60 Years
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2017
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-provisions for employee benefit as at December 31, 2019 are summarised below:

	<i>Baht</i>	
	Increase	Decrease
Discount rate (1% Movement)	(1,209,285)	1,399,495
Salary increase rate (1% Movement)	1,345,581	(1,189,775)
Turnover rate (1% Movement)	(1,279,603)	378,754

16. SHARE CAPITAL

The Ordinary General Meeting of Shareholders held on April 29, 2019 passed the extra resolutions as follows.

16.1 Reduction authorized share capital by reducing 961 ordinary shares with the par value of Baht 0.50 per share, totalling of Baht 480.50.

16.2 Increase authorized share capital from Baht 220 million to Baht 330 million by issuing 220 million shares of new ordinary shares, at Baht 0.50 par value to support stock dividend payment.

The Company has already registered the decrease and increase of its shares capital with the Ministry of Commerce on May 24, 2019.

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.

17. DIVIDEND

The Ordinary General Meeting of Shareholders held on April 29, 2019 passed a resolutions to approve the stock dividend at the rate of 2 ordinary shares per 1 stock dividend, totalling of 220 million shares or equivalent to Baht 110 million and dividend payment at the rate of Baht 0.028 per share, amount of Baht 12.22 million. totalling dividend payment of Baht 122.22 million.

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, amount of Baht 2.22 million. totalling dividend payment of Baht 22.22 million.

18. TREASURY STOCKS

The Board of Directors' Meeting held on May 17, 2019 passed a resolution to approve the share repurchase program for financial management purpose in the maximum amount of Baht 99 million and the number of shares not exceeding 15 million shares, which is equivalent to 2.27% of the total paid-up shares capital at the par value of Baht 0.50 per share. The repurchase period covers from May 31, 2019 to November 30, 2019. The period for the resale of treasury stock is within 6 months from the repurchase date but not over 3 years.

Reconciliation of treasury stocks and treasury stocks reserve for the years ended December 31, 2019

	Treasury stocks			Baht
	Number of shares	Average price per share	Cost	Treasury stocks reserve
Beginning balance	-	-	-	-
Repurchase during the year	3,728,000	3.55	13,233,897	(13,233,897)
Ending balance	3,728,000	3.55	13,233,897	(13,233,897)

The Company appropriated retained earnings for treasury stocks reserve in the amount equal to the amount paid for treasury stocks.

As at December 31, 2019, the Company has appropriated treasury stocks reserve in the amount of Baht 13.23 million.

The mentioned reserve represented as “Retained earnings appropriated – treasury stocks reserve” in the statement of financial position.

The treasury stock held by the Company shall not be counted as quorum at the shareholders meeting and shall not be eligible to vote and receive dividend payment.

In case the Company is unable to resell all treasury stock within the specified period since the repurchase date, the Company shall written - off the outstanding unsold treasury stock and reduce the paid-up capital by writing off all registered treasury stock unsold.

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, 2019 and 2018 consisted of:

	<i>Baht</i>	
	2019	2018
Employee expenses	76,119,890	61,078,594
Depreciation and amortization	7,383,157	10,030,602
Sales promotion expenses	172,162,111	52,240,735
Fee expenses	2,983,030	5,144,515
Utility expenses	6,486,885	2,862,128
Registration fee and property rental expense	15,763,107	4,805,387

22. FINANCE COSTS

Finance costs for the years ended December 31, 2019 and 2018 consisted of:

		<i>Baht</i>	
	Note	2019	2018
Interest expenses		2,110,776	8,130,408
Less Capitalized interest cost	6	(12,603)	(8,023,870)
Net		2,098,173	106,538

23. INCOME TAX

Corporate income tax of the Company for the years ended December 31, 2019 and 2018 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, 2019 and 2018 as follows:

	<i>Baht</i>	
	2019	2018
Current tax		
Current year	65,090,400	11,914,449
Under income tax provided in prior year	868,061	-
Deferred tax		
Movement in temporary differences	(2,300,715)	(4,412,279)
Tax expense	63,657,746	7,502,170

Income tax recognized in other comprehensive loss for the year ended December 31, 2019 and 2018 as follows:

	<i>Baht</i>	
	2019	2018
Employee benefit obligations	(93,163)	-

Reconciliation of effective tax rate

	2019		2018	
	<i>Tax rate</i>		<i>Tax rate</i>	
	%	<i>Baht</i>	%	<i>Baht</i>
Profit before income tax		297,978,925		35,713,583
Income tax using the corporate tax rate	20	59,595,785	20	7,142,717
Expenses not deductible for tax purposes		5,494,615		4,771,732
Current tax	22	65,090,400	33	11,914,449
Under income tax provided in prior year		868,061		-
Movement in temporary differences		(2,300,715)		(4,412,279)
Tax expenses	21	63,657,746	21	7,502,170

24. OPERATING SEGMENT

Operating segment information is reported in a manner consistent manner 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, 2019, 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 0.08 million (see note 4).

- 25.2.2 Service agreement with other persons and companies in the remaining amount of Baht 0.47 million, and a monthly service of Baht 0.76 million.

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. RECLASSIFICATION

The Company has reclassified certain accounts in the statements of comprehensive income for the year ended December 31, 2018 to conform to the presentation of the financial statements of current year as follow:

	<i>Baht</i>		
	Before	Reclassification	After
Statement of financial position			
Investment property	2,108,243	116,913	2,225,156
Property, plant and equipment	39,220,494	(116,913)	39,103,581
Trade and other payables	11,444,347	(1,248,481)	10,195,866
Advance received	891,287,345	(8,109,790)	883,177,555
Other current liabilities	4,978,914	9,358,271	14,337,185
Statements of comprehensive income			
Cost of sales	183,942,686	(44,629,881)	139,312,805
Selling expenses	22,868,243	46,133,760	69,002,003
Administrative expenses	81,496,666	(1,503,879)	79,992,787

28. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on February 14, 2020 passed a resolution to approve the stock dividend at the rate of 10 ordinary shares per 1 stock dividend, totalling of 65.63 million shares or equivalent to Baht 32.81 million and dividend payment at the rate of Baht 0.0056 per share, amount of Baht 3.65 million. totalling of Baht 36.46 million.

Management Discussion and Analysis

Performance overview

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.

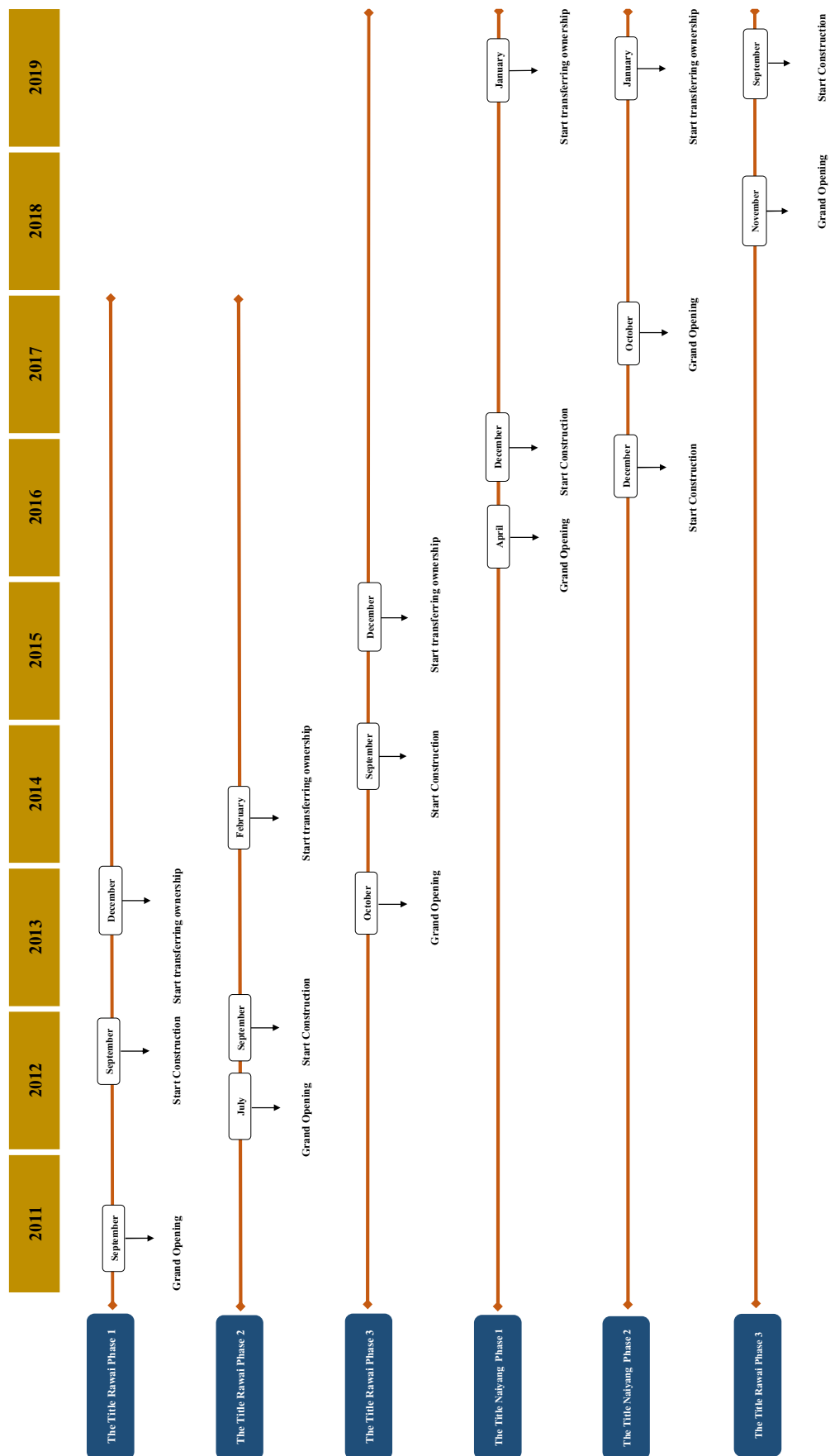
Revenue obtained from the Company's sales and services came from revenue from the sales of real estates as well as other revenue related to the sales of real estates, for instance, revenue from the sales of furniture sets to be featured in condominium units, revenue from decoration or renovation of condominium 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 2017-2019, the Company's revenue from sales and services was estimated at 293.88 million baht, and 311.73 million baht, and 1,277.11 million baht, or a rise of 97.56%, 96.18%, and 98.67% respectively.

In 2017, the company had income from selling and services about 293.88 million baht. Because the company did not have advertisements to open the new project. In 2017 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 2018, 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 Naiyang 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.

In 2019, the company had income from selling and services amounted to 1,277.11 million baht. Altogether, the income had improved just only 309.68%; when compared to the other year. It was affected from the conveyance of the room in The Title Naiyang Phase 1,2

Overview of Project Launch and Transfer of Ownership



The company had a net profit in the year 2017 to 2019 amounted to 40.89 million baht, 28.21 million baht, and 234.32 million baht, Altogether, the net profit was 13.57%, 8.70%, and 18.10% of the income.

In 2017, 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 2018, 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.

In 2019, the company had a net profit that was increased, by 206.11 million baht, or about 730.63 %; because the income was from The Title Naiyang Phase 1,2

On the 31st December 2017 to the 31st December 2019, the company had property of about 969.59 million baht, 1,754.61 million baht and 1,151.81 million baht; by the main property of this company that is related to property project development. For example, the costs of the property development are about 38.52%, and 39.32%, and 30.42 % of the all the property and the land; that waiting to be developed at 22.64%, and 32.43%, and 42.41% 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. 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.

On the 31st of December 2017 to the 31st of December 2019, the company had debt owed amounting to 444.56 million baht, 1,203.59 million baht, and 392.30 million baht. Altogether it is about 45.85%, 68.60%, and 34.05% 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. 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 2019 the advance received was decreased caused by the transfer of ownership of condominium of The Title Naiyang Phase 1,2.

On the 31st of December 2017 to the 31st of December 2019, the company had shareholders consisting of about 525.02 million bath, 551.02 million bath, and 759.51 million bath or it's about 54.15%, 31.40%, and 65.95 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 2017 to 2019 had dividends and share repurchases as well as the amount of capital being increased by the following.

In 2017 on the 16th to the 18th 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 20th of October 2017

In 2018, the decision of the meeting of shareholders 2018 on the 24th of April 2018, had the decision to reimburse stock dividends for the shareholders of about 22,222,222.40 Baht. This was money for dividends; of which one stock was about 0.0555555556 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 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 18th 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 3rd of May 2018

In 2019, the decision of the meeting of shareholders 2019 on the 29th of April 2019, had the decision to reimburse stock dividends for the shareholders of about 122,221,955.56 Baht. This was money for dividends; of which one stock was about 0.2777777778 baht, 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 219,999,520 stock (the value per one stock was 0.25 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 2 stocks before per 1 dividend stock. The total of the rest stock was 109,999,760 baht. In case the common stock occurs from paying dividends and happens from the stock of the company, it used to pay the dividends of the rest of the stock to be cash for shareholders. The rate of the stock was valued at about 0.25 baht.
- b. Dividends were paid to be cash in the rate 0.2777777778 baht.

In 2019 the meeting of the board of directors No.3/2562 on the 17th May 2019 resolved to repurchase shares within 6 months (31st May 2019-30th November 2019) as of 30th November 2019, the number of repurchased shares equal 3,728,000 shares, repurchased the value of repurchased 13,233,897 bath

It was determined that the paid made to pay to the decision, was made on the 24th of May 2019, 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 10th of May 2019

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

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 2017-2019, the Company's revenue from sales and services was estimated at 293.88 million baht, and 311.73 million baht, and 1,277.11 million baht, or a rise of 97.56%, 96.18%, and 98.68 respectively

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.

In 2019, the company had income from selling and services of about 1,277.11 million baht, or increased at about 309.68%; caused by the transfer of ownership of The Title Naiyang Phase 1,2 about 414 rooms and the continuously transfer of ownership of The Title Rawai Phase 3 about 8 rooms.

Other Income

In 2017 to 2019, the company had other income of about 7.34 million baht, 12.39 million baht, and 17.11 million baht. As for the percentage they were 2.44%, 3.82%, and 1.33 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 to 2019, the company had income from the condominium juristic person management in the Title Rawai Phase 3 and The Title Naiyang Phase 1,2

Table 1 Revenue from Sales and Services Classified by Project

Revenues from sales and service ^{1/}	Financial statement (Audited)					
	Y2017		Y2018		Y2019	
	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)
The Title Rawai Phase 3	293.88	97.56	311.73	96.18	35.88	2.77
Total revenues from sales and service					527.35	40.75
Other income ^{2/}					713.88	55.16
The Title Naiyang Phase 1	293.88	97.56	311.73	96.18	1,277.11	98.68
The Title Naiyang Phase 2	7.34	2.44	12.39	3.82	17.11	1.32
Total income	301.22	100.00	324.12	100.00	1,294.22	100.00

Remark: ^{1/}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.

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

Table 2 Status of Transfer of Ownership during 2017-2019

Project	Y2017		Y2018		Y2019		Accumulated Transfer of Ownership	
	Transferred ^{1/} (Unit)	Proportion ^{2/} (percent)	Transferred ^{1/} (Unit)	Proportion ^{2/} (percent)	Transferred ^{1/} (Unit)	Proportion ^{2/} (percent)	Transferred ^{1/} (Unit)	Proportion ^{2/} (percent)
The Title Rawai Phase 3	69	28.75	70	29.17	8	3.33	238	99.17
The Title Naiyang Phase 2					211		211	95.91
The Title Naiyang Phase 2					203		203	80.56

Remark: ^{1/}Number of condominium units transferred during the year.

^{2/}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. 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 2017 to 2019, 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 134.82 million baht, 139.31 million baht, and 685.45 million baht; at a rate of selling costs and services with the income from sales and services of about 44.76%, 42.98%, and 52.96% or a gross profit of 43.35%, 53.20%, and 45.71%. 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 and The Title Naiyang Phase 1 and Phase 2. The transfer of ownership from 2017 to 2019, 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

Costs of Sales	Y2017		Y2018		Y2019	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Costs of sales – Lands and land improvement	1.29	0.96	1.31	0.94	38.66	5.64
Costs of sales – Construction of building	122.04	90.52	135.23	97.07	598.1	87.26
Costs of Sales – Other related expenses ¹	11.49	8.52	2.77	1.99	48.69	7.10
Total Cost of Sales and Services	134.82	100.00	139.31	100.00	685.45	100.00
Percentage of costs of sales and services per revenue obtained from sales and services	45.88		44.69		53.67	
Gross profit margin	52.80		53.20		45.72	

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

²New classification of accounting transactions, where costs of contractual requirements was listed in sales expense instead of costs of sales.

Selling Expenses

Selling expenses, 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 2017 to 2019, there were about 45.89 million baht, 69.00 million baht, and 203.87 million baht. As for the percentage, 15.23%, 21.28%, and 15.76% of the sales and servicing.

In 2017, costs of sales of about 45.89 million baht; that decreased from the previous years 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). 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 69 million baht. By mainly changing from employee payments and the promotion that improved; in terms of selling. In turn, it had certified the business develop quickly, and for opening new projects in the future.

In 2019, costs of sales of about 203.87 million baht. It's had increase, compared to the previous years. of about 134.87 million baht or to be 195.46%. by mainly changing from the variable cost of ownership from the transfer of condominium units and the rising employee expenses.

Table 4 Costs of Sales

Costs of Sales	Y2017		Y2018		Y2019	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Salaries, bonuses, and welfares of salespersons	5.94	12.95	12.55	18.19	18.87	9.26
Specific business taxes and trade charges	7.88	17.18	5.65	8.19	16.91	8.29
Promotional and public relations	2.65	5.78	3.08	4.46	0.66	0.32
Other expenses related to sales	0.17	0.37	1.58	2.29	5.72	2.81
Costs of Sales – Costs of contractual requirements ²	28.49	62.10	44.63	64.68	160.76	78.85
Depreciation	0.75	1.63	1.51	2.19	0.95	0.47
Total Costs of Sales	45.88	100.00	69	100.00	203.87	100.00
Percentage of costs of sales per revenue of sales and services	15.61		22.13		15.96	

Remark: ²New classification of accounting transactions, where costs of contractual requirements was listed in sale expense as the company's commission.

Administrative Expenses

The main administrative expenses 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 2017 to 2019, the company had costs for management of about 66.24 million baht, 81.50 million baht, and 104.82 million baht; or about 21.99%, 25.14%, and 8.10 of the income from selling and servicing.

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 to 2019, the company had costs of management of about 81.50 million baht, and 104.82 million baht about 23.03%; and 8.10% 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

Table 5 Costs of Management

Costs of Management	Y2017		Y2018		Y2019	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Salaries, bonuses, and welfares of executives	33.08	49.94	44.98	56.23	47.75	45.55
Public utility expenses	3.51	5.30	2.86	3.58	6.49	6.19
Services	2.62	3.96	3.98	4.98	5.61	5.35
Meeting allowance	0.33	0.50	0.33	0.41	0.33	0.31
Other expenses related to management ¹	17.73	26.77	19.31	24.14	37.8	36.06
Depreciation ²	8.97	13.54	8.53	10.66	6.85	6.53
Total Costs of Management	66.24	100.00	79.99	100.00	104.83	100.00
Percentage of costs of management per revenue of sales and services	22.54		25.66		8.21	

Remark: ¹Administrative expenses included security and housekeeping expenses as well as insurance premiums.

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

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 2017 to 2019 The company has financial costs of about 5.52 million baht, 0.11 million baht, and 2.10 million baht. As for the percentage, it was 1.83%, 0.03%, and 0.16% of all income.

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 Naiyang Phase 1 project. In regards 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 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 Naiyang Beach projects. The financial costs of the project were recorded to be real estate development costs; of which is the cost payment. Therefore, it was not recorded in the current operating performance.

In 2019, the financial costs were 2.10 million baht and interest expense incurred when the construction project is completed and partly due to interest on loans for use as working capital.

Tax Expenses

In 2017, 2018, for the expenses on income tax about 15.21 million baht ,7.50 million baht 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 2019 the expenses on income tax about 63.66 million baht it had increased from the same period of time of the previous year; of about 56.16 million baht; with related increased profit from the process.

Net profit and net profit margin.

The company had profit from 2017 to 2019, of about 41.49 million baht, 28.21 million baht, and 234.32 million baht to be the net profit margin; of about 13.57%, 8.70%, and 18.11% of the total income

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.

In 2019, the company had a net profit about 234.32 million baht that had increased of 206.11 million baht mainly due to the transfer of ownership of The Title Naiyang Phase 1 and Phase 2.

Shareholders' Equity Yield

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.

In 2019, the company had a Shareholders' Equity Yield had 35.76 increased due to increased profits and this year the company would give dividends to be stock dividends; to be able to make paid capital increased from 220 million baht to 330 million baht.

Financial Analysis

Assets

During December 31st, 2017, December 31st, 2018 and December 31st, 2019, Rhom Bho Property Public Company Limited possessed its total asset of 969.59 million baht, 1,754.61 million baht and 1,151.81 million baht. Significantly, major assets were related to the development of condominium projects, where the real estate ratio was maintained 38.52% 39.32% and 30.42% of total assets, respectively. Also, the undeveloped lands were considered 22.65%, 32.43% and 42.41% of total asset.

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

Costs of Property Development

Costs of property 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. Property 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 December 31, 2017, December 31, 2018 and December 31, 2019, Rhom Bho Property possessed costs of property development of 373.57 million baht, 689.87 million baht, and 350.42 million baht considered 38.53% 39.52% and 30.42% of total asset.

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 property development costs in the current operating performance. It was conveyance for the buyer of The Title Rawai Phase 3 and The Title Naiyang in Y2017 to Y2018

By the end of Y2019 costs of real estate development remained at 350.42 million baht decreased from Y2018 339.45 million baht. The main factor in the recognition of the cost of real estate sales in the income statement when the ownership is transferred.

Table 6 Costs of Property Development Classified by Project

Project	December 31 st , 2017		December 31 st , 2018		December 31 st , 2019	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
The Title Rawai Phase 1	8.68	2.32	8.68	1.26	8.68	2.48
The Title Rawai Phase 2	-	-	-	-		
The Title Rawai Phase 3	145.18	38.86	18.16	2.63	4.47	1.28
The Title Naiyang Phase 1,2	219.71	58.82	661.7	95.92	126.23	36.02
The Title Rawai Phase 5					68.84	19.64
Total	373.57	100.00	689.97	100	350.42	100.00

Inventories

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 Naiyang Phase 1, 2. During December 31st, 2017, December 31st, 2018 and December 31st, 2019, the inventory remained at 0.53 million baht, 6.49 million baht, and 0.59 million baht considered 0.06%, 0.37% and 0.05% of total assets.

Other Current Assets

The main other current assets of the company are insurance interest that paid deposits. Furthermore, there are marginal costs to obtain a contract, etc on the 31st of December 2017 to the 31st of December 2018 the company has about 77.39 million baht, 176.83 million baht, and 36.64 million baht in other current assets. As for the percentage, it was 7.98%, 10.08% and 3.36 of all of the company.

In addition, the other current assets in Y2017 to Y2019 were about 77.36 million baht, 176.83 million baht and 38.64 million baht. The Title Rawai Phase 3, and The Title Naiyang Phase 1,2, and The Title Rawai Phase 5. The main item arises from the additional cost of the contract received from the sale of the condominium units of The Title Rawai Phase 5 and the reduction is caused by recording as expenses in the income statement when the ownership of the condominium is transferred.

The land held for development

The land held 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 31st of December 2017 to 2019 The company will have land to

develop of about 219.53 million baht, 568.99 million baht and 488.49 million baht. As for the percentage, it was 22.64%, 32.43% and 42.41 of the total amount of properties of the company.

In Y2017, the land held for development had increased about 219.53 million baht. It had improved from the previous year about 159.19 million baht and further improved to be the development project in The Title Naiyang.

In 2018, the land held 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 Naiyang beach, and Bang Tao beach for development in the future.

In 2019, the land held for development of the company had about 488.49 million baht decreased 80.51 million baht because it occurred from the conveyance of the land to be real estate development in order be conveyed in The Title Rawai Phase 5.

Table 7 Undeveloped Land Classified by Location

Unit : Million Baht

Undeveloped Land	December 31 st , 2017	December 31 st , 2018	December 31 st , 2019	ownership
Land in Rawai Beach	51.22	51.22	3.89	Company
Land in Naiyang Beach	9.12	9.12		Company
Land in Naiyang Beach	159.19	197.28	144.73	Company
Land in Bang Tao Beach		311.37	339.87	Obligated with mortgage responsibility
Total	219.53	568.99	488.49	

Property, Plant and Equipment

The property, plant and equipment of the company had the land, office, and apartment complex of employees, the camping area for the construction employees, and vehicles on the 31st of December 2017 to 31st of December 2019. There was about 50.16 million baht, 39.22 million baht, and 72.90 million baht. As for the rate of percentage, it was 5.17%, 2.24% and 6.33% 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 Y2018, the property, plant and equipment had decreased from Y2017 to 10.94 million baht; or about 21.81%.

In Y2019, the property, plant and equipment had increased from Y2018 to 33.79 million baht; or about 86.42%

Table 8 Property, Plant and Equipment

Unit: Million Baht

Property, Plant and Equipment	December 31 st , 2017	December 31 st , 2018	December 31 st , 2019
Land	3.76	3.76	12.77
Building and construction	39.63	29.57	43.62
Decoration and office material	3.96	3.40	3.33
Vehicle	2.81	2.49	2.90
Task during construction	-	-	10.28
Total	50.16	39.22	72.90

Intangible Assets

Intangible assets of the company had software copyrights by the net value on the 31st of December 2017- 31st of December 2019 was 1.32 million baht, 1.47 million baht and 0.96 million baht. The rate of percentage was 0.14%, 0.08% 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 Y2017 intangible assets of the company were decreased 0.36 million baht when compared to Y2016. It was about 21.32% due to the amortization of royal fees.

In Y2018 and Y2019 intangible assets of the company improved about 0.15 million baht, and million baht when compared to Y2017 the company made a website for the company; to be able to improve perfectly of dissemination.

In Y2019 intangible assets of the company were decreased 0.50 million baht when compared to Y2018 due to the amortization of royal fees.

Deferred Tax Assets

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 31st, 2017-December 31st, 2019, the Company possessed deferred tax asset of 9.25 million baht, and 13.66 million baht and 16.06 million baht, considered 0.95%, 0.78% and 1.39% of total asset. A majority of deferred tax assets consisted of temporary difference of employees' benefits and leasehold right.

Other Non-current Assets

Other non-current asset of Rhom Bho Property Public Company Limited included the guarantee of electricity and water supply. On the December 31st, 2017-December 31st, 2019, the Company's non-current

asset remained at 0.77 million baht, and 2.08 million baht and 1.76 million baht, considered 0.08%, 0.12% and 0.15% of total asset.

Liability

On the December 31st 2017-December 31st, 2019, Rhom Bho Property Public Company Limited possessed liability valued at 444.56 million baht, 1,203.59 million baht and 392.30 million baht, considered 45.85%, and 68.60% and 34.05 of total asset. Significant liabilities could be summarized as follows:

Trade and Other Payables

Trade and other payables of the company were construction, selling accounts receivable to buy material to develop the project. On the 31st of December 2017 to the 31st of December 2019 Accounts receivable of the company had about 18.99 million baht, and 10.22 million baht and 18.22 million baht. As for the rate of percentage, it was 1.96%, 0.65% and 1.58% in the past the shareholders in regards to the accounting business process of the company.

In Y2017, Trade and other payables had increased from Y2016 about 15.81 million. It occurred from buying material to develop The Title Naiyang Phase 1, 2.

In Y2018, Trade and other payables had decreased from Y2017 by 8.79 million baht the material was bought to develop the project for The Title Naiyang Phase 1 and Phase 2 as well as being completed in Y2018.

In 2019, Trade and other payables had from Y2018 by 18.22 million baht the material was bought to develop the project for The Title Rawai Phase 5.

Trade and other payables can be concluded below:

Table 9 Trade and Other Payables

Unit : Million Baht

Trade and Other Payables	December 31 st , 2017	December 31 st , 2018	December 31 st , 2019
Construction of building	9.52	4.28	4.78
Others ¹	9.47	5.91	13.44
Total	18.99	10.19	18.22

Remark: ¹Other payables consisted of pending payments

Income Tax Payable

During December 31st, 2017-December 31st, 2019, Rhom Bho Property Public Company Limited possessed income tax payable of 5.80 million baht, 4.04 million baht, and 13.16 million baht, considered 0.60%, 0.23% and 1.14% of total liability and shareholders' equity. The values were in line with net revenue of the Company.

Advanced Received

Advanced received 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 Y2017 - Y2019, the Company possessed advanced received of 327.40 million baht, 891.29 million baht, and 160.37 million baht, as for the rate of percentage, it was 33.76%, 50.34% and 13.92% of total liability and shareholders' equity. The advanced received from the customer was decreased caused by ownership transfer of condominium units of The Title Naiyang Phase 1, 2.

Non-current Liabilities

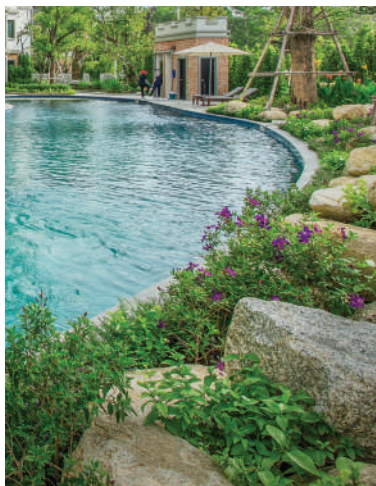
In Y2017-Y2019 the company has loans from financial institutions/Insurance company was 50 million baht, 269 million baht, and 155 million baht for use in constructing project The Title Naiyang Phase 1,2 and repayment the land in Y2017-Y2018.

In Y2019 the company has loans from financial institutions/Insurance company constructing project The Title Rawai Phase 5 and was as working capital in the business.

Reference

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