



Rhom Bho Property

# ANNUAL REPORT 2020

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED (TITLE)



ANNUAL  
REPORT **2020**

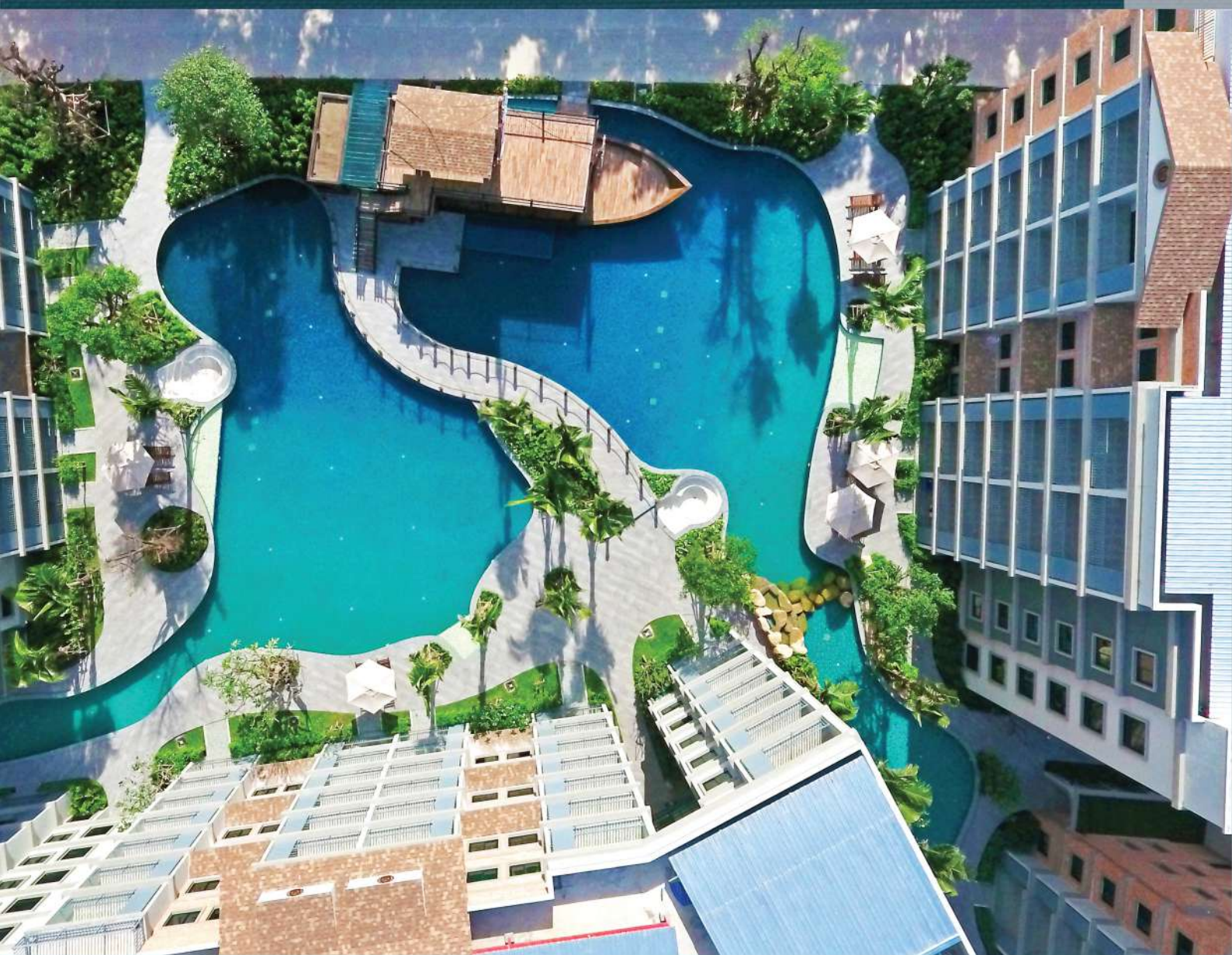




**Rhom Bho Property**







THE  
**TITLE**  
PHUKET







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## Message from The Chairman of Board Director

Rhom Bho Property Public Company Limited, or “Title,” have always been committed to good corporate governance. We aim to foster efficiency, effectiveness, transparency, fairness, and sustainable growth for our business. The Company recognizes its social and environmental responsibilities and conducts business responsibly for all people with cooperation from stakeholders within the organization.

In 2020, the spread of coronavirus and COVID-19 significantly impacted people across the globe in terms of their social and economic wellbeing. The trade wars between the United States of America and the Republic of China as well as the fast pace of technological advances drove every sector to adjust accordingly. In order for everyone to overcome the current crisis together, I, as the chairman, along with the management team and our employees will fully execute business in alignment with the Company’s policy within our integrated framework and current business strategy.

This is a challenging year for the Company. We recognize that there are many issues to tackle. Nonetheless, we are ready to conduct business to the best of our ability under the given conditions. Depending on government measures, the economy, finances, tourism, and the public in general, we aim to eventually start new projects in line with the current situation and resume our strong growth.

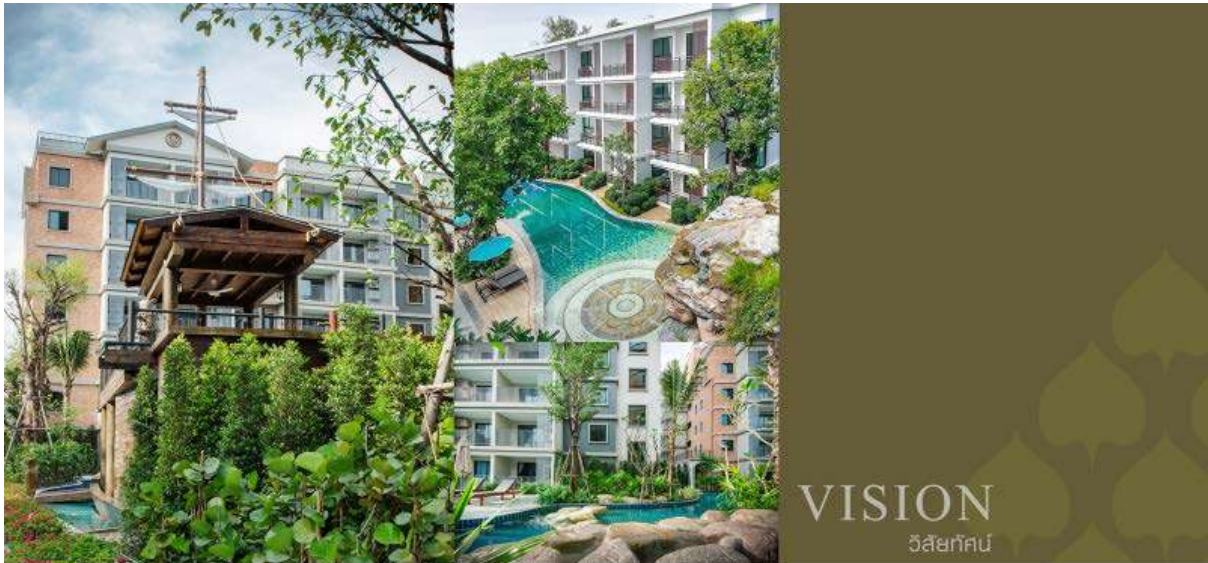
Finally, on behalf of the Rhom Bho Property Public Company Limited, I would like to thank the shareholders, stakeholders, and involved individuals from all sectors including the financial institutions, customers, and sponsors as well as the media who have always supported us. You can be sure that the board of directors, the management, and our employees will continue to work under good corporate governance to achieve our targets and create value for the organization. With this goal, we are committed to being socially responsible with good ethics for society at large



Mr. Suvit Lamsam

Chairman of Board Director





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



**Mission**  
พันธกิจ

- 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	362,812,790.00 Baht
Paid-in Capital	362,812,746.50 Baht
Ordinary Share	725,625,493 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	<a href="http://www.rhombho.co.th">www.rhombho.co.th</a>
E-Mail	<a href="mailto:info@rhombho.co.th">info@rhombho.co.th</a>

*“Investors can find out more information about the companies listed on the Annual Registration Statement (Form 56-1) of the company listed in [www.sec.or.th](http://www.sec.or.th) or company website [www.rhombho.co.th](http://www.rhombho.co.th)”*

## Summary of Financial Statements

List	2018	2019	2020
<b>Asset (Million Baht)</b>			
Inventories	6.49	0.56	0.91
<b>Total Assets</b>	<b>1,754.61</b>	<b>1,151.81</b>	<b>1,386.77</b>
<b>Liabilities &amp; Shareholders' Equity (Million Baht)</b>			
<b>Current Liabilities</b>	<b>924.64</b>	<b>373.41</b>	<b>556.58</b>
<b>Non-Current Liabilities</b>	<b>278.95</b>	<b>18.90</b>	<b>122.53</b>
<b>Total Liabilities</b>	<b>1,203.59</b>	<b>392.30</b>	<b>679.11</b>
<b>Paid up Share Capital</b>	<b>220.00</b>	<b>330.00</b>	<b>362.81</b>
<b>Shareholders' Equity</b>	<b>551.02</b>	<b>759.51</b>	<b>707.66</b>
<b>Operation's Result (Million Baht)</b>			
<b>Sales</b>	<b>311.73</b>	<b>1,277.11</b>	<b>77.85</b>
<b>Total Revenue</b>	<b>324.13</b>	<b>17.11</b>	<b>11.13</b>
<b>Gross Profit</b>	<b>127.79</b>	<b>591.66</b>	<b>40.68</b>
<b>Net Profit</b>	<b>28.21</b>	<b>234.32</b>	<b>(48.20)</b>
<b>Per Share Figure (Baht)</b>			
<b>Net Profit (Loss)</b>	<b>0.06</b>	<b>0.36</b>	<b>(0.07)</b>
<b>Book Value</b>	<b>1.25</b>	<b>1.15</b>	<b>0.98</b>
<b>Par Value</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
<b>Liquidity Ratio</b>			
<b>Current Ratio</b>	<b>1.22</b>	<b>1.52</b>	<b>1.40</b>
<b>Quick Ratio</b>	<b>0.27</b>	<b>0.47</b>	<b>0.21</b>
<b>Profitability Ratio</b>			
<b>Gross Profit Margin</b>	<b>0.41</b>	<b>0.48</b>	<b>0.52</b>
<b>Operation Profit Margin</b>	<b>0.08</b>	<b>0.22</b>	<b>(0.83)</b>
<b>Net Profit Margin</b>	<b>0.09</b>	<b>0.18</b>	<b>(0.54)</b>
<b>Return on Equities</b>	<b>0.05</b>	<b>0.36</b>	<b>(0.07)</b>
<b>Efficiency Ratio</b>			
<b>Return on Asset</b>	<b>0.02</b>	<b>0.16</b>	<b>(0.04)</b>
<b>Financial Policy Ratio</b>			
<b>Debt to Equity Ration</b>	<b>2.18</b>	<b>0.52</b>	<b>0.96</b>
<b>Interest Coverage Ratio</b>	<b>1,858.48</b>	<b>89.68</b>	<b>(37.50)</b>
<b>Number of Outstanding Shares (Million Shares)</b>	<b>440.00</b>	<b>660.00</b>	<b>725.63</b>



## Policy and Overall Business Operations

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

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

After the Title Rawai Phase 1 was launched in 2011, achieved in terms of sales. The Title Rawai Phase 2, The Title Rawai Phase 3 and The Title Residencies Naiyang Phuket 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 27<sup>th</sup>, 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 Sartrapai, 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 Sukhonthasawat 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 2<sup>nd</sup> October 2017, Thailand Securities Depository Company Limited (TSD) appointed a securities registrar.
- On 2<sup>nd</sup> 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. Thep 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 4<sup>th</sup> 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 18<sup>th</sup> 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 5<sup>th</sup> 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 0.277777778 baht. The dividend payment date was on May 24<sup>th</sup>, 2019.
- With the 2019 Annual General Meeting of the shareholders of the company held on 29<sup>th</sup> 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 17<sup>th</sup>, 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 31<sup>st</sup> May 2019 to 30<sup>th</sup> November 2019.
 

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

## Year 2020

- The 2020 annual general meeting of shareholders resolved to pay dividends in the amount of 65,627,052 ordinary shares (with a par value of 0.50 baht per share), representing a dividend payment of 0.05 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 32,813,526 baht. The remaining shares of the cash to shareholders at the rate of baht 0.05 per share cash dividend per share 0.0055555556 baht. The dividend payment date was on May 22<sup>th</sup>, 2020.

- With the 2020 annual general meeting of shareholders of the company held on 29<sup>th</sup> April 2020, 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 15.50 baht from 329,999,279.50 baht to a new registered capital 329,999,264 baht.
  - Increased the registered capital of 32,813,526 baht from the original registered capital of 329,999,264 baht is the registered capital of 362,812,790 baht to support the stock dividend payment.

## 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**

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

### Board of Directors and Management As of 31<sup>st</sup> December 2020

Order	Name-Surname/ Position	Age (year)	Education / Training	Proportion Shareholding in Company (%)	Family relationship between Directors and executives	Work Experiences			
						Time	Position	Name of Organization/ Company	Type of Business
1.	Mr. Suvit Lamsam ■ Chairman of the Board of Director ■ Chairman of the Audit Committee ■ Independent Director	60	■ 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 <sup>st</sup> , 2016 - Present	■ Chairman of the Board of Director ■ Chairman of the Audit Committee ■ Independent Director ■ Board of Director	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)	83	■ Master Degree (MS MATHS - Master of Science Mathematics)	1.35	Father- Mr. Dendana Hutajuta and Mr. Darong Hutajuta	Oct 11 <sup>st</sup> , 2016 - Present 2014- 2016	■ 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
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	59	■ Bachelor Degree (Accounting) Kasetsart University ■ Certified Public Accountants: CPA ■ Director Accreditation Program (DAP) 114/2015	2.12	none	Oct 11 <sup>st</sup> , 2016 - 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
						2014- 2016	■ Board of Director	Rhom Bho Property Company Limited	Property Development
						2001 - present	■ Board of Director	COS Audit Company Limited.	Accounting Office
						12 Jun 2020 - present	■ Board of Director	Pet Variety Company Limited	Processing Pet Food Products
						23 Jun 2020 - present	■ Board of Director	The Beach House Company Limited	Manufacture and sale of swimwear

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
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	2.86	Son of Mr. Viroj Hutajuta and brother of Mr. Dendanai Hutajuta	Oct 11 <sup>st</sup> , 2016 - Present  2011 - 2016	■ 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
6.	Ms. Cheraya Udomvongsup ■ Director (Authorized Director) Deputy Managing Director of Accounting and Finance	54	■ Bachelor's Degree in Accounting, Bangkok University ■ Director Accreditation Program (DAP) 114/2015	0.62	none	Oct 11 <sup>st</sup> , 2016 - Present  2014 - 2016 2004 - 28 Aug 2020	■ Board of Director (Authorized Director) ■ Deputy Managing Director of Accounting and Finance  ■ Board of Director  ■ Board of Director	Rhom Bho Property Public Company Limited  Rhom Bho Property Company Limited Sam Tunwa Company Limited	Property Development  Property Development Selling Timber and logs
7.	Mr. Chaivuth Chittrakhani	64	■ Master of Public Administration Chulalongkorn University	0.10	none	Oct 11 <sup>st</sup> , 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
	<div><div>■ Chairman of the Risk Management Committee</div><div>■ Audit Committee Member</div><div>■ The Nomination and Compensation Committee member</div><div>■ Independent Director</div></div>		<div><div>■ Bachelor's Degree in Economics Banking Ramkhamhaeng university</div><div>■ Director Accreditation Program (DAP) SEC/2014</div><div>■ Advanced Audit Committee Program (ACP) 2016</div><div>■ Chief of Financial Officer (CFO) 3 Institute of Development Administration and the Stock Exchange of Thailand</div><div>■ Public Administration Economics for Senior Executives, King Prajadhipok's Institute</div></div>			<div><div>■ Audit Committee Member</div><div>■ The Nomination and Compensation Committee member</div><div>■ Independent Director</div><div>■ Board of Director</div><div>■ Board of Director</div><div>■ Board of Director</div><div>■ Board of Director</div><div>■ Chairman of the Board</div><div>■ Chief Financial Officer</div></div>	<div><div>Rhom Bho Property Company Limited</div><div>VIE Company Limited.</div><div>STC Innovation Company Limited.</div><div>Customize Technology Company Limited.</div><div>Sen-Sale Company Limited.</div><div>Radon Company Limited.</div></div>	<div><div>Property Development</div><div>Sell supply material</div><div>Sell instant food and manufactured product</div><div>Medical equipment</div><div>Noodle products</div><div>Wholesales</div></div>	



Order	Name–Surname/ Position	Age (year)	Education / Training	Proportion Shareholding in Company (%)	Family relationship between Directors and executives	Work Experiences			
						Time	Position	Name of Organization/ Company	Type of Business
			<ul style="list-style-type: none"> <li>Advanced Audit Committee Program (ACP) 2016</li> </ul>			2011 – 2014	<ul style="list-style-type: none"> <li>Operations Assistant of the Senator</li> </ul>	Commission (PACC)	government authority
						2010 – 2011	<ul style="list-style-type: none"> <li>Secretary to the President</li> </ul>	Senate of Thailand	Government Authority
9.	Mr. Prasert Vannacharoen	60	<ul style="list-style-type: none"> <li>Master of Social Development Administration, Institute of Development Administration</li> <li>Bachelor of Law, Thammasat University</li> <li>Bachelor Degree in Cooperative Economics, Kasetsart University</li> </ul>	1.48	none	May 12 <sup>th</sup> , 2019 Oct 11 <sup>th</sup> , 2016 – Present	<ul style="list-style-type: none"> <li>Board of Director</li> <li>Risk Management Committee Member</li> <li>Managing Director of Operation and Legal</li> <li>Board of Director</li> </ul>	Rhom Bho Property Public Company Limited  Rhom Bho Property Public Company Limited  Sam Thunwa Company Limited	Property Development  Property Development  Selling Timber and logs





## OUR PROJECT



• THE TITLE RAWAI PHASE 1 & 2



• THE TITLE RAWAI PHASE 3



• THE TITLE RESIDENCIES  
(NAIYANG-PHUKET)



**THE TITLE V**  
RAWAI - PHUKET

**BW Premier**  
COLLECTION  
by BEST WESTERN

• The TITLE V





Rhom Bho Property



## OUR PROJECT



The Title Rawai Phase 1



The Title Rawai Phase 2



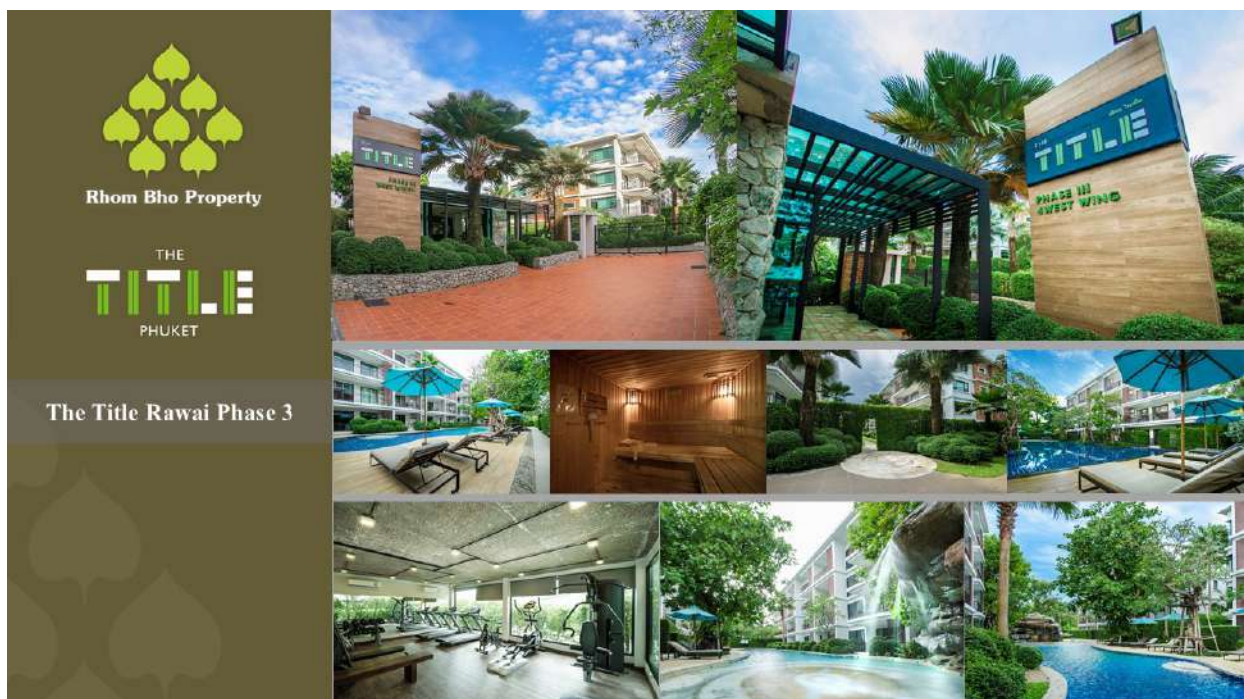
Rhom Bho Property



## The Title Rawai Phase 1 & 2











Rhom Bho Property



## OUR PROJECT



Rhom Bho Property



### The Title Residencies Naiyang Phuket Phase 1 & 2







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## Development Area



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## The Title V



# Nature of Business

## 1. Revenue Structure

Revenue structure of the company Classified by project type from 2018–2020

Revenues from Sale of Goods and Rendering of Services <sup>1/</sup>	Financial Statement (Audited)					
	Year 2018		Year 2019		Year 2020	
	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)
The Title Rawai Phase 3	311.73	96.18	35.88	2.77	4.96	5.57
The Title Naiyang Phase 1			527.35	40.75	30.98	34.82
The Title Naiyang Phase 2			713.88	55.16	41.91	47.10
Revenues from Sale of Goods and Rendering of Services Total	311.73	96.18	1,277.11	98.68	77.85	87.49
Other Revenues <sup>2/</sup>	12.39	3.82	17.11	1.32	11.13	12.51
<b>Total Revenues</b>	<b>324.12</b>	<b>100.00</b>	<b>1,294.22</b>	<b>100.00</b>	<b>88.98</b>	<b>100.00</b>

**Note:** <sup>1/</sup> Revenues from Sale of Goods and Rendering of Services include revenue from sales of real estate and related income from the sale of real estate such as income from furniture and condominiums. Revenue from utilities.

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

## 2. Product and Service

Rhom Bho Property Public Company Limited (“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 31<sup>st</sup>, 2020 is as follows.

**The sales status, the transfer of ownership, and the construction of the Company's projects as of December 31<sup>st</sup>, 2020**

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 <sup>1/</sup> (2)		Accumulated transfer of ownership <sup>2/</sup> (3)		Remaining for Sale (1) - (2)		Percentage of construction progress	Percentage of revenue recognition (3)/(1)
						number (unit)	value (Million baht)	number (unit)	value (Million baht)	number (unit)	value (Million baht)	number (unit)	value (Million baht)		
1.The Title Rawai Phase 1	Rawai Beach, Phuket	condominium 4 floors	Sep 2011	Dec 2013	4-2-66.8	160	494	155	465	155	465	5	29	100	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	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	239	1,109	1	9	100	99.19
4.The Title Rawai Phase 5	Rawai Beach, Phuket	condominium 5 floors	Nov 2019	Dec 2021	5-1-0	228	1,083	78	324	0	0	150	759	85	0.00
5.The Title Naiyang phase 1	Naiyang Beach, Phuket	condominium 7 floors	Apr 2016	Oct 2018	4-2-55.1	252	654	233	574	222	543	19	80	100	83.03
6.The Title Naiyang Phase 2	Naiyang Beach, Phuket	condominium 5,7 floors	Oct 2017	Oct 2018	4-3-8	220	800	218	790	215	778	2	10	100	97.25

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

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

Our project which was launched on December 31<sup>st</sup>, 2020 is summarized as follows:

## 1. The Title Rawai Phase 1

	<b>Landscape</b>	
	<b>Location</b>	Rawai Beach, Phuket
	<b>Status</b>	Ready to move in
	<b>Project area</b>	4-2-66.8 (rai-ngan-wa)
	<b>Project design</b>	Condominium 4 floors 4 buildings
	<b>Unit</b>	160 Units
	<b>Unit type</b>	Studio (27 sq. m.) 16 Units 1 Bedroom (34 - 45 sq. m.) 112 Units 2 Bedrooms (63 sq. m.) 32 Units
	<b>Project value</b>	494 Million baht
	<b>Average selling</b>	66,000 Baht/sq. m.
	<b>price/sq. m.</b>	
	<b>Target group</b>	<ul style="list-style-type: none"> <li>■ Thai clients (Phuket Locals)</li> <li>■ Thai clients (Real estate investors)</li> <li>■ Foreign clients (Tourists / Real estate investor / Retirees)</li> <li>■ Businessman</li> </ul>
	<b>Project</b>	<ul style="list-style-type: none"> <li>■ Our company's first project on the island of Phuket was built with the concept based on living in tranquility</li> </ul>
	<b>Highlight</b>	<ul style="list-style-type: none"> <li>■ The project's facilities include a 25-meter swimming pool, Finnish sauna, tropical garden, outdoor recreational areas and 24-hour security system.</li> <li>■ 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.</li> <li>■ It is located at the South of the Phuket Island, in the most beautiful area of Rawai, close to the popular Naiham Beach, Promthep Cape.</li> <li>■ We use high quality materials to create a beautiful project with outstanding living and longevity to keep you safe and worry-free.</li> <li>■ 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.</li> </ul>



## 2. The Title Rawai Phase 2



### Landscape



<b>Location</b>	Rawai Beach, Phuket
<b>Status</b>	Project Finished
<b>Project area</b>	4-2-91.8 (rai-ngan-wa)
<b>Project design</b>	Condominium 4 floors 3 buildings
<b>Unit</b>	120 Units
<b>Unit type</b>	Studio (27 sq. m.) 12 Units 1 Bedroom (34 – 45 sq. m.) 84 Units 2 Bedrooms (63 sq. m.) 24 Units
<b>Project value</b>	452 Million baht
<b>Average selling price/sq. m.</b>	80,000 Baht/sq. m.
<b>Target group</b>	<ul style="list-style-type: none"> <li>■ Thai clients (Phuket Locals)</li> <li>■ Thai clients (Real estate investors)</li> <li>■ Foreign clients ( Tourists / Real estate investor / Retirees</li> <li>■ Businessman</li> </ul>
<b>Project Highlight</b>	<ul style="list-style-type: none"> <li>■ The second project in the south of Phuket was created with the strong determination to improve from The Title Rawai Phase 1</li> <li>■ The Title Phase 2 is located alongside with The Title Phase 1 on the beautiful beachfront of Rawai beach.</li> <li>■ It features 3 of 4-storey buildings with 120 units in total. There are 3 room types: studio, 1 bedroom and 2 bedrooms.</li> <li>■ Complete your holiday and totally refresh yourself at our lotus ponds, waterfall, barbecue zones and pool.</li> <li>■ Suitable and reasonable price for the quality of materials that we intend to choose for our residents.</li> <li>■ The quality of the material meets the standards. We pay attention to every detail of the construction.</li> </ul>

### 3. The Title Rawai Phase 3



#### Landscape



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

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



##### Landscape



<b>Location</b>	Naiyang Beach, Phuket
<b>Status</b>	Ready to move in
<b>Project area</b>	4-2-55.10 (rai-ngan-wa)
<b>Project design</b>	Condominium 7 floors 3 buildings (E, F, G)
<b>Unit</b>	252 Units
<b>Unit type</b>	1 Bedroom (34 - 46 sq. m) 252 units
<b>Project value</b>	599 Million baht
<b>Average selling price/sq. m.</b>	61,280.84 Baht/sq. m.
<b>Target group</b>	<ul style="list-style-type: none"> <li>Thai clients (Phuket Locals)</li> <li>Thai clients (Real estate investors)</li> <li>Foreign clients (Tourists / Real estate investor / Retirees)</li> <li>Businessman</li> </ul>
<b>Project Highlight</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>The price is considered to be the most reasonable and affordable for its location and design in the middle of beautiful nature.</li> <li>This project is on the prime location, situated just minutes away from Phuket International Airport and only 250 meters from the beautiful Naiyang Beach.</li> <li>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.</li> </ul>



## 5. The Title Residences Naiyang Phuket Phase 2



### Landscape



<b>Location</b>	Naiyang Beach, Phuket
<b>Status</b>	Ready to move in
<b>Project area</b>	4-3-8 (rai-ngan-wa)
<b>Project design</b>	Condominium 2,6,7 floors 4 buildings (A, B, C, D)
<b>Unit</b>	220 units
<b>Unit type</b>	<ul style="list-style-type: none"> <li>1 Bedroom (34 – 46 sq. m.) 206 units</li> <li>2 Bedrooms (52-61 sq. m.) 14 units</li> </ul>
<b>Project value</b>	798 Million baht
<b>Average selling price/sq. m.</b>	90,525.21 Baht/sq. m.
<b>Target group</b>	<ul style="list-style-type: none"> <li>Thai clients (Phuket Locals)</li> <li>Thai clients (Real estate investors)</li> <li>Foreign clients (Tourists / Real estate investor / Retirees)</li> <li>Businessman</li> </ul>
<b>Project Highlight</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>The price is considered to be the most reasonable and affordable for its location and design in the middle of beautiful nature.</li> <li>This project is on the prime location, situated just minutes away from Phuket International Airport and only 250 meters from the beautiful Naiyang Beach.</li> <li>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.</li> </ul>



## 6. The Title V (RAWAI-PHUKET)



**BW Premier**  
COLLECTION  
by BEST WESTERN

### Landscape



<b>Location</b>	Rawai Beach, Phuket
<b>Status</b>	<ul style="list-style-type: none"> <li>Under construction in Year 2019 It is expected to complete construction within a Q2 years 2021.</li> <li>Grand opening on November 2018</li> </ul>
<b>Project area</b>	5-1-0 (rai-ngan-wa)
<b>Project design</b>	Condominium 5 floors 4 buildings (U, V, X, Y)
<b>Unit</b>	228 Units Investment Area: 124 units Residential Area: 104 units By Best Western Inc.
<b>Unit type</b>	<ul style="list-style-type: none"> <li>1 Bedroom (35 sq.m.) 129 units</li> <li>1 Bedroom (41 sq. m.) 84 units</li> <li>2 Bedrooms (69-78 sq. m.) 15 units</li> </ul>
<b>Project value</b>	1,011 Billion baht
<b>Average selling price/sq. m.</b>	111,344.45 Baht/sq. m.
<b>Target group</b>	<ul style="list-style-type: none"> <li>Thai clients (Phuket Locals)</li> <li>Thai clients (Real estate investors)</li> <li>Foreign clients ( Tourists / Real estate investor / Retirees</li> <li>Businessman</li> </ul>
<b>Project Highlight</b>	<ul style="list-style-type: none"> <li>The highlight is the project will be divided into 2 zones Investment Zone and Residential Zone.</li> <li>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</li> <li>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</li> <li>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.</li> <li>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.</li> </ul>

## 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 31<sup>st</sup>, 2020 may be summarized as follows:

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

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

### 3. Privileges received -none-

## **4. Marketing and Competition**

### **4.1 Product strategies**

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

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

### **4.2 Pricing strategies**

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

### **4.3 Marketing and sales promotion strategies**

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

1. Advertisement through mass media, such as through various printed media in a broad circle for communications. The company will emphasize use of this media within the provinces in which the projects have been situated, so that market communications will be in line with target groups.



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

#### **4.4 Distribution and distribution channel strategies**

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

#### 4.5 Target groups

The 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.

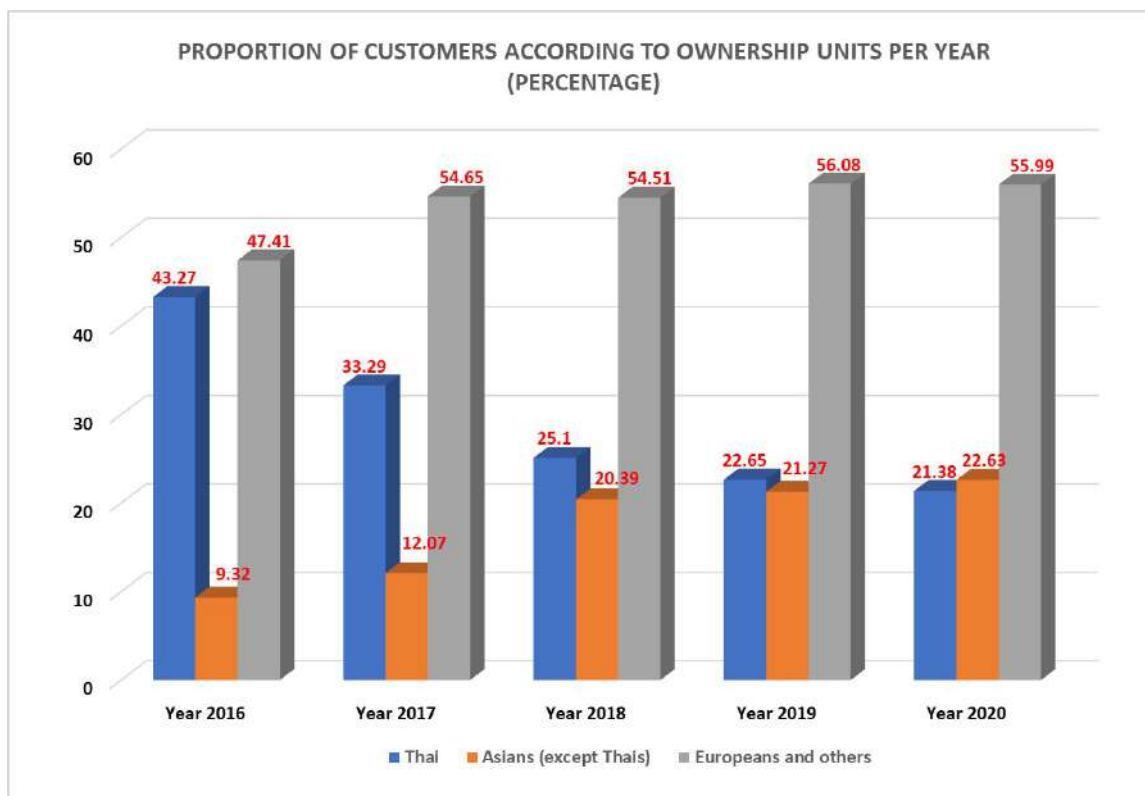
In the years 2015-2019 the Company had foreign customers holding the rights of ownership to apartments both in the Freehold category (buyers can be owners or hold rights of ownership as real estate owners) and in the Leasehold category (real estate leasing within a determined period of time, with purchasers receiving rights of residence in but not ownership over the real estate).

**Table of customer proportions according to ownership units in years 2016 – 2020**

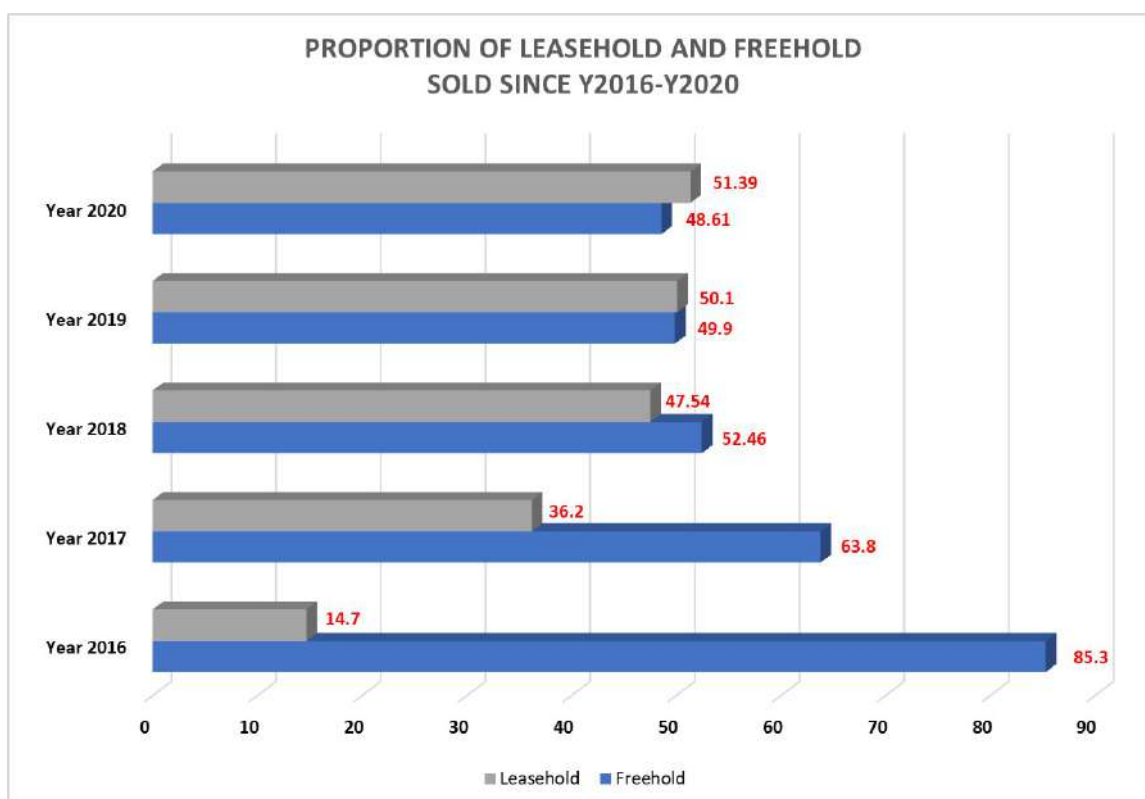
Target Group	Proportion of customers according to ownership units per year (percentage)*				
	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
Thai	43.27	33.29	25.10	22.65	21.38
Asians (except Thais)	9.32	12.07	20.39	21.27	22.63
Europeans and others	47.41	54.65	54.51	56.08	55.99
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Sale Category	Proportion of customers according to ownership units per year (percentage)*				
	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
Freehold	85.30	63.80	52.46	49.90	48.61
Leasehold	14.70	36.20	47.54	50.10	51.39
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* 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)\***

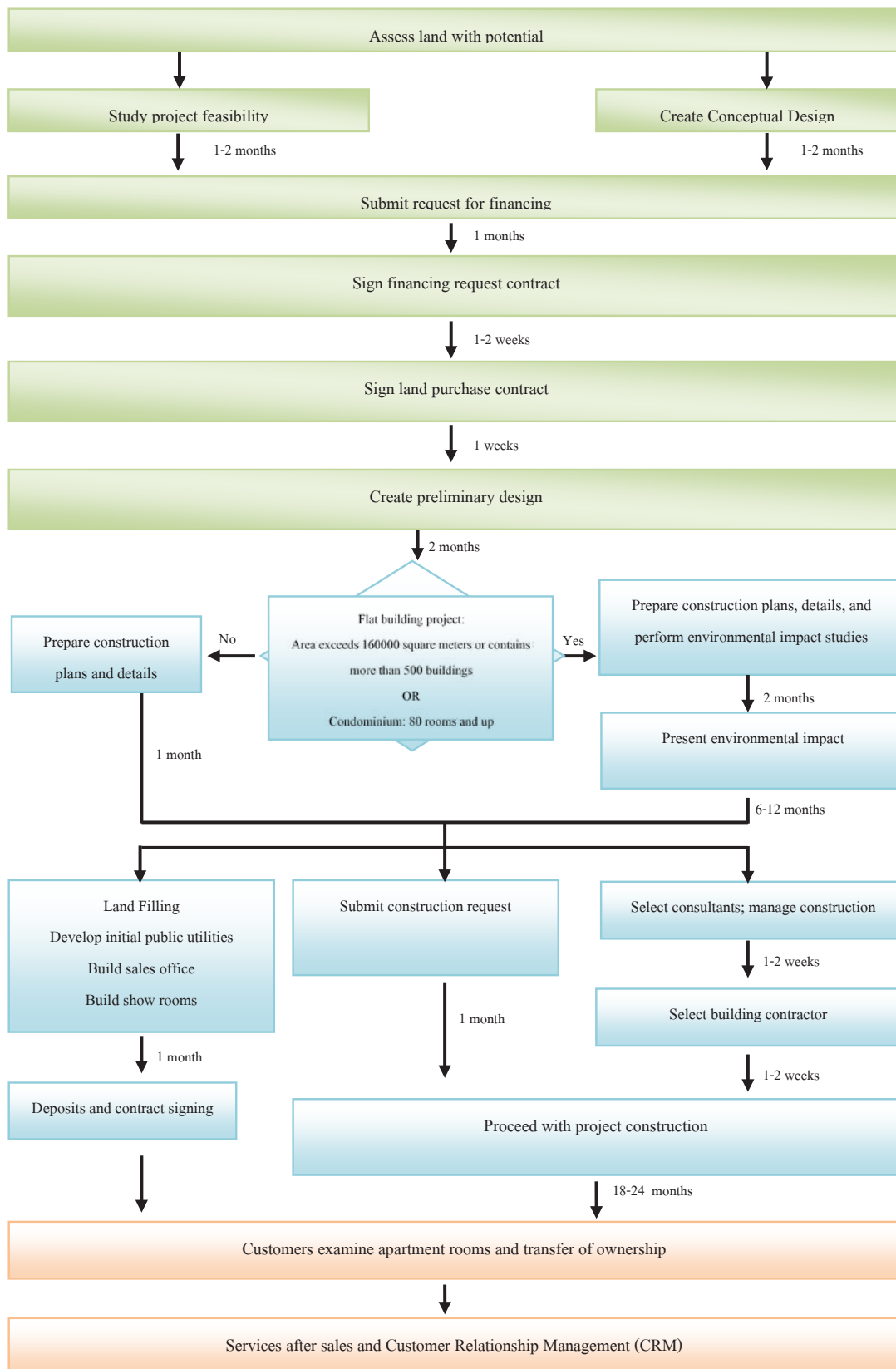


**Proportion of customers according to ownership units per year (percentage)**



## 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 31<sup>st</sup>, 2020 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 92 units, valued at 366 million baht. Details for these units are in the following table:

Project	Project value (million baht)	Amount (units)	Construction Progress (%)	Number of units sold but not transferred		Estimated time until ownership transfer
				Amount (Units)	Value (million baht)	
The Title Rawai Phase 1	494	160	100%	-	-	-
The Title Rawai Phase 2	452	120	100%	-	-	-
The Title Rawai Phase 3	1,118	240	100%	-	-	With ownership transfer
The Title Rawai Phase 5	1,083	228	85%	78	324	The project is expected to be completed and ready to be transferred during the 3 <sup>rd</sup> quarter of 2021.
The Title Naiyang Phase 1	654	252	100%	11	31	With ownership transfer
The Title Naiyang Phase 2	800	220	100%	3	11	With ownership transfer
<b>Total</b>	<b>4,601</b>	<b>1,220</b>	<b>-</b>	<b>92</b>	<b>366</b>	<b>-</b>

## 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](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.



# Industry Situation and Competition

## Tourism Industry Situation in Thailand

For the tourism industry in Thailand in 2020, many negative factors that occurred in Thailand and elsewhere resulted in a lack of clear recovery signs. On the other hand, many had predicted that 2020 would be similar to 2019. In other words, a continued decline would be observed.

In 2020, TAT set a target for Thailand tourism to show a similar trend to the year 2019. A total of 40.8 million international tourists generating 2.02 trillion baht in revenue were expected. If the situation improved and the negative factors were reduced, then the number might have been as high as 42 million international tourists. For domestic tourism, it was estimated that Thai tourists would travel domestically 172 million person-times generating a total of 1.16 trillion baht in domestic revenue which would result in a total revenue of 3.18 trillion baht. However, the tourism atmosphere was different from the previous year. Besides economic situations that adversely affect tourism, there were other risk factors such as COVID-19 pandemic and political unrest, etc.

## Marketing strategy for TAT in 2020

### International markets – focusing on the high-quality group ‘5 Go’

Emphasis on the high-quality segment in continuation of the same strategy in the past five years:

- Go High – focuses on tourists who are more interested in quality than price.
- Go New Customer – focuses on new customers who are first time visitors to Thailand or a particular area of Thailand.
- Go Local – focuses on local tourist destinations to promote tourism in communities of first-tier and second-tier cities.
- Go Low Season – focuses on marketing during the low season in alignment with Thailand’s foundation as an agricultural society. Showcases the land, rain, and water as well as the way of life in alignment with the main tourism product, gastronomy.
- Go Digital – utilizes information technology as the main tool to reach customers with breadth and depth.

### Domestic Tourism – Market Segmentation

The domestic market can be segmented into many different categories and groups using different criteria such as

- Gen X: 38 – 53 years old
- Gen Y: 18 – 37 years old
- Family and millennial family
- Silver age – senior tourists

- Female tourists
- First Jobber – young professionals
- Multi-Gen – multi-generation group
- Corporate – companies and organizations

The goal is to set a target audience for each region as well as a shared target to expand into new markets and to reduce the risk of depending solely on Bangkok.

In 2020, the marketing message in the international market was, “Amazing Thailand,” using the main principle, “Open to the New Shades.” The program aims to present an unforgettable experience for tourists from real-life experiences that exceed expectations. Commercial ads were also produced according to each target audience for the domestic market, “Amazing



ไทยเท่” (Translation = “Thailand is amazingly stylish.”) The main theme of this campaign is that Thailand is beautiful everywhere and wonderful in every style for every age group. The campaign aims to stimulate domestic tourists into having fun and happiness, and taking pride in designing their own adventures as well as sharing those experiences in order to inspire others to design their own stylish travel experiences too.

At the same time, the TAT created 60 routes to happiness @Thailand the Series to promote travel in Thailand for the entire year. It is inspired by the three seasons of Thailand and utilizes creative modes of regional transportation and regional vehicles as a tool to drive travel in these 60 routes to happiness across the country. This campaign is aimed at promoting tourism in first- and second-tier cities and in related communities.

### **Risk Factors in the Travel Industry**

The travel industry in 2020 faces the following risk factors:

1. Negative impact from the COVID-19 epidemic which has intensified and turned into a pandemic.
2. COVID-19 pandemic has caused many countries to shut their borders and has significantly reduced international travel, which directly impacts tourism and airline services.
3. Even though the COVID-19 situation in Thailand is at a controllable level with no major outbreaks, international tourists should be allowed into the country only with extreme caution.
4. Domestic travel is affected by the domestic economy which also depends on the global economy, which is currently in recession.

### Direction of the International Tourist Market

Thailand tourism in 2020 was impacted by the COVID-19 pandemic and caused a great shift.

Thailand originally marketed to international tourists who contribute 70% of the revenue, while only 30% is from domestic tourists.

Currently, self-dependency is a strategy adopted by all countries including Thailand. At least for domestic travel, spending is maintained within the country in alignment with domestic consumption and a significant reduction in exports. After the crisis started, TAT adjusted the annual target to 65% international tourists and 35% domestic tourists in 2020 and is now expecting 60% international tourists and 40% domestic tourists in 2021 for the first time.



(Source: Thai Business Association)

**Kasikorn Research Center** concludes that the government might consider additional measures to stimulate international tourists such as establishing an international hub to distribute timely and accurate information about travel restrictions to Thailand. There are currently many conflicting sources of information about travel restrictions to Thailand and about the pandemic situation online which confuses international travelers. Countries in Europe and America were able to control the number of active cases without any new outbreaks. Vaccines are slowly being rolled out in countries such as the United States and many countries in Europe and Japan. The results of the vaccinations are satisfactory. Thailand, on the other hand, has not had any major outbreak of COVID-19. In the last half of 2021, Thailand is expected to be able to vaccinate a large portion of the population which will increase the confidence level of the Thai people. At the same time, the political unrest, if brought under control, will be an important measure in easing the travel restrictions for international tourists. The government sector has already tried to ease some restrictions as the situation continues to improve. The Special Tourist Visa (STV) will probably bring in around 7.0 million tourists who will spend around 480 billion baht. The first group of tourists to return to Thailand is expected to be tourists from Europe, since European countries have eased their international travel restrictions the most. Countries in the East Asian regions such as Japan and South Korea will also be expected to arrive soon. However, for Chinese tourists, it will still depend on China's international travel policy.

## คาดการณ์จำนวนนักท่องเที่ยว ปี 2563-2564



(Source: Tourism Authority of Thailand (TAT))

### Tourism Industry situation in Phuket

This map shows the location of Phuket province and islands within the Phuket province.

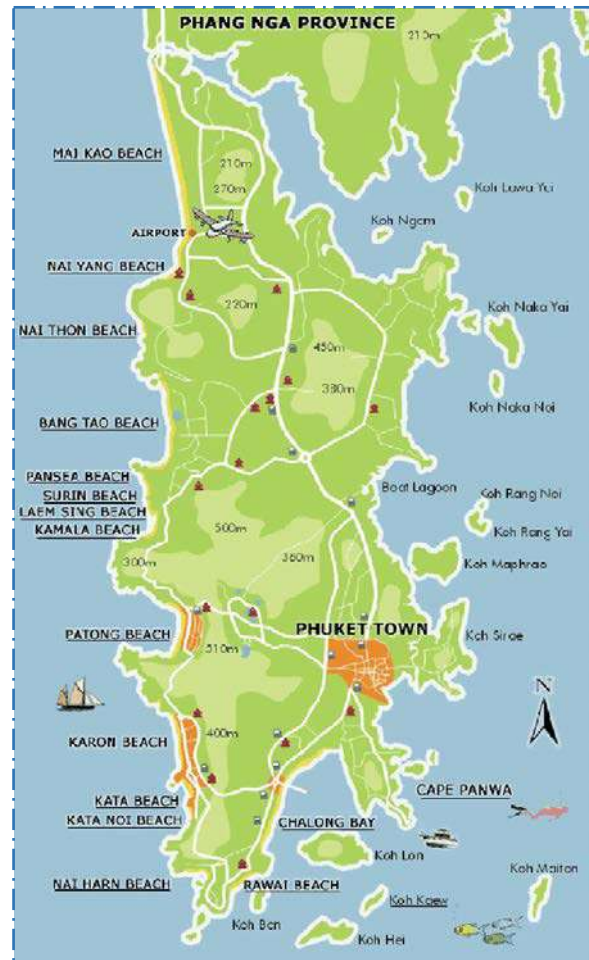
- To the north is Phang Nga province.
- To the east is the Andaman Sea which has a deep seaport.
- To the south is the City of Phuket and the Andaman Sea.
- To the west is the Kathu district and the Andaman Sea.

Most of the island is surrounded by beaches and several satellite islands giving the entire Phuket province the potential to become an all-round tourist destination.

The province of Phuket consists of three districts: The city of Phuket, Thalang district, and Kathu district. The main road is the Thepkrasatree Road. Water transportation is quite convenient from nearby provinces such as Phang Nga and Krabi. For large ships, there is a deep seaport at Tambon Ao Makham east of the island. Air travel is also possible due to the Phuket International Airport which serves both domestic and international flights from top airlines. Currently, the airport is under expansion to handle more international flights.



The Phuket economy in 2020 was expected to shrink by -47.6% or within a range of -47.9% to -47.3% for the year. The decline was higher than predicted in March 2020 that the economic decline would only be -17.8% due to the coronavirus pandemic which intensified and the strict measures to control its spread. As for the supply side, the economy was expected to shrink by -44.7% (a predicted range of -45.0% to -44.4%). Of this, the services sector was expected to decline by -45.2% (within a predicted range of -45.5% to -44.9%) for the year. One of the contributing factors was the pandemic (COVID-19) which significantly reduced the numbers of both international and domestic tourists. Because many countries placed restrictions on travel for their citizens, the tourism business was greatly impacted. The first quarter saw a reduction in Chinese tourists as the Chinese government prohibited international travel. As the situation worsened, the Thai government cancelled free visas for three countries: South Korea, Hong Kong



and Italy. It also cancelled Visa on Arrival for 18 countries from March 13, 2020 to September 30, 2020 to minimize the spread of the virus. The government also started implementing emergency management measures in all regions across the country to control the spread of the virus on March 26, 2020. Phuket also controlled the spread of the virus locally by restricting access by land, sea, and air and by restricting high-risk areas using measures such as closing hotels and public areas, e.g., public parks, boxing arenas, and public pools. Many airlines also cancelled their flights between April 10, 2020 and June 12, 2020. At the end of the second quarter when the situation had improved, there were no new cases of COVID-19 infection for several continuous days, so the local government started easing these measures. Tourist destinations and travel services reopened. Airlines resumed regular domestic flights on June 13, 2020. Strict social distancing and careful monitoring of the virus were still in place. On the supply side, the pandemic had reduced consumer confidence. Consumers were more careful with their spending. There was a reduction in the number of both Thai and international tourists causing travel and related spending to decrease.

As for the economic stability in the Province of Phuket in the year 2020, the average inflation for the year was expected to be around -0.4%, a decrease from the estimate in March 2020. The factors affecting inflation in Phuket were the pandemic, the global economic recession, the drought— which had a prolonged

effect on agriculture—a reduction in tourism, the exchange rate, and energy cost fluctuations, especially the prices of retail gasoline and LPG that were affected by fluctuations in the global oil price.

(Source: <http://phuket.nso.go.th/>)

#### **Factors affecting Phuket province economy in 2020**

1. Coronavirus 2019 (COVID-19) pandemic impacted economies around the world, the return of the virus in the second wave, measures to lock down the city and country, and the temporary travel restrictions of international tourists.
2. The global economic decline coupled with a strong Thai Baht.
3. Effects of the trade war between China and the United States.
4. Political unrest in the country which impacted the confidence of investors and consumers.
5. Natural disasters including drought, and smog from neighboring countries.
6. Continued increase in the global oil price.
7. Safety issues regarding the property and lives of tourists, e.g., boat accidents, terrorism, and epidemics.
8. Household debt that remained high affecting the purchasing power of each household.

The number of tourists (including tourists entering Phuket through the airport and immigration checkpoints) was estimated to be 9.7 million in 2020 with a predicted range of 9.6 – 9.8 million. The decline was greater than estimated in March 2020 due to the spread of COVID-19 in China. When the situation got worse, there were travel restrictions on Chinese tourists introduced in 2020 which caused Chinese tourists to cancel all their travel plans. At the same time, there was a rapid spread of the virus in many



(Source: <http://www.industrybiznews.com/>)

parts of the world. This reduced the confidence of tourists who eventually postponed or cancelled their travel plans.

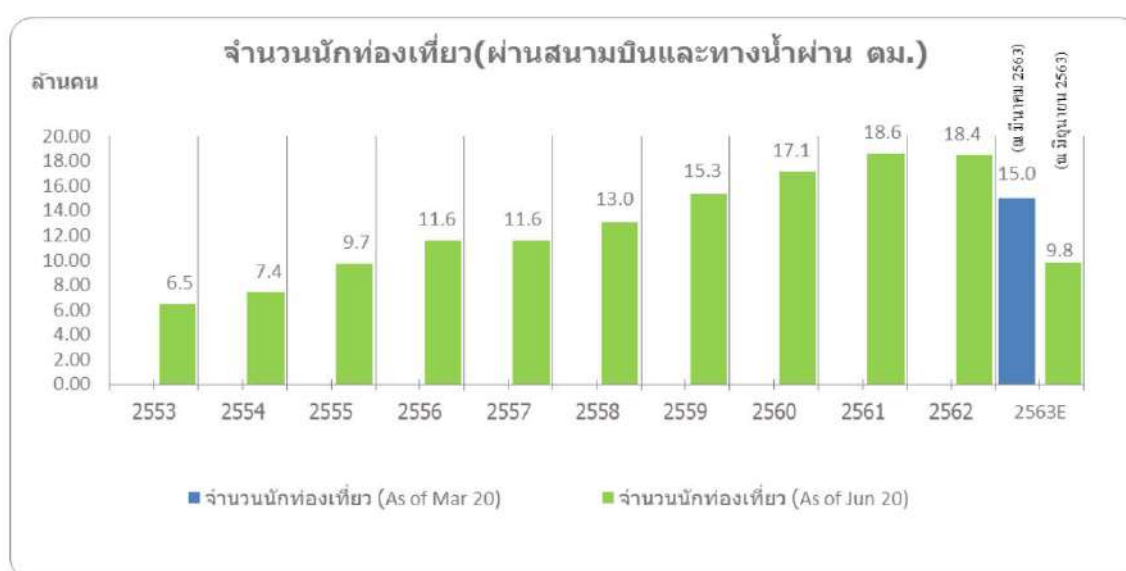
At the end of the first quarter, the situation in Thailand also worsened. Local authorities started using more stringent measures to control the pandemic by restricting travel and using the emergency decree to minimize the spread of the virus. These measures heavily impacted the tourism supply chain due to the reduction in both domestic and international tourists. In the second quarter, after the virus situation became more manageable, there were no new cases for several consecutive days. The public, and both the government and

private sectors took this as a good sign. The authorities started to ease many restrictions. During this time, domestic tourism became a major target.

In this year, the government brought in many measures to support those who were impacted by the pandemic—both the general population and businesses. There were marketing campaigns aimed at stimulating domestic tourism and also the “We Travel Together” project to partially subsidize travel expenditures. These campaigns increased cash flow for hotel businesses and tourism-related businesses which also helped the employment rate and the economy in general. The project lasted four months from July 1, 2020 to October 31, 2020, which brought back the appetite and the desire to travel domestically. These efforts are expected to help the economy recover after the pandemic.

(Source: <http://www.industrybiznews.com/>)

#### Estimated growth of the number of tourists



ที่มา: ทำอากาศยานภูเก็ต, ด้านตรวจคนเข้าเมืองจังหวัดภูเก็ต

Phuket Province is ranked in the Top 100 most important travel destinations for international and Thai tourists according to Euromonitor International (Market Research). Previously, Phuket Province saw an increase in the number of tourists at the rate of 8 – 10% per year. Most of Phuket’s tourists are from China and Europe as a result of the airport expansion and addition of a new terminal to handle 13 million visitors per year. There was an



increase in the number of both scheduled and chartered flights directly to Phuket without having to pass through Suvarnabhumi International Airport. In the real estate development industry, in the past three to four years, there fewer new real estate development projects have been started in Phuket. This has caused a demand from buyers wishing to take residence or invest in mid- to high-price residential units. This group of buyers consists of Thais and foreigners from Europe, and also from Asian countries such as China, Singapore, and Hong Kong who have worked in this area for a while and were familiar with the Phuket province. There are also Russian, Australian, New Zealand, and Canadian tourists who are a new group of buyers looking for a second home, a vacation home or a retirement residence. Phuket airport has expanded to handle more passengers which has mad Phuket a major tourism hub with many more tourists from around the world.

In the future, Phuket will be a center of tourism economy. The following is a summary of the six digital infrastructure development projects according to the Smart City criteria, i.e., basic infrastructure, transportation, networks, rail, road, and air transportation. The government has dedicated a large budget to support sustainable economic growth for the city. Phuket province was assigned five important policies; two of these policies are aimed at making Phuket a model city: The MICE (meeting, incentive travel, conventions, and exhibitions) policy and the Smart City policy. It is expected that Phuket will further boost the economy by increasing provincial products no less than five times in the next 20 years and will be able to handle twice as many tourists. Furthermore, the Digital Economy Promotion Agency (DEPA) has invested in the basic infrastructure to support smart mobility, smart safety, and smart economy. Information collection points using CCTV cameras have been installed in important tourist locations such as tourist destinations, airports, customs, seaports, and economic centers.

*(Source: The Phuket Provincial Office of the Comptroller General, Economic Estimate Report for Phuket Province, and Area-Based Collaborative Research for Development (ABC Research))*

### **Overview of the Real Estate Market for Foreigners in Thailand**

Foreign investors' increased interest in the real estate business was another turning point moment for Phuket real estate. There are two types of foreign investors: businesses which have entered the market in the form of joint ventures, and consumers, giving rise to the so-called purchasing power of foreign investors. Businesses in the form of joint ventures mainly focus on residential development projects in Bangkok, especially CBD, and other major tourist cities around Thailand. Foreign investors, especially Chinese and Japanese, continue to show interest in the real estate market in Thailand. Foreign purchasing power is still focused on condominiums, housing estates, and vacation villas in Thailand including Bangkok, especially important tourist cities such as Phuket, Pattaya, Chiang Mail, Hua Hin, and Cha-am. However, they will only purchase projects where they believe that profit can be made. In the past, the marketing strategy used by developers used agencies to present their projects to foreign investors before making them available in Thailand. These real estate



agencies are either large local agencies or international agencies. Many projects will carve out the 49% foreign owner quota to agencies to sell to foreign investors using various strategies.

In 2020, the real estate sector was directly challenged by the COVID-19 pandemic as well as the recession. A decrease in transactions caused developers to find ways to increase sales. At the same time, September 3, 2020, the government had invited the real estate businesses to meet and find solutions for recovery after the COVID-19 pandemic. It is interesting to note that, among the many proposals, the government or involved authorities had, one after the other, announced measures to attract foreign buyers as a guiding policy to help the real estate business recover.

#### **Proposed plans to increase foreign buyers**

- A proposal to allow foreigners to sign a long-term lease for 50 – 99 years which is an increase from the current Thai commercial laws that allow leases for only up to 30 years. Foreigners wishing to open an office in Thailand can rent a space for 60 – 90 years using a single contract so that there is no need to renew.
- A proposal to allow foreigners investing more than 40 million baht in Thailand for at least five years to purchase land no greater than 1 rai (0.395 acres) as residence only. They will be prohibited from using the land for business purposes
- A proposal to allow foreigners who invest more than five million baht in Thailand to request residency.
- Foreigners who purchase a two-million baht membership in the Thailand Elite Card project, they will get a five-year visa.
- Extending long-stay visas for more than one year (proposal to increase to 10 years).
- A proposal to promote the project “Thailand Best Second Home” to compete with Malaysia by emphasizing the positive news that Thailand can prevent and control the spread of the COVID-19 virus well, which will increase demand from foreigners for second residences in Thailand.

(Sources: <https://www.prachachat.net/property>, <https://news.fazwaz.co.th/ข่าวอสังหาริมทรัพย์>)

#### **Condominium Market Conditions in Thailand**

In 2020, the Thai economy was affected by the COVID-19 pandemic. The Office of the National Economic and Social Development Council (NESDC) predicted that the Thai economy in 2020 would shrink by -6.0% and in 2021 there would be a growth in the range of 3.5 – 4.5% from the base after the decline in 2020. In 2021, there is still a risk of a second



COVID-19 wave. At the end of 2020, political unrest and global economic turmoil would still be a risk factor of recovery for many businesses especially for the tourism and hotel businesses. This would also prolong the recovery for employment and residential businesses. The residential project developers have been postponing the opening of new projects around the country since 2019, before the COVID-19 pandemic started, due to a slowdown in sales caused by measures to prevent speculations in real estate (loan-to-value limit) in April 2019. When the economic lockdown started at the beginning of 2020, sales of residential units further receded. The market for condominiums was especially impacted by the international travel restrictions. The sales of condominium units to foreigners essentially disappeared.

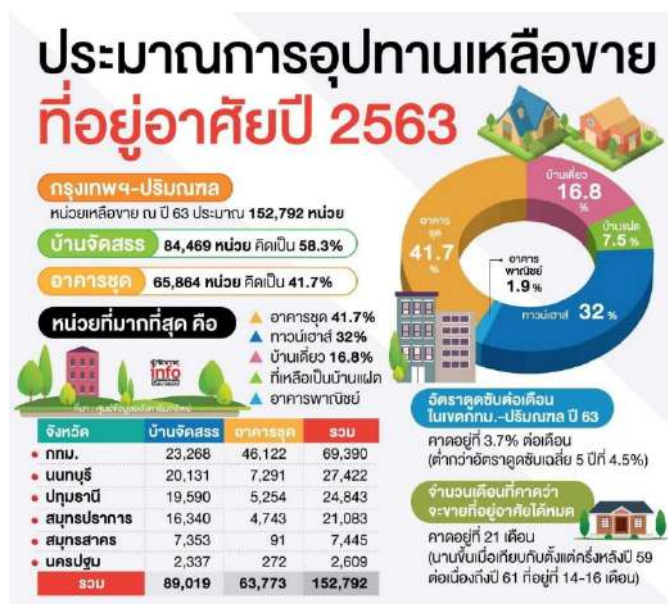
Data from the Real Estate Information Center predicts that the impact and risk mentioned above will cause residential project developers to reduce the number of new projects. It was estimated that, in 2020, there will be a decline in the number of newbuilds (not including second-hand homes) at a rate of 46.6% (from 148,639 units in 2019 to 79,408 units in 2020). Single homes would reduce by 34.7% and new condominium units would reduce by 59.2%. The total value of new projects would reduce by 30.6% (from 608,727 million baht in 2019 to 422,243 million baht in 2020).

(Source: <https://www.reic.or.th/สถานการณ์ตลาดที่อยู่อาศัยครึ่งแรกปี2563-26>

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## Overview of the Real Estate Market in Thailand

The real estate market in 2020 was still in a decline, and the COVID-19 pandemic adversely affected the global economy. Global real estate was one of the businesses that took a significant hit—certainly in Thailand. There was a reduction in purchasing power of more than half. This included Chinese customers who were one of the largest groups of real estate customers in Thailand. This slowdown was expected to last many months which would also impact the domestic real estate market in Thailand. Major buyers such as businesses or business owners as well individual buyers such



(ที่มา : <https://ibusiness.co/detail/9620000100934> )

as office workers were all suffering from lack of liquidity resulting in a reduction of purchasing power domestically. It is obvious that COVID-19 has created a tremendous change in the Thailand real estate industry since the start of the pandemic when the lockdown occurred. Social distancing has created a new normal in which people are no longer willing to go outside. Most businesses have had to adjust to survive. Many have turned to online

marketing to reach customers. Other promotional strategies were also used to stimulate spending. As buyers, we also need to educate ourselves before buying or investing because the real estate business is not only for residential purposes but also for commercial investment.

### **Residential Real Estate**

There were many factors affecting the growth of the condominium market in 2020 including economic slowdown and LTV (loan-to-value) measures from the central bank that impacted the decisions of those who were looking to buy or invest in condominium units, especially those buying a second home and beyond. The strong Thai baht also affected the sales of condominiums to foreigners which saw a continued decline well into 2020. In 2020, the COVID-19 situation also added insult to the injury. The trend was for condominium sales to continue to decline. In the last four years, the average sales of condominiums were 59,000 units/year. (The highest year was 2018 at 69,352 units). However, in the year 2020, it was expected that condominium sales would be 31,403 units which was a reduction of 22,900 units (-42.2%) from 54,303 units in the year 2019. In the year 2020, to boost sales, many new condominium units were selling at a discount of 40 – 50%.

Houses or low-rise residential units, whether they were single homes, town houses, duplex or multi-plex, would certainly be impacted by the COVID-19 pandemic. However, they were the least impacted due to the market being more geared towards residential purposes. This was especially true of the townhouse market within the outer limits of Bangkok and within the reach of the new BTS expansion. Such townhouses were still in demand compared to single homes with an increased price tag of 7–10 million baht. This group of buyers was also not interested in condominium units, which were much smaller and too expensive. The COVID-19 pandemic would have an impact on the townhouse market at all price levels in 2020. It was expected that in 2020, the total sale of townhouses would be 20,026 units which was a decrease of 8,673 units (-30.2%) from 28,699 units in 2019. However, the impact was expected to be short-lived especially for the townhouses in the city at the three-to-four million Baht price range which was the price range suited for the main buyers in the market.

*(Source: By Krungsri Plearn Plearn)*

The Real Estate Information Center revealed that in the first quarter of 2020, foreigners taking ownership of property in Thailand consisted of 76 nationalities and 2,647 units which was a decline of 24%. The total value of the property was 10,549 million baht. A sharp decline was predicted for the second quarter due to the COVID-19 pandemic. There is hope that at the end of the pandemic, foreigners will return to purchase real estate in Thailand once again.

## Top 10 Nationalities Purchasing Property in Thailand in the First Quarter of 2020



1. China 1,446 units (54.6%)
2. Russia 247 units (9.3%)
3. United Kingdom 111 units (4.2%)
4. France 90 units (3.4%)
5. Germany 69 units (2.6%)
6. Japan 65 units (2.5%)
7. United States 60 units (2.3%)
8. Singapore 42 units (1.6%)
9. Taiwan 40 units (1.5%)
10. Australia 40 units (1.5%)

The decline in the total property purchase by foreigners in Thailand was a direct result of the COVID-19 pandemic and the global economic recession. The main customers of Thai property were Chinese which consisted of 54.6% of all customers. China had been at the center of the COVID-19 pandemic since January 2020 which caused a decline in the number of properties purchased by Chinese customers. The total number of properties purchased in the second quarter was expected to sharply decline.

(Source: <https://www.reic.or.th/News/RealEstate/442067>, ผู้จัดการรายวัน 360 องศา)

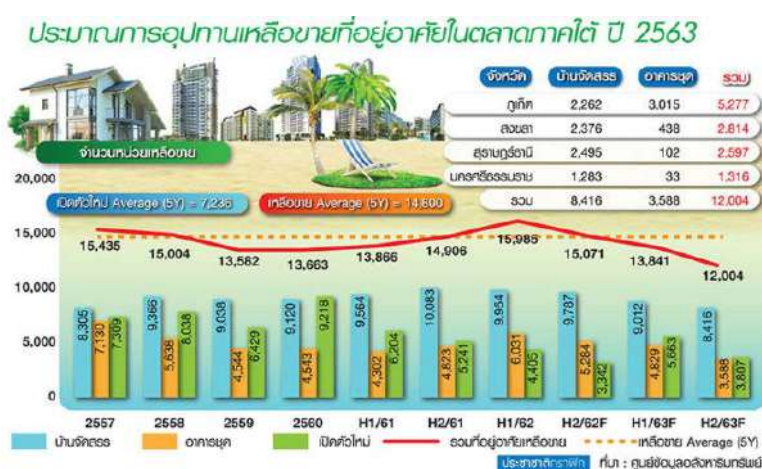
## Condominium Market in Phuket Province

The real estate association of Phuket province revealed that the real estate market in Phuket province has been heavily affected by the COVID-19 pandemic. The Phuket economy depends on tourism whose decline



also impacted the real estate market. A section of the low-rise market, however, remains stable as represented by two groups: townhouses under three million baht and single homes in the eight-to-10 million baht range. The single homes are in the form of pool villas which are desired by foreign markets due to confidence in the Thai government's handling of the COVID-19 pandemic. As for the condominium market, after domestic buyers disappeared, only foreign interest remains interested such as Chinese, Russian, and European investors. Currently, it is worrisome that foreigners cannot enter the country to complete the purchase. The project owners have to face the maintenance fees and also pay rent as guaranteed with the customers. The rental guarantees form part of the sales promotion which is what attracted the customers. The rental guarantees range from 6% to 10% in the time period specified by the project at a minimum of three years.

The real estate investment market has grown rapidly in the last three years. Going back five years, the condominium market seemed poised for a major expansion. Most of the customers were Thais looking to invest in rental units. In 2017, many developers entered the market and built almost 10,000 new condominium units in one year which



created an oversupply. There were many unsold units which led to rental guaranteed investment offerings, targeted at foreign investors. Because foreigners could get up to 49% ownership in a condominium unit, the rest, 51%, was offered as leasehold resulting in a 100% foreign ownership. Investment in this form was around 2,000 – 3,000 units. There were around 10,000–20,000 condominium units in Phuket before the COVID-19 pandemic. There were low-rise and high-rise residential development projects which had not made further progress due to the large investment required. Construction completely stopped during the COVID-19 pandemic. The land prices in Phuket during the COVID-19 pandemic were quite stable. There was no major reduction in prices in general. The majority of landlords were not in need of cash. Individual landowners, however, reduced their prices. In certain cases, the prices were reduced by 20%, which was a significant reduction for the Phuket market. In the past, no price negotiation was allowed. Nowadays, price negotiation is welcome for beach front properties as well as properties with no beach access or in the city. The president of the Phuket Chamber of Commerce wanted the government to reconsider increasing the leasehold limit from 30 years to 50 years because it would attract more foreign investors and build stability for real estate in the long run.

(Source: <https://ucdnews.com/archives/2175>)

## **Business Competition in Real Estate Development and Overview of the Residential Market in Phuket**

Phuket, pearl of the Andaman, is the largest island in Thailand, surrounded by 32 islands in the Indian sea. Phuket was once a source of mineral such as tin. Today, it is a center of tourism with world-class beaches, beautiful sand, clear water, and unique arts and culture in a small area of 543 square kilometers. When discussing real estate investment, other than Bangkok and its perimeter, Phuket is a tourism destination that is quite attractive. Growth factors of Phuket indicate the potential for the city to be a great tourism destination as well as an investment area. Most areas in Phuket are not far from the sea, so they can attract buyers with purchasing power. The Phuket condominium market is suitable for those looking for a second home or a rental property for tourists. Another target group is the diverse group of people who work in the city. Phuket also houses many international schools which creates a continuous increase in demand for residence. As the demand grows, the limitation of land in allows for condominium projects to become a viable alternative for the population who work or study in Phuket.

The overall picture of the residential market in Phuket in the first half of 2020 is as follows:

Currently, there are 8,984 available residential units which are the highest of all the unsold inventory in the southern provinces of Thailand, where the total number of available residential units is 17,087. The top five areas with unsold residential units are:

1. Bang Toa Beach: Surin Beach 1,886 units
2. Thepkasatree: Sri Sunthorn 1,461 units
3. Naiyang Beach: Mai Khao Beach 1,362 units
4. Koh Kaew: Ratsada 1,042 units
5. Kamala Beach 858 units

Most of the unsold units are in the three-to-five million baht price range. Residential units in the southern provinces were expected to number 17,688 in the last half of 2020 with a total value of 84,285 million Baht. The real estate situation in the southern provinces is considered to be in a worse condition due to its dependency on tourism. Many people have forfeited and foreclosed. Loan requests are being rejected. Those applying for a loan usually submit three to four separate applications before being approved. Previously, most applicants required, at most, two applications to get their loan approved. Real estate businesses, which have been declining since the second quarter, will continue to decline well into the third quarter.

The Real Estate Information Center had predicted that in 2020, there would be 8,966 unsold units consisting of 5,679 high-rise units, 1,510 townhouses, 937 single houses, 786 duplexes, and 54 commercial buildings. There would be 2,700 units from new projects which is lower than the two-year average of 4,800 units per year. It is estimated that in 2020, the absorption rate would only be able to reduce available residential units across all categories by 1.1% to 1.8%. Unsold residential units would continue to increase

especially condominiums. Investment in condominiums must be done with caution. Ownership transfer of residential units which reflects the true demand in 2020 was expected to be 6,553 units (a reduction of – 18.1% from 2019) at a value of 14,401 million baht (a reduction of 40.2% from 2019). On average ownership transfer for the year was valued at 19,157 million baht. This led to an adjustment in sales strategy for most sellers especially those in the business of selling condominiums. The condominium business has seen an obvious slowdown in absorption rate since the start of 2019 and was expected to continue into 2020.

#### Market trends for condominium in Phuket in 2020



(Source: <https://www.bluechipthai.com/> <https://www.reic.or.th/>)

COVID-19 was expected to have a major impact since most of the condominium buyers were foreigners. Ninety percent of condominium buyers in Phuket are foreigners. A large portion of the buyers are from China, Hong Kong, and Singapore. The number of these buyers has significantly reduced because these countries were heavily affected by the pandemic. In the initial phase of the pandemic, it was found that the number of tourists from China, Hong Kong, and Singapore significantly declined. Furthermore, tourists from Europe also reduced their travel to Asia including Thailand. It is expected that we will continue to see the effects of the pandemic for another six months. There will be a negative impact on the supply, demand, and pricing of condominiums which will continue to trend downward.

Source: <https://www.bluechipthai.com/>, <https://www.reic.or.th/>

Direct competitors of the company are small to mid-size business owners who are starting their own development projects and selling in nearby locations, close to the company's projects as follows:

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

Area	Name of Projects	Name of Developers	Units	Prices
Naiyang Beach	Royal Lee The Terminal Phuket	Phuket Sirinath Property Co., LTD.	513	Start 3.6 to 9 Mb.
	Vip Great Hill	VIP Thailand	215	Start 1.7 to 2.6 Mb.
	The Happy Place Condo Airport	Nichols Perfect Properties Co.,LTD.	147	Start 2.5 to 4.5 Mb.
	Beachfront Bliss	Ten Trillion Co., LTD.	96	Start 4.7 to 10 Mb.
Bang Tao Beach	Laya Resort Phuket	Delsk Group	922	Start 3.2 to 6.9 Mb
	Oceana Surin	Ocean Group Asia	886	Start 4.5 to 10 Mb
	Mida Grande Resort Phuket	Allhands Marketing	445	Start 3 to 10 Mb
	Skypark	Laguna Property	416	Start 3.4 to 10 Mb
Kamala Beach	Oceana Kamala	Ocean Group Asia	126	Start 2.9 to 16 Mb
	M Gallery Residences Mont	Kamala Beach Resort and Hotel	236	Start 6.5 to 10 Mb
	Azure Lakeside	Management Co., Ltd.		
	The Marin Phuket	Phuket Smile (Thailand) Co., Ltd.	262	Start 4.9 to 6.9 Mb
	Citygate Kamala Beach – Phuket	Citygate Exclusive Development Co., Ltd	408	Start 4.2 to 10 Mb
Patong Beach	City Life Condo Patong	City Life Condo Patong	273	Start 2 to 5 Mb
Kata Beach	Q Concept Condominium	Q Concept Condominium	44	Start 4 to 59 Mb
	VIP Kata 2 Condominium	Phuket9 Co., Ltd.	209	Start 4.2 to 10 Mb
Rawai Beach	The Proud Condominium Rawai	The Proud	48	Start 3.2 to 7.3 Mb
	Calypso Garden Residences	EVG Development	86	Start 4 to 9.9 Mb
	VIP Mercury	VIP holdings group	553	Start 2 to 10 Mb

(Source: Social Work Bank, website of each company)





## **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 31<sup>st</sup>, 2020**

Project	Sign contract but not transfer of ownership			Expected date of ownership transfer
	Amount (Units)	Value (million baht)	Proportion to total value Approximately (%)	
The Title Rawai Phase 1	–	–	–	–
The Title Rawai Phase 2	–	–	–	–
The Title Rawai Phase 3	–	–	–	–
The Title Rawai Phase 5	78	324	89	The project is expected to be completed and ready to be transferred during the 3 <sup>rd</sup> quarter of 2021.
The Title Naiyang Phase 1	11	31	8	With ownership transfer
The Title Naiyang Phase 2	3	11	3	With ownership transfer
<b>Total</b>	92	366	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 31<sup>st</sup> 2019, the company had developed total of 6 projects. During 2013–2018, more than 90% of company's revenue are from condominium development. this exposes the company to risk if the market condition for condominium in the area or customer behavior enter the point of saturation or deterioration. These fluctuations will impact the company's performance significantly. Furthermore, the policy of company recognizes the revenue from real estate sale only when project is finished and the transfer of risk and ownership to buyer is completed ("Ownership transfer"). However, the company mitigate this risk by developing condotel business to reduce risk from developing only one type of product to generate revenue during some season. The demand for customer in this business also rises significantly. On this point, appointing Best Western Inc. will benefit the company as not only the brand helps to build customer's confidence, it also creates recurring income in the future.

#### Value of sold unit pending for transfer and remaining asset of the project on December 31<sup>st</sup>, 2020

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	-	9	Ready to move in
The Title Rawai Phase 5	324	759	The project is expected to be completed and ready to be transferred during the 3 <sup>th</sup> quarter of 2021.
The Title Naiyang Phase 1	31	80	
The Title Naiyang Phase 2	11	10	Ready to move in
<b>Total</b>	<b>366</b>	<b>887</b>	

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

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



(Source: Trade and Economic Indices Division Office of Trade Policy and Strategy)

The construction material price index in December 2020 was 105.8, compared to December 2019, up 0.8 percent (YoY), improving for the third month after the COVID situation eased and expanded the highest in two years. Which is an increase in almost all product categories Especially the steel and steel products increased 5.4% in line with raw material costs and gradual demand. Improved However, the cement category and concrete products category continued to decline. Due to oversupply of products Due to the sluggish construction sector but there have been signs of improvement from government construction projects.

## 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 suspicions 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 31<sup>st</sup>, 2020, Mr. Dendanai Hutajuta group holds 57.49% 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 9 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.

### **14. Risk from the Spread of the COVID-19**

Tourism was affected by the spread of COVID-19 which had a large negative impact on the economy. Prior to the pandemic, the real estate industry was already impacted by the economic slowdown which caused many business owners to delay their investments. Furthermore, the strong Thai baht had also discouraged foreigners from making a decision, or resulted in them delaying their decision to purchase. This caused the high-rise real estate business owners to adjust their sale strategies specifically for foreign customers. After the COVID-19 pandemic, foreigners will be more interested in purchasing a second home in Thailand because they are confident about safety due to Thailand's rise to the top in terms of a stable healthcare infrastructure. Popular locations are expected to be the usual spots: near the beach and Koh Kaew. We will have a clearer picture in 2021.

## Shareholding Structure and Management

### 1. Registered capital The Company's paid-up capital as of December 31<sup>st</sup>, 2020 is as follows:

Registered capital	:	362,812,790.00 Baht
Paid-up capital	:	362,812,746.50 Baht
Divided into ordinary shares	:	725,625,493 Shares
Par value	:	0.50 Baht

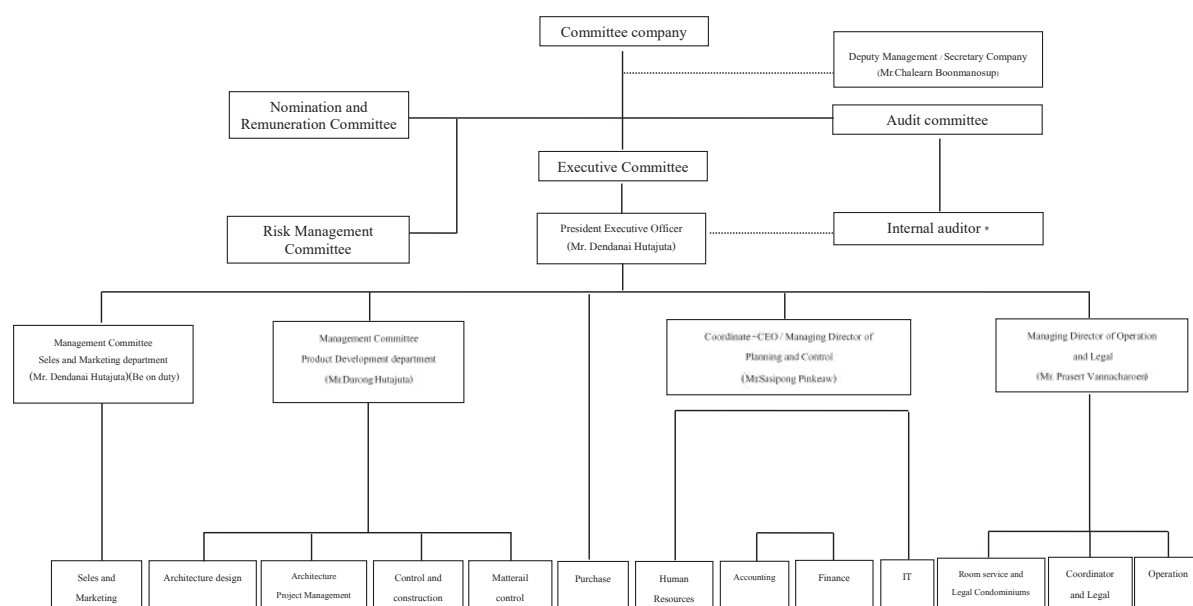
### 2. Shareholders

Name of shareholders of the Company As appeared in the list of shareholders as of December 31<sup>st</sup>, 2020

No.	Name of shareholders	Numbers of stocks (Stocks)	Proportion of stocks shareholders (%)
1	Mr. Dendanaï Hutajuta	417,169,500	57.49
	Mr. Darong Hutajuta	20,771,800	2.86
	Mr. Viroj Hutajuta	9,801,000	1.35
	<b>Grouping of Mr. Dendanaï Hutajuta</b>	<b>447,742,300</b>	<b>61.70</b>
2	Thai NVDR Company Limited	20,368,784	2.81
3	Mr. Sasipong Pinkaew	15,383,000	2.12
4	Mr. Mai Mang Lee	14,520,000	2.00
5	BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED	13,038,242	1.80
6	Mr. Pheng Phian Laokumnun	12,300,000	1.70
7	Mr. Prasert Vannacharoen	10,775,500	1.48
8	Miss. Chanida Thumma-amornsinn	8,597,249	1.19
	Other shareholders	182,900,418	25.20
	<b>Total</b>	<b>725,625,493</b>	<b>100</b>
	<b>Total paid-up capital</b>	<b>362,812,747</b>	
	<b>Thai shareholders</b>	<b>1,179</b>	<b>92.87</b>
	<b>Foreign shareholders</b>	<b>4</b>	<b>2.01</b>



## Organization Chart of December 31<sup>st</sup>, 2020



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

The corporate structure of the Company as at December 31<sup>st</sup>, 2020 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 9 members.

	Name of committees	Position	Priority to promote
1.	Mr. Suvit Lamsam	Chairman of the Board of Director / Chairman of the Audit	October 3 <sup>rd</sup> , 2016
2.	Mr. Viroj Hutajuta	Board of Director	October 3 <sup>rd</sup> , 2016
3.	Mr. Dendanai Hutajuta	Board of Director	October 3 <sup>rd</sup> , 2016
4.	Mr. Sasipong Pinkaew	Board of Director	October 3 <sup>rd</sup> , 2016
5.	Ms. Cheraa Udomvongsup	Board of Director	October 3 <sup>rd</sup> , 2016
6.	Mr. Darong Hutajuta	Board of Director	October 3 <sup>rd</sup> , 2016
7.	Mr. Chaivuth Chittrakhani	Audit Committee Member / Independent Director	October 3 <sup>rd</sup> , 2016
8.	Mrs. Jittima Sajjavanij Intujunyong	Audit Committee Member / Independent Director	October 3 <sup>rd</sup> , 2016
9.	Mr. Prasert Vannachareon	Board of Director	May 13 <sup>rd</sup> , 2020

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 or Mr. Prasert Vannachareon Include two people and seal the company 2. Mr. Viroj Hutajuta, Mr. Sasipong Pinkaew, Mr. Darong Hutajuta, Miss Cheraya Udomvongsup, Mr. Prasert Vannachareon 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 or Mr. Prasert Vannachareon anyone must sign and company seal.

## Details of attendance of Committees name for the year 2019–2020

Name of committees	Meetings number / All meetings after the reception position.	
	Year 2019	Year 2020
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
9. Mr. Prasert Vannachareon	-	3/5

## 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 <sup>th</sup> ,2019
2. Mr. Chaivuth Chittrakhani	Audit Committee Member / Independent Director	November 7 <sup>th</sup> ,2019
3. Mrs. Jittima Sajjavanij Intujunyong	Audit Committee Member / Independent Director	November 7 <sup>th</sup> ,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.

**Detail's attendance of Member of audit committee for the year 2019 – 2020 include.**

Audit Committee name	Meetings number / Total number of meetings	
	Year 2019	Year 2020
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 <sup>th</sup> ,2019
2. Mr. Prasert Vannacharoen	Risk Management Committee Member	November 7 <sup>th</sup> ,2019
3. Mr. Sasipong Pinkaew	Risk Management Committee Member	November 7 <sup>th</sup> ,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 <sup>th</sup> ,2019
2. Mr. Chaivuth Chittrakhani	Nomination and Compensation Committee member	November 7 <sup>th</sup> ,2019
3. Mr. Dendanai Hutajuta	Nomination and Compensation Committee member	November 7 <sup>th</sup> ,2019
4. Mr. Sasipong Pinkaew	Nomination and Compensation Committee member	November 7 <sup>th</sup> ,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 <sup>th</sup> ,2019
2. Mr. Darong Hutajuta	Board of Director	November 7 <sup>th</sup> ,2019
3. Mr. Sasipong Pinkaew	Board of Director	November 7 <sup>th</sup> ,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 15<sup>th</sup>,2008 consist 5 persons include

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

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

#### Company Secretary

At the Board of Directors 'Meeting No. 18 / 2015 held on November 16<sup>th</sup>, 2015 and the Board of Directors' Meeting No. 7/2016 on November 2<sup>nd</sup>, 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 29<sup>th</sup>, 2019 resolved to fix the remuneration of directors in the year 2020 in the form of meeting allowance and annual compensation the total amount is not over 2.5 million baht.

Committee	Allowance		Monthly	
	President	Committee	President	Committee
	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 approves.

**Remuneration for directors for the year 2018–2020 is summarized as follows:**

Committee name	Year 2018				Year 2019				Year 2020			
	Allowance	Monthly	Bonus Committee	Total	Allowance	Monthly	Bonus Committee	Total	Allowance	Monthly	Bonus Committee	Total
1. Mr. Suwit Lamsam <sup>2/</sup>	100,000	180,000	100,000	380,000	100,000	180,000	100,000	380,000	100,000	180,000	-	280,000
2. Mr. Viroj Hutajuta	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000	75,000	144,000	-	291,000
3. Mr. Dendanai Hutajuta <sup>1/</sup>	-	-	185,000	185,000	-	-	350,000	350,000	-	-	-	-
4. Mr. Darong Hutajuta <sup>1/</sup>	-	-	185,000	185,000	-	-	350,000	350,000	-	-	-	-
5. Mr. Sasipong Pinkaew <sup>1/</sup>	-	-	185,000	185,000	-	-	350,000	350,000	-	-	-	-
6. Ms. Cheraya Udomvongsup	-	-	100,000	100,000	-	-	100,000	100,000	-	-	-	-
7. Mr. Chaivuth Chittrakhani <sup>2/</sup>	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000	75,000	144,000	-	219,000
8. Mrs. Jittima Sajjavani Intujunyong <sup>2/</sup>	75,000	144,000	100,000	319,000	75,000	144,000	100,000	319,000	75,000	144,000	-	219,000
<b>Total</b>	<b>325,000</b>	<b>612,000</b>	<b>1,055,000</b>	<b>1,992,000</b>	<b>325,000</b>	<b>612,000</b>	<b>1,550,000</b>	<b>2,487,000</b>	<b>325,000</b>	<b>612,000</b>	<b>-</b>	<b>937,000</b>

## 2. President Compensation

Detail	Year 2018	Year 2019	Year 2020
President Compensation consists 5 persons	29,989,463	27,195,400	23,990,400

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 2020. The details of the audit fees are as follows

Audit Fee	Year 2020 (Baht)
1. Annual audit fee	850,000.00
2. Review of interim financial statements	750,000.00
<b>Total</b>	<b>1,600,000.00</b>

In Year 2020, 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 2020, The company paid for non-audit fee to the auditors such as transportation and other expense etc. Total 114,706.98 Baht

## Personnel

### Total Employees

Total number of employees (Excluding management) as at December 31<sup>st</sup>, 2018 to December 31<sup>st</sup>, 2020, there were 96 persons 106 persons and 100 persons respectively, consisting of the following employees:

Department	December 31 <sup>st</sup> , 2018	December 31 <sup>st</sup> , 2019	December 31 <sup>st</sup> , 2020
Seles and Marketing	15	14	13
Purchase	2	2	2
Architecture design	5	6	5
Architecture Project Management	2	2	2
Control and construction	15	15	14
Material control	1	1	1
Human Resources	4	4	4
Accounting	11	11	11
Finance	2	2	2
IT	4	5	5
Room service	14	19	15
Legal Condominiums	9	12	15
Coordinator and Legal	3	4	3
Operation	8	8	7
Company Secretary	1	4	1
<b>Total</b>	<b>96</b>	<b>106</b>	<b>100</b>

**Employee Remuneration**

The remuneration of employees (excluding executives) in the year 2018 to year 2020 are, 46.67 million baht 66.75 million baht and 50.05 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 1<sup>st</sup> 2016, the employees participating in the provident fund the company will pay a contribution of 2.00% of the employees' salaries and employees pay the fund at the rate of 2.00% of the salary each person.

## **Important Labor disputes**

As at December 31<sup>st</sup>, 2020, 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](mailto:charoen.b@rhombho.co.th).
- 1.3 The Company shall select a suitable place with good transportation to hold a shareholders' meeting at appropriate date and time and allocate adequate time for the meeting.
- 1.4 At a shareholders' meeting, all shareholders shall be given the opportunity to make inquiries, suggestions, and comments. Directors and relevant executives attending the meeting shall give clear responses to the queries from shareholders.



1.5 The Company shall prepare the minutes of shareholders' meeting and submit it to the Stock Exchange of Thailand within fourteen (14) days from the meeting date in accordance with the regulations set by the Stock Exchange of Thailand and disclose the details of the meeting appropriately and completely.

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

### **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](http://www.rhombho.co.th) or email [info@rhombho.co.th](mailto:info@rhombho.co.th)

## **Principle 2: Equitable Treatment of Shareholders**

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

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

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

## **Principle 3: The Role of Stakeholders**

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

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

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

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

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

- All employees shall be treated with dignity, respect, and proper regard of their privacy rights;
- A safe working environment shall always be maintained to protect employee life and property;
- Appointment, transfer, reward, and punishment must be carried out with fairness and based on knowledge, ability, and appropriateness of individual employee;
- Importance shall be placed on enhancing employees' knowledge and skills on a regular basis, including organizing seminars and training;
- The Company shall determine employee compensation fairly based on market rate, business competition, job title, performance, and Company's ability to pay such compensation;
- The Company shall avoid any unfair action that may impact employee performances;
- The Company shall inform all employees of employee welfare policy and prepare an employee handbook containing information such as work rules and regulations, group health insurance, group life insurance, and provident fund;
- The Company shall give employees an opportunity to voice their suggestions or report complaints about work and shall determine remedies that benefit all parties and promote teamwork.

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

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

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

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

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

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

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

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

- Adopt a business operation policy that takes into consideration the environment and strictly comply with environmental laws and regulations;
- Adopt an explicit CSR policy;
- Promote social and environmental consciousness and responsibility among employees;
- Respect local customs and cultures of the areas in which the Company operates;

- Conduct social, community, and environmental activities or participate in such activities organized by the government, private, and community sectors regularly to improve the quality of life in the community where the Company is located;
- Provide support, as appropriate, to activities organized by local communities in the areas in which the Company operates;
- Promptly and efficiently respond to impacts on the environment, community, and property caused by the Company's operations. Fully cooperate with state officials and relevant organizations to find solutions.

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

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

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

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



### **Disciplinary Penalty**

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

#### **Disciplinary Action**

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

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

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

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

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

In 2020, 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=2020> and **newsletters:** [http:// www.rhombho.co.th/th/investor-relations/newsroom/update/set-announcements](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 2<sup>nd</sup>, 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;

#### **1. 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 year 2020, Mr. Prasert Vanchareon has sent a training course for Company Directors. To learn the basic roles, duties and responsibilities of a director to confidently start a director career. Which has been certified by the SET and the SEC on 20 July 2020

#### **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.**

<b>Assessment Topic</b>	<b>Full marks</b>	<b>Average</b>
Structure and qualifications of the Board of directors	<b>36</b>	<b>34.56</b>
Meetings	<b>24</b>	<b>23.04</b>
Roles, duties and responsibilities of the Board	<b>48</b>	<b>46.56</b>
Relationship with management	<b>4</b>	<b>3.88</b>
Self-development of directors and development of executives	<b>4</b>	<b>4</b>

## 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.

### Director Recruitment

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

1. The Board of Directors shall comprise at least five (5) members, not less than one half of whom shall reside in the kingdom. Directors shall possess no qualifications and prohibited characteristics specified by laws.
2. Directors shall be elected at a shareholders' meeting by the majority of votes in accordance with rules and procedures as follows:

SKILL MATRIX OF RHOMBHO PROPERTY PUBLIC COMPANY LIMITED BOARD OF DIRECTORS																			
Director's Name	Diversity		Skill, Experience and Expertise, Education									Board of Director			Specific Committee			Director Pool	
	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	Rick Management Committee	Nomination and Compensation Committee	Thai Institute of Director	Ministry of Finance
Mr. Suvit Lamsam	M	60		✓	✓	✓			✓	✓	✓	✓		✓					
Mr. Viroj Hutajuta	M	83				✓			✓	✓	✓	✓							
Mr. Dendanai Hutajuta	M	61		✓	✓	✓		✓	✓	✓	✓		✓				✓		
Mr. Sasipong Pinkaew	M	58		✓	✓	✓		✓	✓	✓	✓		✓			✓	✓		
Mr. Darong Hutajuta	M	59	✓			✓			✓	✓	✓		✓						
Ms. Cheraya Udomvongsup	F	54		✓		✓			✓	✓	✓	✓							
Mr. Chaivuth Chitrakhani	M	64		✓	✓	✓			✓	✓	✓	✓		✓	✓	✓	✓		
Mrs. Jittima Sajjavanij Intujunyong	F	60				✓	✓		✓	✓	✓	✓		✓	✓		✓		
Mr. Prasert Vannacharoen	M	60			✓	✓	✓		✓	✓	✓	✓							
Total			1	5	5	9	2	2	9	9	9	6	3	3	3	2	4		

- (a) Each shareholder shall have a number of votes equal to the number of shares held.
- (b) Each shareholder may use all his/her votes under (a) to elect one or more candidates to be directors but shall not discriminately divide the votes among the candidates.
- (c) Candidates shall be ranked according to the votes they have received in descending order and directors shall be appointed in that order until the required number of directors is filled. In the event that the number of candidates in the next respective order receiving equal votes exceeds the number of directors to be elected, then the Chairman of the Meeting shall cast the deciding vote.

#### **Independent Director Recruitment**

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

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

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

The business relationship mentioned in Paragraph 1 shall include normal business transactions, leasing or leasing out property, asset or service transactions, or providing or receiving financial support including loaning or borrowing, guaranteeing, pledged assets, and other similar behaviors that cause the Company or contracting

party to bear a debt obligation to pay the other party higher than three (3) percent of the Company's net tangible assets or higher than twenty (20) million baht, whichever is the lowest.

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

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

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

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



the following information in the notice of shareholders' meeting, during which independent directors are appointed:

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

#### **Audit Committee Recruitment**

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

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

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

The Nomination and Remuneration Committee shall be responsible for recruiting suitable persons for the role of Chief Executive Officer or President and high-ranking executives reporting directly to the Chief Executive Officer or President from among candidates possessing full and appropriate qualifications, knowledge, skills, and experience beneficial to the operations of the Company, and good understanding of the business of the

Company, able to manage to achieve the objectives and targets set by the Board of Directors. The appointment of high-ranking executives shall be approved by the Board of Directors and the Nomination and Corporate Governance Committees may hire an independent consultant to help with the recruitment.

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

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

1. Be a natural person of legal age.
2. Not a bankrupt, incompetent person, or quasi-incompetent person.
3. Never have been sentenced to imprisonment by a final judgment for the commission of an offence against property.
4. Never have been fired or dismissed from a government service, organization, or government agency due to malfeasance.
5. Not currently being accused by the Office of SEC or not currently being prosecuted due to such accusation or have been sentenced to imprisonment by a final judgment, regardless of whether a suspended sentence is granted, and have completed the term of imprisonment or the sentence suspension period has been over for less than three (3) years, for the offences under the securities and exchange law or derivatives law as follows:
  - Unfair acts relating to trading of securities or derivatives;
  - Fraudulent acts against or damages to assets, creditors, or the public;
  - Perform duties with carelessness or dishonesty;
  - Intentionally falsify material messages or conceal material facts, which should be disclosed;
  - Operate securities or derivatives business without permission and that is considered fraudulent.
6. Not currently being accused by financial institution regulatory authorities, whether nationally or internationally, or not currently being prosecuted due to such accusation or not currently being banned from holding a position of director or executive of a financial institution by such authorities. Never have been sentenced to imprisonment by a final judgment, regardless of whether a suspended sentence is granted, and have completed the term of imprisonment or the sentence suspension period has been over for less than three (3) years, due to deceitful, fraudulent, or dishonest management of assets causing damages, whether to the financial institution where that person serves as a director or executive or to customers.
7. Never have been sentenced to imprisonment by a final judgment, regardless of whether a suspended sentence is granted, and have completed the term of imprisonment or the sentence suspension period has been over for less than three (3) years, for the public offences relating to deceitful, fraudulent, or dishonest management of assets.

8. Not being subject to the court's order of asset forfeiture for public revenue under the anti-corruption law, anti-money laundering law, or any other similar laws and three (3) years have not been elapsed since the order is issued.
9. Not engage in or refrain from engaging in dishonest acts or gross negligence in transactions of the Company or subsidiary, resulting in damages to the Company or shareholders or for personal gain or the benefit of others.
10. Not disclose or disseminate information or false statements about the Company or subsidiary that may cause misunderstanding or not conceal material facts that should be disclosed, which may affect decision making of shareholders, investors, or related persons, regardless of whether by ordering, holding responsibility for, or participating in creating, disclosing, or disseminating such information or messages, or any other acts, or omission of any other acts, unless it can be proven that one is not aware of such false information or messages or the omission of facts that should be disclosed by virtue of one's position, status, or duty. The following transactions of the Company or subsidiary, regardless of whether by ordering, approving, promoting, benefiting, or participating, shall be consider dishonest, unless proven otherwise:
  - Transactions that are not performed in a manner that a reasonable business operator should perform with general contracting parties in the same situation and are not in the best interest of the Company or subsidiary or are in a way that benefits oneself or others;
  - Transactions that do not comply with the securities and exchange law regarding connected transactions or significant transactions considered to be acquisition or disposal of assets.
11. Not engage in unfair actions or taking advantage of investors in the trading of securities or derivatives or involve or promote or used to involve or promote such actions.

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

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

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

#### 4. Annual stock exchange approval.

#### **Succession Policy**

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

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

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

#### **Risk Management Policy**

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

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

#### **Information Disclosure Policy**

The Board of Directors is committed to ensuring strict compliance with laws, rules, and regulations relating to information disclosure and transparency. It has established an investor relations center to communicate with shareholders and facilitate general investors and securities analysts using appropriate methods and

disseminated information in both Thai and English on the Company's website. At the same time, it has directed the department responsible for providing information and public relations to disseminate news about operations and operating results of the Company through various media to allow shareholders, investors, stakeholders, and other related parties to receive timely and up-to-date information of the Company.

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

1. Management Discussion and Analysis (MD&A)

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

2. Financial Information

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

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

## **Accounting and Financial Policy**

1. The accuracy of transaction recording

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

2. Accounting and financial report

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

- All employees are responsible for preparing and/or providing business transaction information.

### 3. Legal compliance

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

#### **Legal Compliance Policy**

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

#### **Information Technology Policy**

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

Therefore, all employees have the following duties:

1. Prevent the Company's information system in their possession or under their responsibility from being accessed by unauthorized persons and do not reveal important business information to unrelated persons.
2. Be disciplined in using the Company's information system and communication equipment to prevent negative impact on the Company and others, such as using it to illegally access information system, causing damage to reputation and property, disturbing the function of information system, hacking, password decrypting, forging computer data, publish inappropriate images, messages, or voices, and using it for personal purposes or illegal actions.
3. Do not violate software licenses or intellectual properties of others.
4. Encrypt data when sending important business information via the internet and do not exchange important business information with unsecured websites.
5. In the event that employees request to allow joined workers who are employees of the contractors of the Company to access to the information system of the Company, the requesting employees must control the use by the joined workers and be responsible for damages that may incur to the Company.



6. The Company will inspect, search, track, investigate, and control the use of information system of employee if it is found that the employees use the system in an inappropriate way or if there is reasonable doubt to protect the security of the information system of the Company.
7. If the Company discovers that any employee violates the rules, which is proven by a fair investigation, that employee shall be subject to a disciplinary action and/or legal penalty, as the case may be.

#### **Anti-Corruption Policy**

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

1. Build consciousness, values, and attitudes to strengthen employees' legal and regulatory compliance.
2. Directors, executives, and employees are required to comply with the anti-corruption policy, shall avoid participating in fraudulent and corrupt activities, whether directly or indirectly, and shall not neglect or ignore any act that is considered fraud and corruption related to the Company.
3. Set up efficient and effective internal control system, appropriate audit, and balance of power to prevent fraud and corruption.
4. Set up an efficient internal audit system that covers accounting and finance to ensure that financial transactions are conducted correctly, transparently, and accountably.
5. Directors, executives, and employees are prohibited from demanding or accepting any asset or benefit for themselves or for others with the intention to induce improper conduct or neglect of duty or cause the Company to lose rightful benefits.
6. Set rules for giving or accepting gifts, items, or entertainment that may cause suspicion of fraudulent and corrupt behavior. Gift acceptance shall be done discreetly and the gift must not take the form of cash or cash equivalent. Any act should be transparent and accountable.
7. Set procurement, disbursement, and contract rules, in which each step must have clear supporting evidence, and determine appropriate and circumspect approval authority.
8. Directors, executives, and employees are prohibited from giving or proposing to give any asset or benefit to outsiders with the intention to induce improper conduct or neglect of duty.
9. Set up a transparent and accurate financial status reporting mechanism.
10. Communicate the anti-corruption policy and guidelines to directors, executives, and employees at all levels through various channels such as employee training and internal communication system.
11. Set up whistleblowing channels for employees and external parties to report possible or suspected corrupt or improper conduct of directors, executives, and employees of the Company via website, email, or postal mail.

12. Set up a whistleblower protection mechanism to keep the information of the whistleblowers confidential. If the whistleblower information is disclosed, the person responsible for such information shall be subject to disciplinary action.
13. Set a disciplinary penalty for directors, executives, and employees who engage in fraud and corruption or support fraudulent and corrupt acts. Appropriate disciplinary action shall be taken and may include written warning, pay cut, suspension, termination, and legal action.
14. Corruption cases shall be investigated and reported through a chain of command of the wrongdoer up to the Risk Management Committee, Audit Committee, Executive Committee, and Board of Directors.
15. Risk Management Committee shall conduct a corruption risk assessment to assess opportunities for and impacts of corruption of all forms including fraudulent financial reporting, creating loss of assets, corruption, management override of internal controls, modification of information in important reports, and improper acquisition and disposition of assets.

#### **Whistleblowing Policy**

The Company has set guidelines for employees and other stakeholders to report or file complaints about violations of the code of conduct (whistleblower), illegal acts, suspected corrupt behavior, and misconduct of the Company's employees, as well as defects of the internal control system by reporting or filing complaints 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**

<b>Board Date</b>	<b>Payment Date</b>	<b>Dividend Type</b>	<b>Dividend (Baht/Share)</b>	<b>Operating Period</b>
April 24 <sup>th</sup> , 2018	May 18, 2018	Common stock	0.05	01/01/2017 - 31/12/2017
April 29 <sup>th</sup> , 2019	May 24, 2019	Common stock	0.0277777778	01/01/2018 - 31/12/2018
April 29 <sup>th</sup> , 2020	May 22, 2020	Common stock	0.0055555556	01/01/2019 - 31/12/2019

#### **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.

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 A total of 8 training courses for employees in 2020 have been organized, divided into 2 Human Resource courses and 6 Hard Skill courses.

Training Roadmap Year 2020			Department						
 Rhombus Property	Number of staff training	9 persons	Board committee	Human resources	Accounting and finance	Procurement	Coordination and juristic acts	Construction	
	Training hours	99 hours							
	Training hours (hour / person / year)	11.0 hours							
Orientation	Rules	Safety Supervisor						✓	
	ISO								
	Other								
Law	act	Impacts of the Personnel Data Protection Act on HR Administration		✓					
Computer Skill	System								
	Microsoft Office								
Team work									
		Shareholders meeting criteria Board meeting			✓				
		Accounting and Tax Discrepancies with 2020 Updates on Tax Issues and Relevant Laws			✓				
		Significant accounting issues related to income, expenses and financial reporting standards.			✓				
		TFRS 16 Lease Agreement and Deferred Tax Issues			✓				
		Taxation on wages Employee benefits that the HR department should not miss		✓					
		Director Accreditation Program (DAP)	✓						

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 have 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.

## Annual activities 2020

### Religious activities

#### – Make merit for Buddhist Lent and Lent



Since the temple is located in Ban Na Si Nuan, Tong Khop Subdistrict, Khok Si Suphan District The temple has an area of 900 rai, sparse forest on a rocky mountain. Suitable for religious practice Charoen Chittaphawan Doi Thammachedi Temple It is a temple of forest practice, Than Phra Achan Man Phurithatto, which is one of the 5 temples that Phra Dhammavisutthamongkhon (Luangtamaha Bua Yannasampanno) honored as a priest university of practice Because the practice is quite strict In the form of this meditation.

For this reason, the company has prepared a project. Rom Pho to make merit for Buddhist Lent To bring the Buddhist Lent and various Thai Dharma items Go to give to monks at Doi Thammachedi Temple Sakon Nakhon Province Causing maintenance and promote Buddhism as well as a good cultural tradition.

### Environmental responsibility activities

#### – Pick up rubbish on the beach and in nearby communities



The Company To encourage employees to participate in social activities by collecting garbage in the Sirinat National Park Alleyway to Nai Yang Beach And in front of Naiyang beach.

## Charity activities

### - Donate blood to the Thai Red Cross Society



The company Employees of both the Rawai office and Nai Yang were able to donate blood to the Thai Red Cross Society. To be a public charity, where employees of Rawai branch donated blood at Chalong Hospital on January 15, 2020 And the Naiyang branch donated blood at the international airport Phuket Province.

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### - Support box lunch to medical personnel at Chalong Hospital, Phuket Province



The company Seeing difficulties during the crisis with the Covid-19 virus outbreak, please take part in helping to strengthen the measures of the Ministry of Health. By supporting bento boxes to medical workers Chalong Hospital, Muang District, Phuket Province, 80-100 boxes.



- **Build a fence and a sign for the Chalong Hospital. Phuket Province**



The Company Led by Mr. Darong Hutajutha and Mr. Thongchai Chiangsu led the workers to build a fence and install a sign in front of the hospital. Which is designed by a team of architects of the company as well as adjust the landscape and plant trees along the fence for the public benefit of Chalong Hospital Phuket Province.

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#### CSR Activities

- **Organize children's day activities Wat Sawang Arom School**



The Company Participated in organizing and supporting children's day activities by distributing stationery School supplies Food and beverages provided to students who attended the event. As well as participating in joint activities such as watching performances and playing games with the children at Wat Sawang Arom School. And YES, Education Center Learning Center.

- **Donate dog food, medicines and medical supplies**



The Company Donated dog food Dog trap cage Coconut Leaf Broom Medicines and medical supplies for the stray dog shelter at Bang Khanun Forest Park Phuket Province For public charity on the day of the royal birth Somdej Phra Borommarajonani Millennial Luang.

- **Join in vaccination for stray dogs and cats.**



The Company Collaborated with local veterinarians to donate food pellets. And rabies vaccination for stray dogs and cats Temple and school area in the community of Wat Sawang Arom, Rawai Sub-district, Mueang District, Phuket Province.

## 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 2020, the Company had workplace accidents, sick leave, and workplace illness as follows:

category	Number (people)
Work accidents	0
Work-related sick leave	0
General sick leave not related to work	38



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. 1/2020, dated February 14<sup>th</sup>, 2020, 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. 1992 (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 2018, 2019, and 2020 could be summarized as follows:



Individuals / Parties of Conflict	Relationship
Sam Tunwa Company Limited	<ul style="list-style-type: none"> <li>■ As of December 31<sup>st</sup>, 2020, major shareholders of Sam Tunwa were executives of Rhom Bho Property, including Mr. Prasert Vannacharoen holding 3.21% of Sam Tunwa's shares.</li> <li>■ 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.</li> <li>■ Providing high-quality lumber and wood flooring products as well as excellent installation services.</li> </ul>
Pana 1000 Tree Town Company Limited	<ul style="list-style-type: none"> <li>■ As of December 31<sup>st</sup>, 2020, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 80.00% of the company's shares.</li> <li>■ Mrs. Yupa Hutajuta, a relative of Mr. Dendanai Hutajuta, was named a member of the Board of Directors having signed and affixed the company's seal.</li> <li>■ Specializing in distributing plants and garden decoration (soft scape).</li> </ul>
Mono Group Company Limited	<ul style="list-style-type: none"> <li>■ As of December 31<sup>st</sup>, 2020, a major shareholder Ms. Duangporn Hutajuta, a relative of Mr. Dendanai Hutajuta, held 100.00% of the company's shares.</li> <li>■ Mrs. Yupa Hutajuta, a relative of Mr. Dendanai Hutajuta, was named a member of the Board of Directors having signed and affixed the company's seal.</li> <li>■ Specializing in garden and landscape decoration (hard scape).</li> </ul>
Mr. Dendanai Hutajuta	<ul style="list-style-type: none"> <li>■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31<sup>st</sup>, 2020, the person held shares of 57.49 % of the Company's registered capital.</li> </ul>
Mr. Darong Hutajuta	<ul style="list-style-type: none"> <li>■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31<sup>st</sup>, 2020, the person held shares of 2.86% of the Company's registered capital.</li> </ul>
Mr. Virot Hutajuta	<ul style="list-style-type: none"> <li>■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31<sup>st</sup>, 2020, the person held shares of 1.35 % of the Company's registered capital.</li> </ul>
Mr. Prasert Vannacharoen	<ul style="list-style-type: none"> <li>■ Be a member of the Board of Directors and a major shareholder of Rhom Bho Property Public Company Limited. As of December 31<sup>st</sup>, 2020, the person held shares of 1.48 % of the Company's registered capital.</li> </ul>

Person who may have a conflict	Characteristics of the transaction	Transaction value (million baht)			Necessity and reasonableness
		Year 2018	Year 2019	Year 2020	
Sam Tunwa Company Limited	<b>Buy construction materials and equipment</b> The company buys construction materials and equipment for business operation from Sam Tunwa Co., Ltd.	0.35	-	0.26	<p>In 2018, the Company purchased construction materials and equipment from Sam Tunwa Co., Ltd., for business operations totaling 0.35 million baht.</p> <p>1) Buy Lao Takhian From Sam Tunwa Co., Ltd., for use in the boat building project of The Title Nai Yang Beach, worth 0.22 million baht, the purchase price of Takhian Lao is comparable from the market price.</p> <p>2) Buy a smooth, clear teng From Sam Tunwa Co., Ltd., for use in home repair work, value of 0.13 million baht, the purchase price of such teng wood the price is comparable from the market price.</p> <p>In the year 2019, the Company purchased construction materials and equipment from Sam Tunwa Co., Ltd., for use in business operations totaling 0.26 million baht.</p> <p>1) Buy smooth wood from Sam Tunwa Co., Ltd., for interior decoration, building X Phase Title V, total value of 0.19 million baht. The price is comparable from the market price.</p> <p>2) Buy Lao Takhian from Sam Tunwa Co., Ltd. for use in exterior corridors, X Phase Title V, total value</p>

Person who may have a conflict	Characteristics of the transaction	Transaction value (million baht)			Necessity and reasonableness
		Year 2018	Year 2019	Year 2020	
					<p>0.04 million baht, the purchase price of such Lao Takhian wood the price is comparable from the market price.</p> <p>3) Buying lumber, planed, assorted From Sam Tunwa Co., Ltd., for use in the wall in front of the elevator of X-Y building, Title V, total value 0.03 million baht. The price is comparable from the market price.</p>
	<p><b>Office rent</b></p> <p>The company rented space from Sam Tunwa Co., Ltd. for the location of the head office.</p>	0.48	0.96	0.96	<p>The Company rented an area with buildings from Sam Tunwa Co., Ltd., to use as the head office at 53 Sukontasawat Road, Ladprao Subdistrict, Lat Phrao District, Bangkok. Approximate area of 130 square meters at the rate of 40,000 baht / month including electricity and water bills The Company has started the rental agreement since 2015 and when the original contract expires, the Company The contract has been renewed for one year from 1<sup>st</sup> January - 31<sup>st</sup> December 2016, 1<sup>st</sup> January - 31<sup>st</sup> December 2017 and 1<sup>st</sup> January 2018-31<sup>st</sup> December 2018. Respectively The original rental rate, the said rental rate is comparable from the current market price, the company has renewed such lease until 31<sup>st</sup> December 2020. The rental rate increased from</p>

Person who may have a conflict	Characteristics of the transaction	Transaction value (million baht)			Necessity and reasonableness
		Year 2018	Year 2019	Year 2020	
					80,000 baht / month. Due to the increase in rental area from 130 square meters to 326 square meters. (Add in the part of the meeting room, living room, filing room, office) By comparing the market price, it was found that the rental rate was reasonable. Because it is a rental rate including water and electricity bills the company can also use the nearby area to be a parking space for employees.
Pana 1000 tree town Company Limited	<b><u>Make a contract to buy trees and plant</u></b> The company entered into a contract to purchase ready-to-plant trees for use in gardening and landscape decoration from Pana 1000 tree town Co., Ltd.	17.57	5.89	12.80	<p><b>In 2018, the company bought ready-to-plant trees from Pana 1000 tree town Co., Ltd., for landscape decoration with the following items.</b></p> <p>1) Buy 1 banyan tree from Pana 1000 tree town Co., Ltd., to plant in front of The Title sales office, Rawai beach in May 2018 worth 0.07 million baht, the purchase price of such trees it is worth including planting and shipping and have compared with the market price.</p> <p>2) Buy ready plant from Pana 1000 tree town Co., Ltd., which is a part of landscape decoration work around the area of The Title Nai Yang beach project worth 20.48 million baht, in 2018 the payments are as follows.</p>

Person who may have a conflict	Characteristics of the transaction	Transaction value (million baht)			Necessity and reasonableness
		Year 2018	Year 2019	Year 2020	
					<ul style="list-style-type: none"> <li>- 1st Installment Date 25/09/2018 Amount 4.00 million baht.</li> <li>- 2nd Installment Date 16/16/2018 Amount 3.00 million baht.</li> <li>- 3rd Installment Date 06/11/2018 Amount 6.00 million baht.</li> <li>- 4th Installment Date 26/12/2018 amount of 4.50 million baht.</li> </ul> <p><b>In 2019, the following payments are made.</b></p> <ul style="list-style-type: none"> <li>- 5th Installment Date 5/3/2019 Amount 2.98 million baht.</li> </ul> <p>Which the purchase price of such trees the price is comparable from the market price and the price is compared with other contractors.</p> <p><b>In 2019, the company purchased ready-to-plant trees from Pana 1000 tree town Co., Ltd., with the following items.</b></p> <p>1) The company bought trees ready to plant from Pana 1000 tree town Co., Ltd., 2-storey office building, The Title, Nai Yang Beach in October 2019, worth 0.91 million baht, the purchase price of such</p>

Person who may have a conflict	Characteristics of the transaction	Transaction value (million baht)			Necessity and reasonableness
		Year 2018	Year 2019	Year 2020	
					<p>trees It is worth including planting and shipping. And have compared with the market price.</p> <p>2) The company bought trees ready to plant from Pana 1000 tree town Co., Ltd., to improve the garden at The Title sales office in Rawai in November 2019 worth 0.30 million baht, the purchase price of such trees It is worth including planting and shipping. And have compared with the market price.</p> <p>3) The company bought trees ready to plant From Pana 1000 tree town Co., Ltd., for landscape improvement work in the Nai Yang sales office. In December 2019, worth 1.69 million baht, the purchase price of such trees It is worth including planting and shipping. And have compared with the market price.</p> <p><b>In 2020, the Company purchased ready-to-plant trees from Pana 1000 tree town Co., Ltd., with the following items.</b></p> <p>1) The company bought trees ready to plant from Pana 1000 tree town Co., Ltd., which is part of the landscape decoration work around The Title V</p>



Person who may have a conflict	Characteristics of the transaction	Transaction value (million baht)			Necessity and reasonableness
		Year 2018	Year 2019	Year 2020	
					<p>project, total value of 16.00 million baht, paid in the amount as follows</p> <ul style="list-style-type: none"> <li>- 1st Installment Date 7/8/2020 Amount 4.80 million baht</li> <li>- 2nd Installment Date 20/10/2020 Amount 8.00 million baht</li> </ul> <p>Which the purchase price of such trees the price is comparable from the market price and the price is compared with other contractors.</p>
Mono Group Company Limited	<p><b><u>Make a contract for the service of gardening and landscape decoration</u></b></p> <p>The company entered into a service agreement for gardening and landscape decoration from Mono Group Co., Ltd.</p>	1.86	0.25	0.02	<p><b>In 2018, the company used the service of gardening and landscape decoration for the area of The Title Nai Yang Beach project from Mono Group Co., Ltd., which the service includes field work, equipment and planting with the following items.</b></p> <p>1) The company bought trees and soil mixed with chopped coconut, wooden supports from Mono Group Co., Ltd., for use in landscape decoration at the sales office of The Title Nai Yang Beach in March 2018 worth 0.57 million baht. The price is comparable from the market price.</p>

Person who may have a conflict	Characteristics of the transaction	Transaction value (million baht)			Necessity and reasonableness
		Year 2018	Year 2019	Year 2020	
					<p>2) The company bought mixed soil, sand, fertilizer from Mono Group Co., Ltd., which is a part of landscape decoration work in the area of The Title, Nai Yang beach, worth 1.54 million baht, paid in the amount</p> <ul style="list-style-type: none"> <li>- 1st Installment Date 25/09/2018 amount of 0.54 million baht.</li> <li>- 2nd Installment Date 12/10/2018 amount 0.75 million baht.</li> </ul> <p><b>In the year 2019, pay as follows</b></p> <ul style="list-style-type: none"> <li>- 3rd Installment Date 5/3/2019 amount of 0.25 million baht.</li> </ul> <p>Which the cost of such planting material the price is comparable from the market price. And the price is compared with other contractors.</p> <p><b>In 2020, the Company hired Mono Group Co., Ltd. to improve the landscape of the headquarters office, worth a total of 0.02 million baht. The price is comparable from the market price. And the price is compared with other contractors</b></p>

## **Measures and Procedures on Approval of Related Party Transactions**

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

Additionally, Rhom Bho Property had established newly developed measures and procedures to avoid potential conflicts of interest that might happen to individuals or parties tending to have such conflicts of interest in the future. With reference to the resolution of the meeting No. 4/2016 dated June 21<sup>st</sup>, 2016, any transaction made with Mono Group Company Limited or authorized person of the said company and Pana 1 000 Company Limited or authorized person of the said company were compulsorily required to be reconsidered whether it was a related party transaction or not. After the reconsideration, such transaction and other related documents would be required to be proposed to the Audit Committee for acknowledgement and consideration of reasonableness in making such transaction as the two companies had authorized persons recognized as close relatives of high-ranking executives of Rhom Bho Property.

## Policies and Prospects of Future Related Party Transactions

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

In case where any future related party transaction was required to be made, Rhom Bho Property would proceed with the aforementioned measures and procedures to approve such related party transaction. However, in case where any related party transaction required any particular opinion from the Audit Committee in accordance with the Stock Exchange of Thailand's laws, rules, and regulations related to the implementation of related party transactions, the Company would request the Audit Committee to provide opinions deemed sufficient and appropriate for such related party transaction. Rhom Bho Property had no policy to provide loans to persons tending to have conflicts of interest or any other third party related to such persons, except it was deemed important and necessary for being part of the Company's employee welfares or in accordance with the authorization in providing operational management or financial assistance for any juristic person in which the Company possessed a proportion of shareholding. Additionally, in case where Rhom Bho Property was required to make any related party transaction with any individual or party mentioned earlier, the Company would request the Audit Committee to provide productive opinions and feedbacks on the appropriateness for making such related party transaction. Nevertheless, in case where the Audit committee was not proficient in considering such related party transaction, the Company would seek a knowledgeable person with specialized expertise, for instance, an independent auditor or property appraiser, to provide productive opinions and feedbacks on the appropriateness for making such related party transaction instead. The finalized opinions and feedbacks provided by the Audit Committee or a highly skilled person would be used to support the decisions of the Board of Directors or shareholders depending on cases, as part of the goal to ensure there would be no unfair or disapproved transfer of benefits among the Company and other related parties tending to have conflicts of interest. Such related party transactions would be made to ensure the highest benefits for shareholders as a whole.

## Responsibilities of the Board of Directors for Financial Report

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

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

The Board of directors had an opinion about the financial reporting; of which the internal system control of the company was stabilized; as well as being abundant could be made reliable for the financial report on the December 31<sup>st</sup>, 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 2020, 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 31, 2020, 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 31, 2020, 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.

#### **Emphasis of Matter**

I draw attention to note 1 to the financial statements, the situation of Coronavirus disease 2019 Pandemic (COVID-19) has significantly affected to the Company's business activities in terms of property development and distribution. Due to the measures of the Government sector regarding to travel restrictions on foreign tourist arrivals and others measures in order to restrict and protect the communicable disease and the decrease in domestic purchasing power, there is significantly impacts to the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company's management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. As the situation has evolved, the management's judgements and significant accounting estimates will be reviewed.

My opinion on the financial statements is not modified in according to the matters which I draw attention above.

#### **Key Audit Matters**

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

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><b><i>Cost of property development and land held for development</i></b></p> <p>Cost of property development and land held for development are significant high value transaction and comprise a various cost components such as cost of land, cost of land development, construction costs, related cost for property development and capitalized borrowing cost. As at December 31, 2020, the carrying amount of cost of property development and land held for development are of Baht 611 million and Baht 507 million, respectively, as disclosed in note 6 and note 8, to the financial statements respectively.</p> <p>I have identified this cost of property development and land held for development to be the key audit matters as its high value is significant to the financial statements and comprise a various cost components, which affects to the complicated records, allocations and computations.</p>	<p>Other than making the inquiries, the audit procedures for cost of property development and land held for development included sampling test as follows:</p> <ul style="list-style-type: none"> <li>- assessing the efficiency and test of internal control relates to the purchase system and property development system;</li> <li>- inspecting the evidences relating to purchase of land between the Company and the seller for example; agreement to purchase and sell includes evidences of land payment and document communicated with the government;</li> <li>- inspecting the evidences relating to the property development which is from the distributor and subcontractor such as purchase and sell agreement, related contracts, invoices and evidence payment;</li> <li>- allocation test of cost of property development per unit;</li> <li>- assessing and calculation test of borrowing costs basing on the capitalized borrowing costs;</li> <li>- physical observation project of construction to determine the relationship between physical and accounting records.</li> </ul>
<p><b><i>Recognition of revenue from sale</i></b></p> <p>Sale of property is significant high value transaction and affects to the operation of the Company. For the year ended December 31, 2020, sale of property is of Baht 78 million.</p> <p>I have identified the sale of property to be the key audit matters as its high value is significant to the financial statements.</p>	<p>Other than making the inquiries, the audit procedures for sale of property included sampling test as follows:</p> <ul style="list-style-type: none"> <li>- assessing the efficiency and test of internal control relates to the revenue system;</li> <li>- inspecting sale documents incurred during the year comprised purchase and sale agreement, long - term lease agreement, receiving documents, ownership transfer and lease registration document and other conditions specified in purchase and sale agreement;</li> <li>- testing the calculation of trade discount and discount from warranty;</li> </ul>



<i>The key audit matter</i>	<i>Audit procedures</i>
	<ul style="list-style-type: none"> <li>- sale cut-off with sale documents nearby before and after end of reporting period;</li> <li>- inspecting revenue from sales recorded through the general journal.</li> <li>- reviewing the adjustments relating to sale after end of reporting period.</li> </ul>

### **Other Information**

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

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

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

(Bunjong Pichayaprasat)  
Certified Public Accountant  
Registration Number 7147

Siam Truth Audit Company Limited  
Bangkok, February 25, 2021

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

*Baht*

	Note	2020	2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	117,591,910	176,727,251
Other receivables		-	437,369
Cost of property development	4, 6	611,084,651	350,419,583
Inventories		912,048	558,867
Cost to obtain contract with customer	7	44,861,143	36,988,063
Other current assets		3,125,041	1,651,082
<b>Total current assets</b>		<b>777,574,793</b>	<b>566,782,215</b>
<b>Non-current assets</b>			
Restricted bank deposits		414,376	414,376
Land held for development	8	507,188,864	488,486,703
Investment property	9	4,191,534	4,463,234
Property, plant and equipment	10	68,140,593	72,897,946
Intangible assets		637,197	955,563
Deferred tax assets	27	26,838,887	16,055,656
Other non-current assets		1,782,374	1,755,857
<b>Total non-current assets</b>		<b>609,193,825</b>	<b>585,029,335</b>
<b>Total assets</b>		<b>1,386,768,618</b>	<b>1,151,811,550</b>

The accompanying notes are an integral part of these financial statements



RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

*Baht*

	Note	2020	2019
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	11	3,360,840	17,428,281
Short-term loan from other company	12	147,000,000	150,000,000
Current portion of liabilities	13	100,000,000	-
Income tax payable		-	13,163,350
Advance received	14	276,860,469	160,367,745
Provisions	15	12,185,939	12,065,849
Retention payables		10,534,078	9,809,711
Other current liabilities		6,635,526	10,572,247
<b>Total current liabilities</b>		<b>556,576,852</b>	<b>373,407,183</b>
<b>Non-current liabilities</b>			
Long-term loans from other company	13	105,000,000	5,000,000
Provisions for employee benefit	16	17,533,014	13,896,796
<b>Total non-current liabilities</b>		<b>122,533,014</b>	<b>18,896,796</b>
<b>Total liabilities</b>		<b>679,109,866</b>	<b>392,303,979</b>
<b>Shareholders' equity</b>			
Share capital			
Issued and paid-up share capital			
Ordinary shares	17	362,812,747	329,999,264
Premium on share capital	18	191,414,236	191,414,236
Retained earnings			
Appropriated			
Legal reserve	19	26,792,000	26,792,000
Treasury stocks reserve	20	13,233,897	13,233,897
Unappropriated	21	126,639,769	211,302,071
Treasury stocks	20	(13,233,897)	(13,233,897)
<b>Total shareholders' equity</b>		<b>707,658,752</b>	<b>759,507,571</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,386,768,618</b>	<b>1,151,811,550</b>

The accompanying notes are an integral part of these financial statements

**RHOM BHO PROPERTY PUBLIC COMPANY LIMITED**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

*Baht*

	Note	2020	2019
<b>Revenues from sales</b>	22	<b>77,853,706</b>	<b>1,277,109,834</b>
Cost of sales	6, 24	(37,175,891)	(685,446,039)
<b>Gross profit</b>		<b>40,677,815</b>	<b>591,663,795</b>
Other income	22	11,130,038	17,105,434
Selling expenses	24, 25	(31,189,216)	(203,866,547)
Administrative expenses	4, 24, 25	(74,387,494)	(104,825,584)
Profit (loss) in operating activities		(53,768,857)	300,077,098
Finance costs		(5,217,205)	(2,098,173)
<b>Profit (loss) before income tax</b>		<b>(58,986,062)</b>	<b>297,978,925</b>
Tax income (expense)	27	10,783,231	(63,657,746)
<b>Profit (loss) for the year</b>		<b>(48,202,831)</b>	<b>234,321,179</b>
<b>Earnings (loss) per share</b>	28		
Basic earnings (loss) per share		(0.07)	0.32
Weighted average number of ordinary shares (shares)		721,897,493	722,113,214
<b>Other comprehensive profit (loss) :</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Defined benefit plan actuarial loss	16	-	(465,814)
Income tax relating to items that will never be reclassified to profit or losses		-	93,163
<b>Other comprehensive loss - net of tax</b>		-	<b>(372,651)</b>
<b>Total comprehensive income (loss)</b>		<b>(48,202,831)</b>	<b>233,948,528</b>

The accompanying notes are an integral part of these financial statements

RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Baht

	Note	Retained earnings						
		Issued and paid-up share capital	Premium on share capital	Appropriated			Treasury stocks	Total
				Legal reserve	Treasury stocks reserve	Unappropriated		
Balance as at January 1, 2019		219,999,520	191,414,236	15,072,000	-	124,529,396	-	551,015,152
Increase in ordinary shares	17	109,999,744	-	-	-	-	-	109,999,744
Stock dividend and dividend paid	21	-	-	-	-	(122,221,956)	-	(122,221,956)
Treasury stocks	20	-	-	-	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
Increase in ordinary shares	17	32,813,483	-	-	-	-	-	32,813,483
Stock dividend and dividend paid	21	-	-	-	-	(36,459,471)	-	(36,459,471)
Total comprehensive loss		-	-	-	-	(48,202,831)	-	(48,202,831)
Balance as at December 31, 2020		362,812,747	191,414,236	26,792,000	13,233,897	126,639,769	(13,233,897)	707,658,752

The accompanying notes are an integral part of these financial statements

**RHOM BHO PROPERTY PUBLIC COMPANY LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

*Baht*

	2020	2019
<b>Cash flows from operating activities</b>		
Profit (loss) before income tax	(58,986,062)	297,978,925
Adjustments to reconcile profit (loss) before income tax to cash generated (paid) from operating activities		
Depreciation and amortization	9,242,763	7,801,673
Loss from impairment and written-off of assets	121,360	-
Loss from disposal of assets	230,336	95,866
Interest income	(285,926)	(513,551)
Finance costs	5,217,205	2,098,173
<b>Profit (loss) in operating activities before changes in operating assets and liabilities</b>	<b>(44,460,324)</b>	<b>307,461,086</b>
<b>Changes in operating assets and liabilities</b>		
Other receivables	437,369	(262,671)
Cost of property development	(250,750,522)	440,581,235
Inventories	(353,181)	5,933,860
Other current assets	(1,076,700)	11,307,240
Cost to obtain contract with customer	(7,873,080)	126,885,922
Other non-current assets	(26,519)	326,469
Trade and other payables	(14,067,440)	8,937,447
Advance received	116,492,724	(722,809,809)
Provisions	120,090	5,823,225
Retention payables	724,367	3,363,380
Provisions for employee benefit	3,636,218	3,482,132
Other current liabilities	(3,936,721)	(5,469,973)
<b>Cash generated (paid) from operations</b>	<b>(201,133,719)</b>	<b>185,559,543</b>
Interest received	285,926	513,551
Income tax paid	(13,681,968)	(56,835,735)
<b>Net cash provided by (used in) operating activities</b>	<b>(214,529,761)</b>	<b>129,237,359</b>

The accompanying notes are an integral part of these financial statements

**RHOM BHO PROPERTY PUBLIC COMPANY LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

***Baht***

	2020	2019
<b>Cash flows from investing activities</b>		
Purchase of land held for development	(25,129,912)	(29,736,582)
Purchase of investment property	-	(2,413,813)
Purchase of building and equipments	(4,303,186)	(31,820,976)
Disposal of equipment	242,991	-
Purchase of intangible assets	(65,484)	(62,274)
<b>Net cash used in investing activities</b>	<b>(29,255,591)</b>	<b>(64,033,645)</b>
<b>Cash flows from financing activities</b>		
Increase in short-term loans from other company	-	150,000,000
Repayments of short-term loans from other company	(3,000,000)	-
Proceeds from long-term loans from other company	200,000,000	5,000,000
Repayments of long-term loans from other company	-	(269,000,000)
Repayments of liability under finance lease	-	(201,347)
Repurchase for share capital	-	(13,233,897)
Dividends paid	(3,645,989)	(12,222,211)
Finance cost paid	(8,704,000)	(2,110,776)
<b>Net cash provided by (used in) financing activities</b>	<b>184,650,011</b>	<b>(141,768,231)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(59,135,341)</b>	<b>(76,564,517)</b>
Cash and cash equivalents at the beginning of year	176,727,251	253,291,768
<b>Cash and cash equivalents at the end of year</b>	<b>117,591,910</b>	<b>176,727,251</b>

Non - cash items, as follow

**Year 2020**

The Company paid stock dividend in the amount of Baht 32.81 million (see note 21).

**Year 2019**

The Company paid stock dividend in the amount of Baht 110 million (see note 21).

The accompanying notes are an integral part of these financial statements



## RHOM BHO PROPERTY PUBLIC COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

#### 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.

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

The principal activities of the Company involve property development.

Major Shareholders as follow:

Major shareholders	Nationality	Shareholding December 31,	
		2020	2019
Hutajuta group	Thai	62.25	63.19

The financial statements have been approved for issue by the Company’s Board of Directors on February 25, 2021.

#### Coronavirus disease 2019 Pandemic

The situation of Coronavirus disease 2019 Pandemic (COVID-19) has significantly affected to the Company’s business activities in terms of property development and distribution. Due to the measures of the Government sector regarding to travel restrictions on foreign tourist arrivals and others measures in order to restrict and protect the communicable disease and the decrease in domestic purchasing power, there is significantly impacts to the Company’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company’s management has continuously monitored ongoing that situation to assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. As the situation has evolved, the management’s judgements and significant accounting estimates will be reviewed.

#### 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 financial reporting standards**

##### **a) New financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards and interpretations, including the 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 summarised 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.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Recognition of credit losses that the Company is to recognize an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider the lifetime allowance for expected credit loss of trade receivables.

##### **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.

##### **Accounting Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation"**

The Federation of Accounting Professions announced Accounting Guidance on "Temporary relief measures on accounting alternatives in response to the impact of COVID-19 pandemic situation". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to

provide clarification about accounting treatments during the period of uncertainty relating to this situation.

The Accounting Guidance was announced in the Royal Gazette on April 22, 2020 and it is effective for the Company's financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has not elected to apply the temporary relief measures on accounting alternatives.

#### **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, 2021. 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.

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

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **The measurement bases used in preparing the financial statements**

- 3.1 The Company has changed the accounting policies due to the adoption of a set of financial reporting standards related to financial instruments and TFRS 16 Leases which are effective for fiscal years beginning on or after January 1, 2020. The effects of accounting policy differences are as follow:

#### **Financial instruments**

##### *Accounting policy applicable from January 1, 2020*

Financial assets and financial liabilities are recognized in the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities and subsequently measured at amortized cost or fair value fair value through other comprehensive income are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### **Classification and measurement of financial assets and financial liabilities**

##### **Financial assets classified as debt instruments**

The Company classifies financial assets that are debt instruments as financial assets that are subsequently measured at amortized cost or fair value depends on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows:

- Financial assets measured at amortized cost

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount



outstanding. These financial assets are initially recognized at fair value on trade date and subsequently measured at amortized cost net of allowance for expected credit losses (if any).

#### Amortized cost basing on the effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is recognized in profit or loss and is included in the “interest income” item.

- Financial assets measured at fair value through other comprehensive income

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value realized, after which such gains or losses on disposal of the instruments will be recognized as gain or losses in profit or loss. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognized in profit or loss.

- Financial assets measured at fair value through profit or loss

Unless the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments.

Debt instruments that meet either the amortized cost criteria or the fair value through other comprehensive income criteria may be designated as at the fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

#### Financial assets classified as equity instruments

Except the interests in subsidiaries, associated companies and joint ventures

- Financial assets measured at fair value through profit or loss

The Company has classified investment in equity instruments that held for trading but not held for strategic purposes as the financial asset measured at fair value through profit or loss, where an irrevocable election has been made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in profit or loss and gain or loss from disposal is recognized in profit or loss when disposal.

- Financial assets measured at fair value through other comprehensive income

The Company has classified investment in equity instruments that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at fair value through other comprehensive income, where an irrevocable election has been made. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from subsequently changes in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal, instead, it is transferred to retained earnings.

Dividends on these investments are recognized in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends income is recognized in profit or loss and is included in the “Finance income” item.

### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created, controlled or retained by the Company, are still recognized as financial assets and recognized as borrowing which have collateral for proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss

On derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss

On derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### **Write-off**

The Company writes off debts (either partially or in full) when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the legal criteria for bad debts written-off, whichever occurs sooner. Bad debt written-off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. However, the Company continues to execute the case, in order to comply with the Company's recovery policy.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

### **Allowance for expected credit losses on financial assets/ allowance for doubtful accounts**

*Accounting policy applicable from January 1, 2020*

The Company applies the Simplified Approach for recognition of expected credit losses of financial assets - debt instruments which are deposit at financial institutions, trade receivables and the contractual assets, investment in debt instruments, loans and certain of other assets.

The Company recognizes allowance for expected credit losses at an amount equal to the lifetime expected credit losses in cases where there has been a significant increase in credit risk since initial recognition, but the assets are not credit impaired, or where the assets are credit impaired.



At every reporting date, the amount of allowance for expected credit losses is reassessed to reflect changes in credit risk of financial assets since initial recognition of related financial instruments.

### **Simplified Approach**

The measurement of expected credit losses on financial assets by applying the Simplified Approach is a calculation to estimate using a provision matrix depended on the Company's historical credit loss experience adjusted with the factors that are specific to the receivables, general economic conditions, an assessment of both the current as well as the forecast direction of conditions at the reporting date, and time value of money, as appropriate. In addition, the Company shall principally determine the past due status of the customers and also their capability to maintain the value of collateral relative to the terms of contract.

At every reporting date, the Company determines whether the credit risk of other debt instruments and deposit at financial institutions has increased significantly since initial recognition, by mainly taking into account internal and external credit rating of the counterparties as well as overdue status.

The Company assesses whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Company classifies financial assets on the basis of shared credit risk characteristics, such as the type of instrument, internal credit rating, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred, there are indications that the borrower is experiencing significant financial difficulties, or there is a breach of contract, as well as delinquency.

The Company recognizes an allowance for expected credit losses by adjusting to the carrying amount of related accounts. For the increase (decrease) in an allowance for expected credit losses is recognized as expenses during the period in the statements of income, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### **Financial liabilities**

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or a shorter period, to the amortized cost of a financial liability.

### **Financial liabilities designated at fair value through profit or loss**

Financial liabilities may be designated at fair value through profit or loss upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial liabilities that are designated at fair value through profit or loss are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss.

Financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are transferred to retained earnings upon derecognition of the financial liability.

#### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

#### **Trade and other accounts receivable and contract assets**

*Accounting policy applicable before January 1, 2020*

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

A receivable is recognized when the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is recognized as a contract asset that means accrued income or unbilled revenue.

The Company records allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables.

In determined 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.

Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Company is entitled to, less impairment losses.



## **Leases**

*Accounting policy applicable from January 1, 2020*

### **As a lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

### **Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, such provision is recognized and measured to the extent that the costs relate to a right-of-use asset.

In case that the lessee is unable to allocate the consideration in the contract to each lease component and non-lease component on the basis of its relative stand-alone prices, as a practical expedient, a lessee may elect not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the estimated lease term and the estimated useful lives.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

If the Company is unable to obtain reasonable assurance that the ownership of the underlying asset is substantially transferred to the Company at the end of the lease term, the right-of-use assets will be depreciated on the straight-line method from the commencement date to the end of the useful lives or the end of the lease term, which is earlier.

The Company applies the derecognition and impairment requirements, in according to the financial instruments principle, to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

### **Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Company is reasonably certain to exercise option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Interest expense is recognized in profit or loss.

The lease liability is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **Short-term leases and leases of low-value assets**

The Company recognized payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, as expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

#### **As a lessor**

The Company, as a lessor, classify leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to a lessee, all other leases are classified as operating leases.

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each component on the basis of their relative standalone prices.

The Company recognizes lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as rental income in the accounting period in which they are earned.

#### *Accounting policy applicable before January 1, 2020*

#### **Finance lease**

Leases of assets which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. 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.

#### **Operating leases**

Leases of assets which all the risks and rewards of ownership have substantially not transferred to the lessee are classified as operating leases.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease payments made.

Contingent rentals, as a revision of rental is confirmed, are included in the calculation of the minimum payment for the remaining term of the lease.



## Revenue recognition

### *Accounting policy applicable from January 1, 2020*

#### Interest income

Interest income is recognized using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross book value of financial assets.

When financial assets are determined to credit impair, interest income is calculated by applying the effective interest rate to the net book value (gross book value less allowance for expected credit losses) of the financial assets. If the financial assets are not credit impaired, interest income is calculated basing on the original gross book value.

### *Accounting policy applicable before January 1, 2020*

#### Interest income

Interest income is recognized based on the amount of outstanding principal using the effective interest method.

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

## Revenues

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

The Company accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Company has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

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

Revenues 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 residential condominium units is recognized when control of residential condominium units is transferred to the customer, generally upon the Company transfers the legal of ownership (Freehold) and transfer of material risk and rewards of ownership (Leasehold) to the customers at the point in time.

Revenue from sale is measured at the amount of the consideration received or expected to be received after deducting discounts and consideration payable to a customer.

Sale of real estate contract, which includes provision for items without charge or the sale 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.

### **Sale of goods**

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

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”.

### **Advances**

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.

### **Revenue from rendering of services**

The Company recognized services revenue over the contract period. Such recognition is on a straight-line basis according to the proportion of the rendered services over the contract period.

### **Rental income and its related services**

Rental income and its related services from investment property 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.



### **Dividend received**

Dividend received is recognized as income when the Company has the right to receive dividends.

### **Other income**

Other income is recognized on an accrual basis.

### **Consideration payable to the customer**

The Company recognizes the consideration payable to the customer as a reduction of the revenue from contract with customers

### **Expenses**

#### **Costs of obtaining a contract**

Costs of obtaining a contract is commission paid to obtain a customer contract recorded as an asset stated at the net value after deducted an allowance for impairment loss (if any). An allowance for 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.

#### **Cost to fulfil a contract**

The Company recognizes costs to fulfil a contract that relate to satisfied performance obligations in the contract in profit or loss when incurred, unless the Company can identify that the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify, the costs will be used in satisfying performance obligations in the future, and the costs are expected to be recovered, that costs fulfilling a contract are recognized as assets and amortized on a systematic basis that is consistent with the pattern of revenue recognition for the related contract.

An allowance for impairment loss is recognized to the extent that the carrying amount of an asset exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

An allowance for total anticipated loss on project is recognized when the possibility of loss is ascertained.

### **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 capitalized as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they are incurred basing on the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

The interest component of finance lease payments is recognized using the effective interest method.

Interest expenses are recognized as an expenses over the term of loan. Interest expenses are calculated from the outstanding of loan principal on an accrual basis using the effective interest method.

Expenses are recognized on an accrual basis.



## Employee benefits

### Short-term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Post-employment benefits

The Company and its employees have jointly established the provident funds which is a monthly contributed and defined contribution plan. The fund's asset of the provident fund is separated from the Company's asset and has been managed by a licensed fund manager.

The provident fund receives a cash contribution from employee and the Company. The contribution expenditure of the provident fund and obligation in respect of defined contribution plan is recognized as expense in profit or loss for the period that transaction incurred.

### Post-employment benefits

The employee benefit obligations in relation to the severance payment under the labor law are recognized 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 profit or loss on a straight-line basis over the average period until the benefits become vested.

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

Past service costs relating the amendment of plan are recognized as an expense in other comprehensive income when the plan amendment is effective.

### Termination benefits

Termination benefits are recognized as liability and as expense in profit or loss when the Company are committed demonstrably, without realistic possibility of withdrawal, The Company to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy or the Company have made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the end of the reporting period, then they are discounted to their present value.

## Income tax

Income tax expense for the year comprises current and deferred tax.

Current and deferred taxes are recognized in profit or loss.

Deferred tax in the extent that they relate to items recognized directly in shareholders' equity are recognized 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 recognized 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 realized 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, including unutilized taxable losses. Deferred tax assets are reviewed at the end of reporting period date and reduced its carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized against the temporary differences and unutilized taxable losses.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash, cash at banks type current accounts and saving accounts, cash at bank with an original maturity not exceeding 3 months, including negotiable certificate of deposit and highly liquid short-term investments in bill of exchange or promissory notes issued by financial institutions due at call or with original maturities of three months or less, excluded deposits at bank on obligation or subject to withdrawal restrictions and insignificant risk of change in value.

#### **Cost of property development**

Cost of property development are stated at the lower of cost or net realisable value, which is the value after recognized the cost of property sold.

Cost comprises cost of land, construction costs, including the capitalized borrowing cost for property development.

#### **The details of cost calculation**

- |              |   |
|--------------|---|
| Land         | - Purchase price of land, cost for the acquisition and development of land using the average method and allocating based on salable area for each project.  |
| Construction | - Construction cost comprises <ol style="list-style-type: none"><li>1) The design fees, construction cost of utilities and public facilities. Direct costs relating to property development and capitalized borrowing cost are allocated based on salable area.</li><li>2) Construction costs of residential condominium units and capitalized borrowing cost are allocated based on salable area</li></ol> |



- Capitalized borrowing cost - Interest expense and fee incurred from loans in bringing the property development, arising before the project will be fully developed, are allocated based on actual incurred relevant to land and construction.

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

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

Loss on devaluation of cost of property development is recognized in profit or loss.

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.

Cost of property development are also including cost of other products which the Company transfers to the customer relating to the contract such as furniture and fixture is considered as a component of house or residential condominium unit.

### **Inventories**

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is calculated by using the first in – first out method.

Cost comprises all costs of purchase, 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 ordinary course of business less the estimated costs to complete and to make the sale.

The Company records the allowance for devaluation of inventories for all deteriorated, damaged, obsolete and slow-moving inventories.

### **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 profit or loss.

### **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 labour, 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:

	Years
Buildings	16 - 20

Depreciation is included in determining income and no depreciation is provided for land and construction in progress.

### **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.

### **Reclassification to property, plant and equipment**

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

### **Property, plant and equipment**

#### **Owned assets**

Land is stated at cost less allowance for impairment losses (if any).

Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment losses (if any).

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 as the difference between the net disposal proceeds less cost to sale and the carrying amount of property, plant and equipment, and are recognized net within other income or other expenses in profit or loss.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized

#### 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 and cost of renovations are 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 within more than one accounting period, 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 of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Assets from cost of replacement and cost of renovations are depreciated over the remaining useful life of the related asset.

Depreciation is calculated basing 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:

	Years
Buildings	3 - 20
Office equipment	5
Vehicles	5

Depreciation is recognized as an expense in profit or loss.

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

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The depreciation methods, residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.



## **Intangible assets**

Intangible assets, excluding goodwill, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses (if any).

### **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 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.

The estimated useful lives are as follows:

	Years
Software licences	5

No amortization is provided on intangible assets under development and installation.

The amortization methods, residual values and useful lives are reviewed at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

## **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets in respect of property, plant and equipment, intangible assets, right-of-use assets and other 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.

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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

#### 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 recognized in profit or loss.

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

#### 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. The expected future cash flows are discounted by using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

#### 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 labour cost and other related expenses necessary used to complete the project. The changes of materials price, labour 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.

#### Provision for warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

#### Dividends

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

#### Other borrowings

Other borrowings are initially recognized at the fair value of the proceeds received. Debt issued and other borrowings are subsequently measured at amortized cost, using the effective interest method. Any difference between proceeds and the redemption value is recognized as an interest in profit or loss over the period of the borrowings.



### **Repurchase of share capital (treasury stock)**

When share capital recognized as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognized 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 recognized 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**

According to the 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 (loss) per share**

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the years attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the years.

### **Judgements of management**

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments to determine the accounting policies, estimates regarding matters that are inherently uncertain and various assumptions.

**Significant judgements and accounting estimates are as follow:**

#### **a) Recognition and derecognition of assets and liabilities**

In considering whether to recognize or to derecognize assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current circumstances and arrangements.

#### **b) Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risks, liquidity, correlation and long-term volatility of financial instruments. Any changes in assumption related to the inputs may affect to the fair value stated in the financial statements and disclosure of fair value hierarchy.

#### **c) Allowances for expected credit loss for financial assets**

Allowances for expected credit loss for financial assets are intended to adjust the value of receivables for probable credit losses. The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realized, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. However, the use of different estimates and

assumptions could affect the amounts of allowances for expected credit loss and adjustments to the allowances may therefore be required in the future.

**d) Property, plant and equipment**

The recognition of cost incurred in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of buildings and equipment and to review estimated useful lives and residual values when circumstance changes.

The management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**e) Intangible assets**

The initial recognition and measurement of other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**f) Deferred tax assets**

The Company recognizes deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised, including unutilized taxable loss. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

**g) Post-employment benefits**

The obligation under the defined benefit plan is determined based on actuarial techniques which depends on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate. Subsequent actual payment may differ from these estimates.

**h) Leases**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The management is required to use judgement in evaluating the condition and term of a contract.

Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

**i) 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.

**j) Revenue from contracts with customers**



#### Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

#### Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company recognizes revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

#### **k) Construction costs estimation**

The Company estimates costs of construction projects based on details of the construction, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service work, taking into account the fluctuation in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

#### **l) Advance received from sales of real estate**

Sales of real estate contract made with customers stipulates that the Company is entitled to receive partial payments from customers when the contract has commenced such as booking payment, contract payment and down payment. The Company determines that there are no significant financing components arising from the payments received from customers because they are not the Company's funding but the customers' guarantee for contractual performance.



**m) Project development costs estimation**

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

**n) Allowance for diminution in value of real estate development costs**

The Company treats real estate development costs as impaired when a significant decline in the fair value is noted. The management determines the devaluation based on net realisable value. However, the determination of what is “significant” and the amount of devaluation requires the management to exercise judgment.

**o) Provision for maintenance of housing and condominium units, and public utilities**

In recording provision for maintenance of housing and condominium units and public utilities, the management estimates the expenses expected to be incurred based on past experience of providing maintenance, and/or currently available information relating to maintenance expenses.

**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**

A related party is a person or entity that has control, or are controlled by the Company whether directly or indirectly, or which are under common control with the Company.

They also include a person which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, or officers with authority in the planning and direction of the Company’s operations, including, close family members of mentioned person and entity that has control or significant influence whether directly or indirectly.

Significant transactions with related parties for the years ended December 31, 2020 and 2019 were as follows:

		<i>Baht</i>
	2020	2019
Purchase of materials and equipments of construction		
Pana 1000 Trees Town Co., Ltd.	12,800,000	5,891,055
Mono Group Co., Ltd.	19,260	258,533
Sam Tunwa Co., Ltd.	261,292	-
Office rental		
Sam Tunwa Co., Ltd.	960,000	960,000

#### Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2020 and 2019 consisted of:

		<i>Baht</i>
	2020	2019
Short-term benefits	23,990,400	27,195,400
Post-employment benefits	2,055,588	2,494,421
Total	<u>26,045,988</u>	<u>29,689,821</u>

#### Directors' remuneration

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

For the year ended December 31, 2020 and 2019 the Company paid directors' remuneration in the amount of Baht 0.94 million and Baht 2.49 million, respectively.

#### Significant agreements

The Company entered into an office rental agreement with related party for a rental period of 1 years starting from January 1, 2021 to December 31, 2021 with a monthly rental of Baht 0.08 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

	<u>Pricing policies</u>
Purchase of materials and equipments of construction	Market price
Office rental	Market price

#### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019 consisted of:

	<u>2020</u>	<u>2019</u>
Cash on hand	400,000	700,000
Cash at banks	117,191,910	176,027,251
<b>Total</b>	<b>117,591,910</b>	<b>176,727,251</b>

#### 6. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, 2020 and 2019 consisted of:

	<u>2020</u>	<u>2019</u>
Property for sale		
Condominium units	62,498,536	98,685,738
Property under development		
Land	109,106,700	102,029,910
Construction in progress	435,980,018	149,703,935
Capitalised interest cost	3,499,397	-
<b>Total</b>	<b>611,084,651</b>	<b>350,419,583</b>

Movements of cost of property development for the years ended December 31, 2020 and 2019 were summarized as follows:

		<i>Baht</i>	
	Note	2020	2019
Cost of sales		36,049,766	669,378,795
Construction cost		286,292,497	194,523,530
Transfer from land held for development	8	6,427,751	101,120,846
Capitalized interest cost included in			
Cost of property development		3,486,795	12,603
Interest rate (%)		4.00	4.00

As at December 31, 2020 and 2019, the Company mortgaged land with construction as collateral for credit facilities of loan (see note 13) which its carrying value were summarized as follow:

	<i>Baht</i>	
	2020	2019
Property under development	405,249,335	130,290,033

Information of property projects as at December 31, 2020 and 2019 were summarized as follow:

	<i>Baht</i>	
	2020	2019
Total estimated sale value of property projects which were in the process of selling	4,575,288,193	4,575,288,193
Total sale value of units which their controls were transferred to the customers	2,430,474,909	2,360,826,138
Total sale value under the contracts which were in the process of transferring of control	366,234,731	320,373,698

The Company had the obligations under contracts with customers that are unsatisfied which the Company expects to satisfy these performance obligations within the 1 years.



## 7. COST TO OBTAIN CONTRACT WITH CUSTOMER

Movements of cost to obtain contract with customer for the years ended December 31, 2020 and 2019 were summarized as follows:

	<i>Baht</i>	
	2020	2019
Beginning balance	36,988,063	163,873,985
Increase	18,096,454	34,684,304
Recognize offset against other income		
(Customer breach the contract)	(390,000)	(810,000)
Recognized as selling expenses	(9,833,374)	(160,760,226)
Ending balance	44,861,143	36,988,063

## 8. LAND HELD FOR DEVELOPMENT

Movements of land held for development for the years ended December 31, 2020 and 2019 consisted of:

	Note	<i>Baht</i>
<b>At cost</b>		
Balance as at January 1, 2019		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
Purchase/ transfer in		25,129,912
Disposal		-
Transfer to cost of property development	6	(6,427,751)
Balance as at December 31, 2020		507,188,864

The Company mortgaged land held for development as collateral for credit facilities of loan (see notes 12 and 13) which its carrying value were summarized as follow:

	<i>Baht</i>	
	2020	2019
Land held for development	311,374,302	311,374,302



## 9. INVESTMENT PROPERTY

Movement of investment property for the years ended December 31, 2020 and 2019 consisted of:

	<i>Baht</i>		
	Land	Building	Total
<b>At cost</b>			
Balance as at January 1, 2019	116,913	2,480,285	2,597,198
Increase	-	2,413,813	2,413,813
Disposal/ transfer out	-	-	-
Balance as at December 31, 2019	116,913	4,894,098	5,011,011
Increase	-	-	-
Disposal/ transfer out	-	-	-
Balance as at December 31, 2020	116,913	4,894,098	5,011,011
<b>Accumulated depreciation</b>			
Balance as at January 1, 2019	-	372,042	372,042
Depreciation	-	175,735	175,735
Disposal/ transfer out	-	-	-
Balance as at December 31, 2019	-	547,777	547,777
Depreciation	-	271,700	271,700
Disposal/ transfer out	-	-	-
Balance as at December 31, 2020	-	819,477	819,477
<b>Net book value</b>			
As at December 31, 2019	116,913	4,346,321	4,463,234
As at December 31, 2020	116,913	4,074,621	4,191,534

	<i>Baht</i>	
	2020	2019
For the year ended December 31		
Amounts recognized in profit or loss		
Rental income	240,000	240,000
Fair value of investment property as at December 31, 2020 and 2019 were as follow:		

	<i>Baht</i>	
	2020	2019
Land building and construction	11,611,000	11,629,380

### Assets valuation

#### Year 2020

The Company engaged Real Estate Appraisal Co., Ltd., who is an independent appraiser in accordance with professional standards of the Valuers Association of Thailand. Land was appraised basing on the Market Approach Method at the appraisal value of Baht 11.61 million as per the appraisal report dated January 6, 2021.

## Year 2019

The Company engaged Kawin Appraisal Co., Ltd., who is an independent appraiser in accordance with professional standards of the Valuers Association of Thailand. Land was appraised basing on the Market Approach Method at the appraisal value of Baht 11.63 million as per the appraisal report dated December 18, 2019.

### 10. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the years ended December 31, 2020 and 2019 consisted of:

							<i>Baht</i>
	Note	Land	Building	Furniture and office equipment	Vehicles	Assets under construction	Total
<b>At cost</b>							
Balance as at January 1, 2019		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
Purchase/ transfer in		-	14,004,790	491,012	-	3,812,175	18,307,977
Disposals/ transfer out		-	(38,520)	(804,482)	(1,049,000)	(14,025,659)	(15,917,661)
Balance as at December 31, 2020		12,765,445	81,177,740	9,362,019	4,466,983	65,143	107,837,330
<b>Accumulated depreciation</b>							
Balance as at January 1, 2019		-	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
Depreciation		-	7,229,589	1,157,658	199,967	-	8,587,214
Disposal/ transfer out		-	(37,614)	(732,931)	(669,000)	-	(1,439,545)
Balance as at December 31, 2020		-	30,785,432	6,767,155	2,144,150	-	39,696,737
<b>Net book value</b>							
As at December 31, 2019		12,765,445	43,618,013	3,333,061	2,902,800	10,278,627	72,897,946
As at December 31, 2020		12,765,445	50,392,308	2,594,864	2,322,833	65,143	68,140,593
							<i>Baht</i>
							2020      2019
As at December 31							
The gross carrying amount of fully depreciated that is still in use							4,732,000      2,642,626

## 11. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
<b>Trade payables</b>		
Other parties	1,322,260	4,786,535
<b>Other payables</b>		
Accrued expenses	1,633,855	11,841,103
Others	404,725	800,643
<b>Total</b>	<b>2,038,580</b>	<b>12,641,746</b>
<b>Grand total</b>	<b>3,360,840</b>	<b>17,428,281</b>

## 12. SHORT-TERM LOAN FROM OTHER COMPANY

Short-term loans from other company as at December 31, 2020 and 2019 consisted of:

		<i>Million Baht</i>		<i>(%)</i>		
<i>Million Baht</i>		Principal		Referred	Interest	
Lender	Credit limit	2020	2019	interest rate	installment	Due of payment
Other company	150	<u>147</u>	<u>150</u>	MLR	The last business day of each month	Repayment of principal within December 2021

Movements of short-term loan from other company for the years ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Beginning balance	150,000,000	-
<b>Add</b> Increase in loan	-	150,000,000
<b>Less</b> Repayment	(3,000,000)	-
Ending balance	147,000,000	150,000,000

On October 30, 2020, the non – related other payable had extended the payment period for another 12 months to be due in December, 2021.

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

## 13. LONG-TERM LOAN FROM OTHER COMPANY

Long-term loan from other company as at December 31, 2020 and 2019 consisted of:

Lender	Credit limit	Million Baht		Referred interest rate	Interest installment	Term of payment			Due of payment
		2020	2019						
Other company	350	205	5	MLR	The last business day of each month	1st installment : December 2021 not less than Baht 100 million	2nd installment : December 2022 not less than Baht 100 million	3rd installment : December 2023 not less than Baht 150 million	within December 2023
Less Current portion		(100)	-						
Long-term loan		105	5						

Movements of long-term loan from other company for the year ended December 31, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Beginning balance	5,000,000	269,000,000
Add Increase in loan	200,000,000	5,000,000
Less Repayment	-	(269,000,000)
Ending balance	<u>205,000,000</u>	<u>5,000,000</u>

#### Collateral

The Company mortgaged land with construction under the property development as collateral (see note 6).

As at December 31, 2020 and 2019, long-term loan from other company presented by term of repayment period were summarized as follow:

	<i>Baht</i>	
	2020	2019
Due date of payment		
within 1 year	100,000,000	-
more than 1 year but not over 5 years	105,000,000	5,000,000
Total	<u>205,000,000</u>	<u>5,000,000</u>

#### 14. ADVANCE RECEIVED

Movement of advance received for the years ended December 31, 2020 and 2019 were summarized as follows:

	<i>Baht</i>	
	2020	2019
Beginning balance	161,593,600	883,177,554
Increase	195,732,935	566,138,256
Recognized as revenue	(80,466,066)	(1,288,948,065)
Ending balance	<u>276,860,469</u>	<u>160,367,745</u>

Advance received arising from purchasing residential unit from the Company which the customer made a wholly or partially payment. The Company will transfer advance received to recognize as revenue from sale when they completely transfer control over the residential unit to the customer.



## 15. PROVISIONS

Provisions as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i> Provision for maintenance
As at January 1, 2019	6,242,624
Increase	6,386,000
Actual payment	<u>(562,775)</u>
As at December 31, 2019	12,065,849
Increase	367,000
Actual payment	<u>(246,910)</u>
As at December 31, 2020	<u>12,185,939</u>

## 16. PROVISIONS FOR EMPLOYEE BENEFIT

Provisions for employee benefit as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i> 2020	2019
Post employment benefits		
Present value of obligations	<u>17,533,014</u>	<u>13,869,796</u>
Provisions for employee benefit	17,533,014	13,869,796
<b>Less</b> Current portion	<u>-</u>	<u>-</u>
Provisions for long-term employee benefit	<u>17,533,014</u>	<u>13,869,796</u>

Movements of the present value of provisions for employee benefit for the years ended December 31, 2020 and 2019 were summarized as follows:

	<i>Baht</i>	
	2020	2019
<b>Post-employment benefit plan</b>		
Present value of provision for employee benefit		
as at January 1,	13,896,796	9,948,850
Included in profit or loss:		
Current service cost	3,330,450	2,863,137
Interest cost	305,768	237,524
Past service costs	-	381,471
Included in other comprehensive income (loss):		
Actuarial gain (loss) incurred from		
- Demographic assumptions	-	(495,383)
- Financial assumptions	-	(53,247)
- Experience adjustments	-	1,014,444
Present value of provision for employee benefit		
as at December 31,	<u>17,533,014</u>	<u>13,896,796</u>

Principal actuarial assumptions as at December 31, 2020 and 2019 were as follow:

	%
Discount rate	2.20
Salary increase rate	5.00
Turnover rate	0.00 - 15.00
Disability rate	5% of mortality rate

Discount rate were the market yields on government's bond for legal severance payments plan and pension.

Salary increase rate depended on the management's policies.

Turnover rate depended on the length of service.

Mortality rate were the reference rate from TMO2017: Thai Mortality Ordinary Table 2017.

### Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term provisions for employee benefit as at December 31, 2020 and 2019 are summarized below:

	2020		2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1,435,567)	1,666,526	(1,209,285)	1,399,495
Salary increase rate (1% movement)	1,784,152	(1,565,642)	1,345,581	(1,189,775)
Turnover rate (1% movement)	(1,521,802)	503,216	(1,279,603)	378,754

The Company presented in the statement of comprehensive income for the year ended December 31, 2020 and 2019 as follow:

	Baht	
	2020	2019
Cost of sale	337,924	412,503
Selling expenses	751,753	681,679
Administrative expenses	400,721	410,631
Management remuneration	1,840,052	1,739,795
Finance cost	305,768	237,524
Total	3,636,218	3,482,132

## 17. SHARE CAPITAL

Movement of share capital for the years ended December 31, 2020 and 2019 were summarized as follows:

					<i>Baht</i>
	Par value	2020		2019	
	per share	Number	Amount	Number	Amount
<b>Share capital</b>					
Ordinary shares					
At January 1	0.50	659,998,559	329,999,280	440,000,000	220,000,000
Increase of new shares		65,627,052	32,813,526	219,999,520	109,999,760
Reduction of shares		(31)	(16)	(961)	(480)
At December 31	0.50	<u>725,625,580</u>	<u>362,812,790</u>	<u>659,998,559</u>	<u>329,999,280</u>
<b>Issued and paid-up shares</b>					
Ordinary shares					
At January 1	0.50	659,998,528	329,999,264	439,999,039	219,999,520
Increase of new shares		65,626,965	32,813,483	219,999,489	109,999,744
Reduction of shares		-	-	-	-
At December 31	0.50	<u>725,625,493</u>	<u>362,812,747</u>	<u>659,998,528</u>	<u>329,999,264</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### Registered share capital

17.1 The Ordinary General Meeting of Shareholders held on April 29, 2020 passed the special resolutions to approve as follows:

17.1.1 Decrease authorized share capital by reducing 31 ordinary shares with the par value of Baht 0.50 per share, totalling of Baht 15.50.

On May 12, 2020, the Company had already registered the mentioned decrease in share capital with the Department of Business Development, Ministry of Commerce.

17.1.2 Increase authorized share capital from Baht 330 million (660 million ordinary shares with par value of Baht 0.50 each) to Baht 363 million (726 million ordinary shares with par value of Baht 0.50 each) by issuing new ordinary shares of Baht 32.81 million (65.63 million ordinary shares with par value of Baht 0.50 each) to support stock dividend payment.

On May 13, 2020, the Company had already registered the mentioned increase in share capital with the Department of Business Development, Ministry of Commerce.

17.2 The Ordinary General Meeting of Shareholders held on April 29, 2019 passed the special resolutions to approve as follows:

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



- 17.2.2 Increase authorized share capital from Baht 220 million (440 million ordinary shares with par value of Baht 0.50 each) to Baht 330 million (660 million ordinary shares with par value of Baht 0.50 each) by issuing new ordinary shares of Baht 110 million (220 million ordinary shares with par value of Baht 0.50 each) to support stock dividend payment.

On May 24, 2019, the Company had already registered the mentioned decrease and increase in share capital with the Department of Business Development, Ministry of Commerce.

## 18. PREMIUM ON SHARE CAPITAL

According to the Public Companies Act B.E. 2535, Section 51 the Company is required to set aside share subscription monies 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.

## 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. The statutory reserve is not available for dividend distribution.

## 20. 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 Company will disclose the share repurchase program not later than 14 days prior to the date on which the shares will be repurchased through the main board of the Stock Exchange of Thailand. The repurchase price shall not exceed 115% of the average closing share price of 5 business days prior to each repurchase date and the implementation period shall not exceed 6 months. The Company’s Board of Directors will determine the period for resale of those treasury stock within 6 months from the repurchase date but not over 3 years. The resale price are determined not less 85% of the average closing share price of 5 business days prior to each resale date. In case that the Company is unable to resell all treasury stock within the specified period since the repurchase date.

Reconciliation of treasury stocks and treasury stocks reserve for the years ended December 31, 2020 were summarized as follow:

	Treasury stocks			Baht
	Number of shares	Average price per share	Cost	Treasury stocks reserve
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, 2020, 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 that 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.

## 21. DIVIDEND

<i>Baht</i>									
Dividend	Approval	Approval date	Dividend payment date	Stock dividend paid		Dividend per share	Treasury stock not be eligible to receive dividend	Dividend paid	Total
				Per share	Amount				
Year	The Ordinary General	April 29,	May 22,						
2020	Meeting of Shareholders	2020	2020	10 : 1	32,813,482	0.0056	3,728,000	3,645,989	36,459,471
Year	The Ordinary General	April 29,	May 22,						
2019	Meeting of Shareholders	2019	2019	2 : 1	109,999,745	0.0028	3,728,000	12,222,211	122,221,956
					<u>142,813,227</u>			<u>15,868,200</u>	<u>158,681,427</u>

## 22. REVENUE FROM CONTRACT WITH CUSTOMERS

### Disaggregation of revenue

			<i>Baht</i>	
			2020	2019
<b>Type of goods or services</b>				
Revenue from sale of property			77,853,706	1,277,109,834
Rental income			1,977,443	7,337,283
Interest income			285,926	513,551
Operation management condominium units income			7,800,000	5,000,000
Other income			1,066,669	4,254,600
<b>Total</b>			<u>11,130,038</u>	<u>17,105,434</u>
<b>Grand total</b>			<u>88,983,744</u>	<u>1,294,215,268</u>
<b>Timing of revenue recognition</b>				
At a point in time			78,578,252	1,280,374,968
Over time			10,405,492	13,840,300
<b>Total</b>			<u>88,983,744</u>	<u>1,294,215,268</u>

## 23. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance measured basing on segment operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

### Business segment

The Company identified their business segment as involve property development.

The chief operating decision maker has been identified as the Board of Directors of the Company

### Geographic segment

The Company operates only in Thailand. There are no revenues derived from or assets located in foreign countries. As a result, all the revenues and assets as reflected in these financial statements pertain exclusive to this geographical reportable segment

### Information about major customers

No single customer represents a major customer because the Company have large number of customers.

### Major customers

Segment geographic information were as follow:

	<i>Baht</i>	
	2020	2019
Revenue in primary geographical markets		
Europe	68,459,074	784,712,015
Asia	11,657,930	413,946,672
Australia	-	44,061,462

## 24. EMPLOYEE BENEFIT EXPENSES

	<i>Baht</i>	
	2020	2019
Wages and salaries	48,411,439	66,878,632
Defined benefit plans	3,719,689	4,694,878
Defined contribution plans	1,082,806	998,749
Others	2,998,325	3,547,631
Total	<u>56,212,259</u>	<u>76,119,890</u>

## 25. EXPENSES BY NATURE

	<i>Baht</i>	
	2020	2019
Amortisation of cost of obtaining the contracts	9,833,374	160,760,226
Employee expenses	56,212,259	76,119,890
Sales promotion expenses	4,751,431	11,401,885
Fee expenses	1,679,908	2,983,030
Utility expenses	1,767,678	6,486,885
Registration fee and property rental expense	1,545,063	15,763,107
Depreciation and amortization	7,337,639	7,383,157

## 26. PROVIDENT FUND

The defined contribution plans comprise provident funds established by the Company for its employees under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates of 2% of their basic salaries and by the Company at rates of 2% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by Kasikorn Asset Management Public Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2020, the Group contributed in the amount of Baht 1.08 million (year 2019: Baht 1.00 million).

## 27. INCOME TAX

Income tax of the Company for the years ended December 31, 2020 and 2019 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Group recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Tax income (expense) for the year ended December 31, 2020 and 2019 were as follow:

	<i>Baht</i>	
	2020	2019
<b>Income tax recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current year	-	(65,090,400)
Adjustment for prior years	-	(868,061)
<b>Deferred tax expense</b>		
Movements in temporary differences	10,783,231	2,300,715
<b>Tax income (expense)</b>	<b>10,783,231</b>	<b>(63,657,746)</b>

Tax income (expense) for the year ended December 31, 2019 were as follow:

	Before tax	Tax income	<i>Baht</i> Net of tax
<b>Income tax</b>			
<b>Recognised in other comprehensive income</b>			
Defined benefit plan actuarial losses	(465,814)	93,163	(372,651)

Reconciliation of effective tax rate

	2020		2019	
	<i>Tax rate</i>		<i>Tax rate</i>	
	%	<i>Baht</i>	%	<i>Baht</i>
Profit (loss) before income tax		(58,986,063)		297,978,925
Income tax using the corporate tax rate	20	11,797,213	20	(59,595,785)
Income not subject to tax		6,310,293		(448,167)
Expenses not deductible for tax purposes		(2,330,209)		(5,046,448)
Current year losses		(15,777,297)		-
Current tax		-	22	(65,090,400)
Understated income tax in prior year		-		(868,061)
Movement in temporary differences		10,783,231		2,300,715
Tax income (expenses)	18	10,783,231	21	(63,657,746)

Deferred tax

Deferred tax as at December 31, 2020 and 2019 consisted of:

	<i>Baht</i>	
	2020	2019
Deferred tax assets	26,838,887	16,055,656

Movement of deferred tax assets occurred during the year were summarized as follows:

		Bahr						
	Note	As at January 1, 2019	Profit or loss	Other comprehensive income	As at December 31, 2019	Profit or loss	Other comprehensive income	As at December 31, 2020
Property, plant and equipment	10	2,382,479	(8,983)	-	2,373,496	536,106	-	2,909,602
Employee benefit obligations	16	1,989,770	696,426	93,163	2,779,359	727,245	-	3,506,604
Provisions	15	1,248,525	1,164,645	-	2,413,170	24,017	-	2,437,187
Guarantee return		8,041,004	448,627	-	8,489,631	(6,281,434)	-	2,208,197
Loss carry forward		-	-	-	-	15,777,297	-	15,777,297
Total		13,661,778	2,300,715	93,163	16,055,656	10,783,231	-	26,838,887



## 28. EARNINGS (LOSS) PER SHARE

### Basic earnings (loss) per share

Basic earnings (loss) per share for the year ended December 31, 2020 and 2019 is calculated by dividing profit (loss) for the years attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares issued and paid-up during the years adjusted with treasury stocks which were summarized as follow:

During the year 2020 and 2019, the Company paid stock dividends to the ordinary shareholders (see note 21). 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, 2020 and 2019 were as follows:

	<i>Baht</i>	
	2020	2019
Profit (loss) for the year	(48,202,831)	234,321,179
<b>Weighted average number of ordinary shares (Shares)</b>		
Ordinary shares at the beginning of year	659,998,528	439,999,039
Effect of stock dividends issued 2019	-	219,999,489
Effect of stock dividends issued 2020	65,626,965	65,842,686
Treasury stocks	(3,728,000)	(3,728,000)
Weighted average number of ordinary shares	<u>721,897,493</u>	<u>722,113,214</u>
Basic earnings (loss) per share	<u>(0.07)</u>	<u>0.32</u>

## 29. COMMITMENTS

As at December 31, 2020 and 2019, the Company had commitments as follows:

- a) As at December 31, 2020 and 2019, the Company has letters of guarantee issued by the banks regarding to the obligation under the agreement as follow:

	<i>Baht</i>	
	2020	2019
Letters of guarantee for electricity use	414,376	414,376

- b) As at December 31, 2020 and 2019, the Company has commitments regarding to the acquisition on land and cost of property development as follow:

	<i>Baht</i>	
	2020	2019
Construction agreement	17,422,682	60,094,336

- c) As at December 31, 2020 and 2019, the Company has commitments regarding to the agreements as follow:

	<i>Baht</i>	
	2020	2019
Buildings rental	960,000	960,000
Maintenance expense	1,327,053	1,067,254
Service	1,994,680	1,186,272

### 30. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments of the Company principally comprise cash and cash equivalents, deposits at banks, other receivables, trade and other payables, and loan from other companies.

#### Risk management policy

The Company are exposed to risks from changes in interest rates and currency exchange rates and risks from non-performance of contractual obligations by counterparties. [the Company uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Company has a policy to enter into contracts with creditworthy counterparties. Therefore, the Company does not expect any material financial losses to arise from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contracts.

#### a) Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company.

The exposure to interest rate risk of the Company relates primarily to their deposits at financial institutions, and loan from other companies. However, as most of the financial assets and liabilities carry floating interest rate which fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company do not use derivatives to manage their interest rate risk.

**Baht**

	<u>Variable interest rate</u>	<u>Fixed interest rate</u>
<b>As at December 31, 2020</b>		
<b>Financial assets</b>		
Cash equivalents	117,591,910	-
Restricted bank deposits	414,376	-
<b>Financial liabilities</b>		
Short-term loan from other company	147,000,000	-
Long-term loans from other company	205,000,000	-
<b>As at December 31, 2019</b>		
<b>Financial assets</b>		
Cash equivalents	176,727,251	
Restricted bank deposits	414,376	
<b>Financial liabilities</b>		
Short-term loan from other company	150,000,000	
Long-term loans from other company	5,000,000	

**b) Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to Company.

The Company is exposed to credit risk primarily with respect to other receivables. However, the Company controls such risk by establishing credit limits for clients and counter parties and analysing their financial position as an ongoing basis. the Company is not expected to have much concentration risk of credit exposure.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The maturity dates of financial instruments held as of December 31, 2020 and 2019, counting from the statements of financial position date were as follows:

		<i>Baht</i>					
		As at December 31, 2020					
		At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>							
Cash equivalents	117,191,910	117,191,910	-	-	-	-	117,191,910
Restricted bank deposits	414,376	-	414,376	-	-	-	414,376
<b>Financial liabilities</b>							
Trade and other payables	3,360,840	566,215	2,794,625	-	-	-	3,360,840
Short-term loan from other company	147,000,000	-	147,000,000	-	-	-	147,000,000
Long-term loans from other company	205,000,000	-	100,000,000	105,000,000	-	-	205,000,000
		<i>Baht</i>					
		As at December 31, 2019					
	Interest rate	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>							
Cash equivalents	0.30 - 1.5%	176,027,251	-	-	-	-	176,027,251
Other receivables	-	-	437,369	-	-	-	437,369
Restricted bank deposits	0.30 - 1.5%	-	-	414,376	-	-	414,376
<b>Financial liabilities</b>							
Trade and other payables	-	566,217	16,862,064	-	-	-	17,428,281
Short-term loan from other company	4.00%	-	150,000,000	-	-	-	150,000,000
Long-term loans from other company	4.00%	-	-	5,000,000	-	-	5,000,000

d) Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be amid in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

The fair value disclosure does not include fair value information for financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of fair value



	Carrying amount				Fair value			Baht
	Fair value			Total	Level 1	Level 2	Level 3	
	Fair value through profit or loss	Fair value through comprehensive income	Amortized cost					
As at December 31, 2020								
Disclosed fair value assets								
Investment property	-	-	4,191,534	4,191,534	-	-	11,661,000	11,661,000

*Baht*

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
December 31, 2019					
Financial assets					
Disclosed fair value assets					
Investment property	4,463,234	-	11,629,380	-	11,629,380

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable inputs for the asset or liability such as the future cash flow estimated by the Company.

### 31. RECLASSIFICATION

The Company has reclassified certain accounts in the financial statements for the year ended December 31, 2019 to conform to the presentation of the financial statements of current year as follow:

	<i>Baht</i>		
	Before	Reclassification	After
<b>Statement of financial position</b>			
Costs of obtaining a contract	-	36,988,063	36,988,063
Other current assets	38,639,145	(36,988,063)	1,651,082
Trade and other payables	18,215,799	(787,518)	17,428,281
Other current liabilities	9,784,729	787,518	10,572,247

### 32. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on February 25, 2021 passed a resolution to approve decrease authorized share capital by reducing 87 ordinary shares with the par value of Baht 0.50 per share, totalling of Baht 43.50.

# 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 2018-2020, the Company's revenue from sales and services was estimated at 311.73 million baht, and 1,277.11 million baht, and 77.85 million baht, or a rise of 96.17%, 98.67% and 87.49 % respectively.

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

In 2020, The company's revenues from sales for the year ended 31<sup>st</sup> December 2020 was 77.85 million baht or decreased by 93.90% of revenue rate compare with the previous year. The mainly decreased was due to the company only transfer ownership of the condominium unit of The Title Naiyang Phase 1 & Phase 2 which occurred since the beginning of 2019.

2011-2013	2014	2015	2016	2017	2018	2019	2020
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The company had a net profit in the year 2018 to 2020 amounted to 28.21 million baht, 234.32 million baht, and 48.20 million baht. Altogether, the net profit was 8.70%, 18.10%, and 54.17 % of 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

In 2020, The company's net loss for the year ended 31<sup>st</sup> December 2020 was 48.20 million baht which is consistent with the company's performance.

On the 31<sup>st</sup> December 2018 to the 31<sup>st</sup> December 2020, the company had property of about 1,754.61 million baht, 1,151.81 million baht and 1,386.77 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 39.32%, 30.42 % and 44.07% of the all the property and the land; that waiting to be developed at 32.43%, 42.41 % and 36.57% 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 31<sup>st</sup> of December 2018 to the 31<sup>st</sup> of December 2020, the company had debt owed amounting to 1,203.59 million baht, 392.30 million baht, and 679.11 million baht. Altogether it is about 68.60%, 34.05% and 48.97% 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. In 2020 the advance received was increased caused from advance receipt of reservation cost and down payment from project and loans from financial /institutions/insurance companies for used in construction of The Title Rawai Project Phase 5



On the 31<sup>st</sup> of December 2018 to the 31<sup>st</sup> of December 2020, the company had shareholders consisting of about 551.02 million bath, 759.51 million bath and 707.66 million bath or it's about 31.40%, 65.95% and 51.03% of the debt owed to shareholders. The amount of shareholders had increased, because the net profit (loss) had improved. Furthermore, the capital of the registered had increased; while the period of 2018 to 2020 had dividends and share repurchases as well as the amount of capital being increased by the following.

In 2018, the decision of the meeting of shareholders 2018 on the 24<sup>th</sup> of April 2018, had the decision to reimburse stock dividends for the shareholders of about 22,222,222.40 Baht. This was money for 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 18<sup>th</sup> of May 2018, by figuring out the date for recording data of the name of shareholders; to be able to make the right to receive funds on the 3<sup>rd</sup> of May 2018

In 2019, the decision of the meeting of shareholders 2019 on the 29<sup>th</sup> 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.

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

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

In 2020, the company therefore proposed to pay dividend to the company's shareholders in the total amount of 36,459,179 Baht, at the rate of 0.0555555556 Baht per share, by allocating the same to the company's shareholders in the form of stock dividends and cash as per the following details:

a. The Company will pay the stock dividends by issuing 65,627,052 shares (with a par value of 0.50 Baht each), calculated as the dividend payment at the rate of 0.05 Baht per share, to the existing shareholders, at the ratio of 10 existing shares for 1 stock dividend, in the total amount of 32,813,526 Baht. Where the calculation of ordinary shares for the payment of stock dividends results in fractions of share, any fractional shares therefrom will be received in cash at the rate of 0.05 Baht per share in lieu of the stock dividends;

b. The company will pay dividend in the form of cash at the rate of 0.0055555556 Baht per share;

And

In 2020 the company determines the dividend payment will be made on 22 May 2020 and the date for determining the name of shareholders who shall be entitled to receive to receive dividend payment (Record Date) is scheduled on 5 March 2020.

## **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 2018–

2020, the Company's revenue from sales and services was estimated at 311.73 million baht, and 1,277.11 million baht, and 77.85 million baht or a rise of 96.18%, 98.68, and 87.49% respectively

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.

In 2020, The company's revenues from sales for the year ended 31<sup>st</sup> December 2020 was 77.85 million baht or decreased by 93.90% of revenue rate compare with the previous year. The mainly decreased was due to the company only transfer ownership of the condominium unit of The Title Naiyang Phase 1 & Phase 2 which occurred since the beginning of 2019. Caused by the transfer of ownership of The Title Naiyang Phase 1,2 about 23 rooms and the continuously transfer of ownership of The Title Rawai Phase 3 about 1 room.

#### **Other Income**

In 2018 to 2020, the company had other income of about baht, 12.39 million baht, and 17.11 million baht and 11.13 million baht. As for the percentage they were 3.82%, and 1.33%, and 12.51% 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.

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

Revenues from sales and service <sup>1/</sup>	Financial statement (Audited)					
	Y2018		Y2019		Y2020	
	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)	Value (Million baht)	Proportion (percent)
The Title Rawai Phase 3	311.73	96.18	35.88	2.77	4.96	5.57
Total revenues from sales and service	-	-	527.35	40.75	30.98	34.82
Other income <sup>2/</sup>	-	-	713.88	55.16	41.91	47.10
The Title Naiyang Phase 1	311.73	96.18	1,277.11	98.68	77.85	87.49
The Title Naiyang Phase 2	12.39	3.82	17.11	1.32	11.13	12.51
<b>Total income</b>	<b>324.12</b>	<b>100.00</b>	<b>1,294.22</b>	<b>100.00</b>	<b>88.98</b>	<b>100.00</b>

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

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

**Table 2 Status of Transfer of Ownership during 2018–2020**

Project	Y2018		Y2019		2020		Accumulated Transfer of Ownership	
	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)	Transferred <sup>1</sup> (Unit)	Proportion <sup>2</sup> (percent)
The Title Naiyang Phase 1	-	-	211	83.73	11	4.37	222	88
The Title Naiyang Phase 2	-	-	203	92.2	12	5.5	215	97.8
The Title Rawai Phase 3	70	29.17	8	3.33	1	0.42	239	99.59
The Title Rawai Phase 5	-	-	-	-	-	-	-	-

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

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

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

Cost of Sales and Services / Gross Profit and Gross Profit of which have land and improvements of land, payment construction, and related construction payments, and marginal costs that received from the contract, etc. Therefore, the marketing costs are commission costs that the company had to pay for the agency. There is an objective for the agency to have responsibility for them, and coordinate for the company; to be able to make sells and products and (conveyance) till completion. The responsibility of the agency is to pick up the customer at the airport, to take the customer to visit around the project, to give information about the project to compare with other projects till bookings are made, coordinated with the customer seriously till the customer is able to make a contract. There has to be responsibility to help the customer check documents and manage them for conveyance. The reason why is because the foreign customer may worry about Thai language documents, and

trust the sell of the agency more than the company, because they are the same individuals in a country and be able to use their language. Furthermore, the agency takes the customer to the Department of Land for conveyance, with the officer of the company by having a warming heart for the customer. In case the officer receives power from the customer for conveyance, the customer does not have to arrive there, etc. With the responsibility of the agency of the company, it is different from other agencies. It helps to make the capital costs improve, because the contract of the company will make a record in the property list; of which is shown in the financial budget of the company. In addition, it is to be the marketing costs and be the service in the Statement of Comprehensive Income when conveyance for the buyer.

Nonetheless, the company has a policy to determine the rate of the payment to pay for the sales of the agency, of about 10.00% of the selling value. In some cases, if the agency is able to sell rooms until they are able to obtain a gross profit in the period of time that the company had determine, that agency seller can obtain special commission. 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 made 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 2018 to 2020, 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 139.31 million baht, and 685.45 million baht, and 37.18 million baht; at a rate of selling costs and services with the income from sales and services of about 44.69%, 53.67%, and 47.76 % or a gross profit of 55.31%, 46.33%, and 52.24%. 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 2018 to 2020, 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	Y2018		Y2019		Y2020	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Costs of sales – Lands and land improvement	1.31	0.94	38.66	5.64	1.90	5.11
Costs of sales – Construction of building	135.23	97.07	598.1	87.26	32.78	88.17
Costs of Sales – Other related expenses <sup>1</sup>	2.77	1.99	48.69	7.10	2.50	6.72
<b>Total Cost of Sales and Services</b>	<b>139.31</b>	<b>100.00</b>	<b>685.45</b>	<b>100.00</b>	<b>37.18</b>	<b>100.00</b>
Percentage of costs of sales and services per revenue obtained from sales and services	44.69		53.67		47.76	
Gross profit margin	55.31		46.33		52.24	

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

<sup>2</sup>New 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 2018 to 2020, there were about 69.00 million baht, 203.87 million baht and 31.18 million baht. As for the percentage, 22.13%, 15.96% and 40.05% of the sales and servicing.

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.

In 2020, the company's selling expenses for the year ended 31<sup>st</sup> December 2020 was 31.18 million baht decreased 172.69 million baht from the previous year. The selling expenses is variable expenses associated with condominium unit sale: commission from sales, specific business tax and commercial fee (sale). Most expenses are from unit sale in The Title Naiyang Phase 1 & Phase 2 Project in accordance with the requirements of the contract, the cost of maintaining room that has not been transferred.

**Table 4 Costs of Sales**

Costs of Sales	Y2018		Y2019		Y2020	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Salaries, bonuses, and welfares of salespersons	12.55	18.19	18.87	9.26	14.39	46.15
Specific business taxes and trade charges	5.65	8.19	16.91	8.29	1.60	5.13
Promotional and public relations	3.08	4.46	0.66	0.32	0.47	1.51
Other expenses related to sales	1.58	2.29	5.72	2.81	3.07	9.85
Costs of Sales – Costs of contractual requirements <sup>2</sup>	44.63	64.68	160.76	78.85	9.83	31.53
Depreciation	1.51	2.19	0.95	0.47	1.82	5.84
<b>Total Costs of Sales</b>	<b>69.00</b>	<b>100.00</b>	<b>203.87</b>	<b>100.00</b>	<b>31.18</b>	<b>100.00</b>
Percentage of costs of sales per revenue of sales and services	22.13		15.96		40.05	

**Remark:** <sup>2</sup>New 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 were salary bonus benefits of the employees, seller, specific business tax, and seller promotion, Depreciation information, and advertising, payment utilities, insurance interest, etc.

In 2018 to 2020, the company had costs for management of about 79.99 million baht, 104.83 million baht and 74.39 million baht; or about 25.66%, 8.21% and 95.56 % of the income from selling and servicing.

In 2018 to 2019, the company had costs of management of about 79.99 million baht, and 104.83 million baht about 23.68%; 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

In 2020, the company's administrative expenses for the year ended 31<sup>st</sup> December 2020 was 74.39 million baht decreased 30.43 million baht from the previous year because there are decreases of administrative expenses such as employees expenses , donation for charity , other expenses

**Table 5 Costs of Management**

Costs of Management	Y2018		Y2019		Y2020	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Salaries, bonuses, and welfares of executives	44.98	56.23	47.75	45.55	41.11	55.26
Public utility expenses	2.86	3.58	6.49	6.19	1.77	2.38
Services	3.98	4.98	5.61	5.35	5.87	7.89
Meeting allowance	0.33	0.41	0.33	0.31	0.33	0.44
Other expenses related to management <sup>1</sup>	19.31	24.14	37.80	36.06	17.89	24.05
Depreciation <sup>2</sup>	8.53	10.66	6.85	6.53	7.42	9.97
<b>Total Costs of Management</b>	<b>79.99</b>	<b>100.00</b>	<b>104.83</b>	<b>100.00</b>	<b>74.39</b>	<b>100.00</b>
Percentage of costs of management per revenue of sales and services	25.66		8.21		95.56	

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

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

### **Finance costs**

The finance costs of the company have 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 2018 to 2020 The company has financial costs of about 0.11 million baht, 2.10 million baht and 5.21 million baht. As for the percentage, it was 0.03%, 0.16% and 5.86 % of all income.

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.

In 2020, the company's financial cost for the year ended 31<sup>st</sup> December 2020 was 5.21 million baht increased 3.11 million baht from the previous year because the interest expenses on loans from financial institutions/insurance companies for use as working capital in business.

### **Tax Expenses**

In 2018, for the expenses on income tax about 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.

In 2020, the company's income tax expenses for the year ended 31<sup>st</sup> December 2020 were (10.78) million baht caused by the adjustment of income tax estimation and deferred income tax.

### **Net profit(loss)**

The company had profit from 2018 to 2020, of about 28.21 million baht, 234.32 million baht and net loss 48.20 million baht to be the net profit margin; of about 8.70%, 18.11% of the total income and net loss 54.17%

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.

In 2020, The company's net loss for the year ended 31<sup>st</sup> December 2020 was 48.20 million baht which is consistent with the company's performance.

### **Shareholders' Equity Yield**

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.

In 2020, the company had a Shareholders' Equity Yield had (6.57) which arise from the loss according to the operating result.

## Financial Analysis

### **Assets**

During December 31<sup>st</sup>, 2018, December 31<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2020, Rhom Bho Property Public Company Limited possessed its total asset of 1,754.61 million baht, 1,151.81million baht and 1,386.77million baht. Significantly, major assets were related to the development of condominium projects, where the real estate ratio was maintained 39.32%, 30.42% and 44.07% of total assets, respectively. Also, the undeveloped lands were considered 32.43%, 42.41% and 36.57% 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, 2018 and December 31, 2019, and December 31, 2020, Rhom Bho Property possessed costs of property development of 689.87 million baht, 350.42 million baht, and 611.08 million baht considered 39.52%, 30.42% and 44.07% of total asset.

By the end of Y2018, costs of real estate development remained at 689.87 million baht increased 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 to Y 2020 costs of real estate development remained at 350.42 million baht and 611.08 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 <sup>st</sup> , 2018		December 31 <sup>st</sup> , 2019		December 31 <sup>st</sup> , 2020	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
The Title Rawai Phase 1	8.68	1.26	8.68	2.48	8.68	1.42
The Title Rawai Phase 2	-	-	-	-	-	-
The Title Rawai Phase 3	18.16	2.63	4.47	1.28	2.78	0.45
The Title Naiyang Phase 1,2	661.7	95.92	126.23	36.02	51.5	8.43
The Title Naiyang Phase 3	-	-	68.84	19.64	48.12	7.87
The Title Rawai Phase 5	1.33	0.19	142.2	40.58	405.03	66.28
The Title Halo1	-	-	-	-	94.97	15.54
<b>Total</b>	<b>689.87</b>	<b>100</b>	<b>350.42</b>	<b>100</b>	<b>611.08</b>	<b>100.00</b>

**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 31<sup>st</sup>, 2018, December 31<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2020, the inventory remained at 6.49 million baht, 0.59 million baht, and 0.91 million baht considered 0.37%, 0.05% and 0.07% 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 31<sup>st</sup> of December 2018 to the 31<sup>st</sup> of December 2020 the company has about 176.83 million baht, 36.64 million baht, and 47.99 million baht in other current assets. As for the percentage, it was 10.08%, 0.04% and 0.04% of all of the company.

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 31<sup>st</sup> of December 2018 to 2020 The company will have land to develop of about 568.99 million baht, 488.49 million baht and 507.18 million baht. As for the percentage, it was 32.43%, 42.41%, and 36.57% of the total amount of properties of the company.

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.

In 2020, the land held for development of the company had about 507.18 million baht increased 18.70 million baht. It occurred from the location being improved around Bang Tao beach for development in the future.

**Table 7 Undeveloped Land Classified by Location**

Unit: Million Baht

Undeveloped Land	December 31 <sup>st</sup> , 2018	December 31 <sup>st</sup> , 2019	December 31 <sup>st</sup> , 2020	ownership
Land in Rawai Beach	51.22	3.89	3.89	บริษัท
Land in Naiyang Beach	9.12	-	-	ติดภาระจำนอง
Land in Naiyang Beach	159.19	144.73	138.30	บริษัท
Land in Bang Tao Beach	311.37	339.87	364.99	บริษัท
<b>Total</b>	<b>568.99</b>	<b>488.49</b>	<b>507.18</b>	

#### **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 31<sup>st</sup> of December 2018 to 31<sup>st</sup> of December 2020. There was about 39.22 million baht, 72.90 million baht, and 68.14 million baht. As for the rate of percentage, it was 2.23%, 6.33%, and 4.91% 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%

In Y2019, the property, plant and equipment had decreased from Y2019 to 4.76 million baht; or about 6.53%

**Table 8 Property, Plant and Equipment**

Unit: Million Baht

Property, Plant and Equipment	December 31 <sup>st</sup> , 2018	December 31 <sup>st</sup> , 2019	December 31 <sup>st</sup> , 2020
Land	3.64	12.77	12.77
Building and construction	29.57	43.62	50.52
Decoration and office material	3.40	3.33	2.47
Vehicle	2.49	2.90	2.32
Task during construction	-	10.28	0.06
<b>Total</b>	<b>39.10</b>	<b>72.90</b>	<b>68.14</b>

**Intangible Assets**

Intangible assets of the company had software copyrights by the net value on the 31<sup>st</sup> of December 2018–31<sup>st</sup> of December 2020 was 1.47 million baht, 0.96 million baht, and 0.64 million baht. The rate of percentage was 0.08%, 0.08%, and 0.01% 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, by decreased intangible assets of the company because it occurred from these copyrights.

In Y2018 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 to 2020 intangible assets of the company were decreased 0.50 million baht and 0.32 million baht when compared to Y2019 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 31<sup>st</sup>, 2018–December 31<sup>st</sup>, 2020, the Company possessed deferred tax asset of 13.66 million baht and 16.06 million baht and 26.84 million baht, considered 0.78%, 1.39%, and 1.95% 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 31<sup>st</sup>, 2018–December 31<sup>st</sup>, 2020, the Company's non-current asset remained at 2.08 million baht and 1.76 million baht and 1.78million baht, considered 0.12%, 0.15%, and 0.01% of total asset.

## **Liability**

On the December 31<sup>st</sup> 2018 – December 31<sup>st</sup>, 2020, Rhom Bho Property Public Company Limited possessed liability valued at 1,203.59 million baht and 392.30 million baht and 679.11 million baht, considered 68.60%, and 34.05%, and 48.97% 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 31<sup>st</sup> of December 2018 to the 31<sup>st</sup> of December 2020 Accounts receivable of the company had about 10.19 million baht and 17.42 million baht and 3.36 million baht. As for the rate of percentage, it was 0.65%, 1.58%, and 0.01% in the past the shareholders in regards to the accounting business process of the company.

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 Y2019 to 2020 Trade and other payables had from Y2018 by 7.23 million baht and 14.06 million baht caused by the payment of material east for 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 <sup>st</sup> , 2018	December 31 <sup>st</sup> , 2019	December 31 <sup>st</sup> , 2020
Construction of building	4.28	4.78	1.32
Others <sup>1</sup>	5.91	12.64	2.04
<b>Total</b>	<b>10.19</b>	<b>17.42</b>	<b>3.36</b>

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

### **Income Tax Payable**

During December 31<sup>st</sup>, 2018 – December 31<sup>st</sup>, 2020, Rhom Bho Property Public Company Limited possessed income tax payable of 4.04 million baht, 13.16 million baht, considered 0.23%, 1.14%, of total liability and shareholders' equity and no income tax payable in 2020. 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 Y2018 – Y2020, the Company possessed advanced received of 891.29 million baht, 19.96 million baht and 276.86 million baht, as for the rate of percentage, it was 50.34%, 13.92%, and 76.86% 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 Y2018–Y2020 the company has loans from financial institutions/Insurance company was 269 million baht, 5 million baht, and 105 million baht for use in constructing project The Title Naiyang Phase 1,2 and repayment the land in Y2017–Y2018.

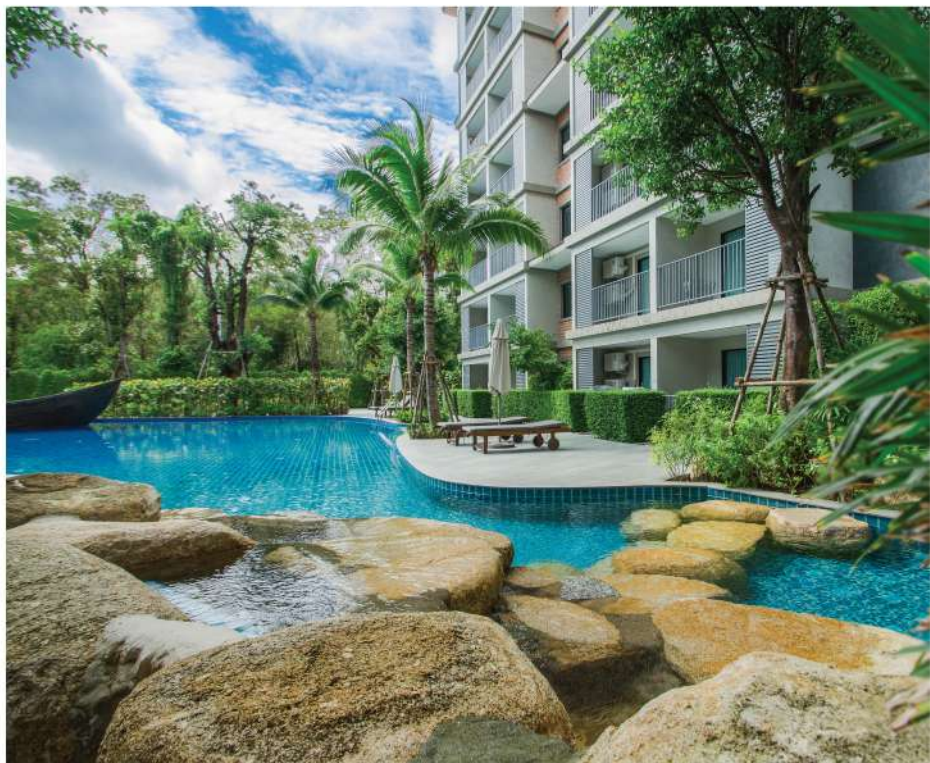
In Y2019 ,2020 the company has loans from financial institutions/Insurance company constructing project The Title Rawai Phase 5 and was as working capital in the business.



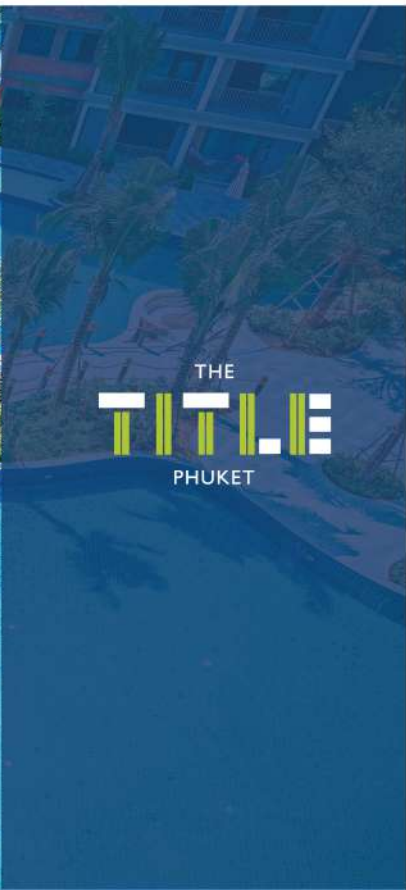
## Reference

Register (Share)	Thailand Securities Depository Company Limited 93 Stock Exchange of Thailand Building, Ratchadapisek Road, Din-Daeng, Bangkok 10400 Tel: 0-2009-9000 Fax: 0-2009- 9991
Auditor	Siam Truth Audit Company Limited 338 A Building, Preecha Complex Building A, 8th Floor, Rachadapisek Road Soi 20, Samsennok, Huaykwang, Bangkok, 10310. Tel: 0-2275-9599
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