

Quality Houses Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2021

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Quality Houses Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Quality Houses Public Company Limited and its subsidiaries as at 30 September 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Quality Houses Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 10 November 2021

Quality Houses Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2021	2020	2021	2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	2	2,921,072	2,509,511	1,229,819	983,488
Trade and other receivables	2, 3	43,701	36,518	10,169	9,117
Land and construction in progress	4	21,048,745	22,545,488	12,491,898	12,752,799
Advance for construction work		2,531	2,531	1,530	1,530
Advance for construction material		60,312	60,776	51,152	50,780
Cost to obtain contracts with customers		11,517	11,517	11,517	11,517
Other current assets		81,680	60,900	10,690	6,165
Total current assets		24,169,558	25,227,241	13,806,775	13,815,396
Non-current assets					
Restricted deposits at financial institutions	5	4,425	5,021	-	-
Other non-current financial assets	6	2	2	2	2
Investments in subsidiaries	7	-	-	7,816,213	7,952,668
Investments in associates	8	11,216,550	11,424,593	11,216,550	11,424,593
Long-term loans to and interest receivables					
- related parties	2	-	-	7,790,125	8,225,814
Investment properties	9	542,197	585,825	542,197	585,825
Property, plant and equipment	10	1,564,996	1,644,592	241,136	262,738
Right-of-use assets	11	1,016,794	815,108	252,986	287,323
Land and project development costs	12	7,108,820	7,160,902	2,413,760	2,953,258
Deposits for lease of land and building		13,600	20,400	13,600	20,400
Deposits for purchase of land		21,202	-	-	-
Deferred tax assets		729,884	721,427	194,896	189,557
Other non-current assets	2	39,180	62,016	10,412	10,409
Total non-current assets		22,257,650	22,439,886	30,491,877	31,912,587
Total assets		46,427,208	47,667,127	44,298,652	45,727,983

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Quality Houses Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2021	2020	2021	2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	499,627	998,242	499,627	998,242
Trade and other payables	2, 14	486,857	502,344	369,088	350,657
Current portion of long-term loan	15	1,400,000	800,000	1,400,000	800,000
Current portion of unsecured debentures	16	3,500,000	4,600,000	3,500,000	4,600,000
Current portion of lease liabilities	2	123,447	259,897	32,566	31,602
Income tax payable		19,238	111,842	12,954	98,102
Short-term provisions	17	627,904	615,681	307,670	282,167
Advance received from customers		64,667	88,502	51,294	68,893
Deposits for rental and service	2	73,288	71,422	66,690	64,051
Retention guarantees		239,429	328,056	116,384	195,500
Current portion of rental income received in advance	2	27,224	27,224	27,224	27,224
Other current liabilities	2	514,497	259,430	188,974	144,572
Total current liabilities		7,576,178	8,662,640	6,572,471	7,661,010
Non-current liabilities					
Long-term loan - net of current portion	15	1,944,141	3,144,141	1,944,141	3,144,141
Unsecured debentures - net of current portion	16	8,492,671	7,494,701	8,492,671	7,494,701
Lease liabilities - net of current portion	2	916,702	677,490	215,982	242,240
Provision for long-term employee benefits		259,752	248,641	170,005	162,051
Long-term provisions	17	357,162	424,262	23,002	8,871
Rental income received in advance - net of current portion	2	385,374	405,680	385,374	405,680
Deferred tax liabilities		222	283	-	-
Deferred compensatory damage income	24	40,850	40,850	40,850	40,850
Total non-current liabilities		12,396,874	12,436,048	11,272,025	11,498,534
Total liabilities		19,973,052	21,098,688	17,844,496	19,159,544

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Quality Houses Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Shareholders' equity				
Share capital				
Registered				
10,714,426,091 ordinary shares of Baht 1 each	10,714,426	10,714,426	10,714,426	10,714,426
Issued and fully paid-up				
10,714,381,645 ordinary shares of Baht 1 each	10,714,382	10,714,382	10,714,382	10,714,382
Share premium	379,246	379,246	379,246	379,246
Retained earnings				
Appropriated - statutory reserve	1,071,443	1,071,443	1,071,443	1,071,443
Unappropriated	14,919,727	14,959,724	14,919,727	14,959,724
Other components of shareholders' equity	(630,642)	(556,356)	(630,642)	(556,356)
Total shareholders' equity	26,454,156	26,568,439	26,454,156	26,568,439
Total liabilities and shareholders' equity	46,427,208	47,667,127	44,298,652	45,727,983
	-	-	-	-

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

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 Directors

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 September 2021**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenue from sales of real estate		1,446,990	2,373,505	986,061	1,411,271
Revenue from hotel operations		66,541	39,848	22,502	4,632
Revenue from office rental operations	2	74,192	76,877	74,192	76,877
Other income					
Income from forfeiture of booking and down payments		259	643	101	249
Others	2	56,817	58,864	19,738	21,938
Total revenues		1,644,799	2,549,737	1,102,594	1,514,967
Expenses					
Cost of real estate sold	2	1,026,958	1,642,088	684,021	936,888
Cost of hotel operations		73,344	93,942	22,108	16,084
Cost of office rental operations	2	26,230	29,174	26,230	29,174
Selling expenses		77,598	113,227	50,488	66,963
Administrative expenses	2	350,192	342,763	191,145	190,499
Total expenses		1,554,322	2,221,194	973,992	1,239,608
Profit from operating activities		90,477	328,543	128,602	275,359
Share of loss from investments in subsidiaries	7	-	-	(92,356)	(12,952)
Share of profit from investments in associates	8	287,507	409,376	287,507	409,376
Interest income	2	272	524	50,190	61,097
Finance cost	2	(84,406)	(97,610)	(79,371)	(97,903)
Profit before income tax expenses		293,850	640,833	294,572	634,977
Income tax expenses	18	(30,912)	(65,793)	(31,634)	(59,937)
Profit for the period		262,938	575,040	262,938	575,040
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss</i>					
<i>in subsequent periods:</i>					
Share of other comprehensive income of associates - net of income tax	8, 18	(25,160)	117,049	(25,160)	117,049
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(25,160)	117,049	(25,160)	117,049
<i>Other comprehensive income not to be reclassified to profit or loss</i>					
<i>in subsequent periods:</i>					
Share of other comprehensive income of associates - net of income tax	8, 18	(32,303)	(206,097)	(32,303)	(206,097)
Other comprehensive income not to be reclassified to profit or loss					
in subsequent periods - net of income tax		(32,303)	(206,097)	(32,303)	(206,097)
Other comprehensive income for the period		(57,463)	(89,048)	(57,463)	(89,048)
Total comprehensive income for the period		205,475	485,992	205,475	485,992
Earnings per share:					
Basic earnings per share	19				
Profit attributable to equity holders of the Company		0.02	0.05	0.02	0.05

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenue from sales of real estate		5,278,194	6,232,663	3,190,655	3,583,654
Revenue from hotel operations		218,737	253,145	67,630	50,682
Revenue from office rental operations	2	228,646	229,511	228,646	229,511
Other income					
Income from forfeiture of booking and down payments		1,014	1,738	425	702
Others	2	176,711	169,258	66,927	63,821
Total revenues		5,903,302	6,886,315	3,554,283	3,928,370
Expenses					
Cost of real estate sold	2	3,683,750	4,251,824	2,173,711	2,361,448
Cost of hotel operations		290,630	314,737	67,752	56,461
Cost of office rental operations	2	80,987	86,428	80,987	86,428
Selling expenses		272,112	308,768	160,289	171,842
Administrative expenses	2	1,068,509	1,069,375	624,386	580,566
Total expenses		5,395,988	6,031,132	3,107,125	3,256,745
Profit from operating activities		507,314	855,183	447,158	671,625
Share of loss from investments in subsidiaries	7	-	-	(136,455)	(21,926)
Share of profit from investments in associates	8	1,055,606	1,150,932	1,055,606	1,150,932
Interest income	2	2,374	5,191	152,159	192,697
Finance cost	2	(249,936)	(299,260)	(245,013)	(301,906)
Profit before income tax expenses		1,315,358	1,712,046	1,273,455	1,691,422
Income tax expenses	18	(139,614)	(168,420)	(97,711)	(147,796)
Profit for the period		1,175,744	1,543,626	1,175,744	1,543,626
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss</i>					
<i>in subsequent periods:</i>					
Share of other comprehensive income of associates - net of income tax	8, 18	(84,482)	114,609	(84,482)	114,609
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(84,482)	114,609	(84,482)	114,609
<i>Other comprehensive income not to be reclassified to profit or loss</i>					
<i>in subsequent periods:</i>					
Share of other comprehensive income of associates - net of income tax	8, 18	(27,009)	(569,268)	(27,009)	(569,268)
Other comprehensive income not to be reclassified to profit or loss					
in subsequent periods - net of income tax		(27,009)	(569,268)	(27,009)	(569,268)
Other comprehensive income for the period		(111,491)	(454,659)	(111,491)	(454,659)
Total comprehensive income for the period		1,064,253	1,088,967	1,064,253	1,088,967
Earnings per share:					
19					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.11	0.14	0.11	0.14

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Consolidated financial statements

	Note	Other components of shareholders' equity							Total
		Issued and paid-up share capital	Share premium	Retained earnings		Surplus on changes in value of financial assets	Other comprehensive income		
				Appropriated			Share of other comprehensive income of associates	Total other components of shareholders' equity	
				- statutory reserve	Unappropriated				
Balance as at 1 January 2020		10,714,382	379,246	1,071,443	14,652,087	1	(62,429)	(62,428)	26,754,730
Investment in equity instruments derecognised of associate during the period		-	-	-	11,632	-	(11,632)	(11,632)	-
Profit for the period		-	-	-	1,543,626	-	-	-	1,543,626
Other comprehensive income for the period		-	-	-	-	-	(454,659)	(454,659)	(454,659)
Total comprehensive income for the period		-	-	-	1,543,626	-	(454,659)	(454,659)	1,088,967
Dividend paid	20	-	-	-	(1,821,364)	-	-	-	(1,821,364)
Balance as at 30 September 2020		<u>10,714,382</u>	<u>379,246</u>	<u>1,071,443</u>	<u>14,385,981</u>	<u>1</u>	<u>(528,720)</u>	<u>(528,719)</u>	<u>26,022,333</u>
Balance as at 1 January 2021		10,714,382	379,246	1,071,443	14,959,724	1	(556,357)	(556,356)	26,568,439
Investment in equity instruments derecognised of associate during the period		-	-	-	(37,205)	-	37,205	37,205	-
Profit for the period		-	-	-	1,175,744	-	-	-	1,175,744
Other comprehensive income for the period		-	-	-	-	-	(111,491)	(111,491)	(111,491)
Total comprehensive income for the period		-	-	-	1,175,744	-	(111,491)	(111,491)	1,064,253
Dividend paid	20	-	-	-	(1,178,536)	-	-	-	(1,178,536)
Balance as at 30 September 2021		<u>10,714,382</u>	<u>379,246</u>	<u>1,071,443</u>	<u>14,919,727</u>	<u>1</u>	<u>(630,643)</u>	<u>(630,642)</u>	<u>26,454,156</u>

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Separate financial statements

	Note	Issued and paid-up		Retained earnings		Other components of shareholders' equity			Total
		share capital	Share premium	Appropriated		Surplus on changes in value of financial assets	Other comprehensive income		
				- statutory reserve	Unappropriated		Share of other comprehensive income of associates	Total other components of shareholders' equity	
		share capital	Share premium	- statutory reserve	Unappropriated	changes in value of financial assets	Share of other comprehensive income of associates	Total other components of shareholders' equity	
Balance as at 1 January 2020		10,714,382	379,246	1,071,443	14,652,087	1	(62,429)	(62,428)	26,754,730
Investment in equity instruments derecognised									
of associateduring the period		-	-	-	11,632	-	(11,632)	(11,632)	-
Profit for the period		-	-	-	1,543,626	-	-	-	1,543,626
Other comprehensive income for the period		-	-	-	-	-	(454,659)	(454,659)	(454,659)
Total comprehensive income for the period		-	-	-	1,543,626	-	(454,659)	(454,659)	1,088,967
Dividend paid	20	-	-	-	(1,821,364)	-	-	-	(1,821,364)
Balance as at 30 September 2020		<u>10,714,382</u>	<u>379,246</u>	<u>1,071,443</u>	<u>14,385,981</u>	<u>1</u>	<u>(528,720)</u>	<u>(528,719)</u>	<u>26,022,333</u>
Balance as at 1 January 2021		10,714,382	379,246	1,071,443	14,959,724	1	(556,357)	(556,356)	26,568,439
Investment in equity instruments derecognised									
of associate during the period		-	-	-	(37,205)	-	37,205	37,205	-
Profit for the period		-	-	-	1,175,744	-	-	-	1,175,744
Other comprehensive income for the period		-	-	-	-	-	(111,491)	(111,491)	(111,491)
Total comprehensive income for the period		-	-	-	1,175,744	-	(111,491)	(111,491)	1,064,253
Dividend paid	20	-	-	-	(1,178,536)	-	-	-	(1,178,536)
Balance as at 30 September 2021		<u>10,714,382</u>	<u>379,246</u>	<u>1,071,443</u>	<u>14,919,727</u>	<u>1</u>	<u>(630,643)</u>	<u>(630,642)</u>	<u>26,454,156</u>

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries**Statement of cash flows****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	1,315,358	1,712,046	1,273,455	1,691,422
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Decrease in land and construction in progress as a result of transfer to cost of sales	3,605,262	4,185,546	2,091,649	2,283,464
Depreciation	140,697	112,151	70,121	37,694
Depreciation of right-of-use assets	142,124	181,042	34,337	69,281
Allowance for expected credit losses	58	-	58	-
Unrealised gain on exchange	(11,676)	(4,247)	-	-
Share of loss from investments in subsidiaries	-	-	136,455	21,926
Share of profit from investments in associates	(1,055,606)	(1,150,932)	(1,055,606)	(1,150,932)
Income from forfeiture of booking and down payments	(1,014)	(1,738)	(425)	(702)
Interest income	(2,374)	(5,191)	(152,159)	(192,697)
Gain on sales of equipment	(68)	(68)	(46)	(15)
Provision for loss arising from litigations	55,763	11,718	43,602	2,610
Reverse of provision for loss arising from litigations	(8,224)	(10,982)	-	(10,982)
Reverse of provision for loss on diminution in value of projects	(32,257)	(49,211)	(2,928)	(7,341)
Provision for housing repairment	44,132	50,666	26,157	29,396
Provision for long-term employee benefits	17,412	18,987	11,323	12,446
Transfer deferred financial fees to finance cost	3,475	5,265	3,475	5,265
Interest expenses	205,183	254,963	225,967	280,854
Interest expenses from lease liabilities	32,366	28,510	7,720	6,973
Rental fees waived	(30,400)	-	-	-
Profit from operating activities before changes in operating assets and liabilities	4,420,211	5,338,525	2,713,155	3,078,662
Decrease (increase) in operating assets				
Trade and other receivables	4,435	60,220	(1,110)	22,699
Land and construction in progress	(1,117,746)	(928,008)	(890,102)	(693,456)
Advance for construction work	-	1,079	-	1,079
Advance for construction material	464	9,617	(372)	5,044
Other current assets	(6,488)	10,510	(4,525)	(3,828)
Land and project development costs	(799,122)	(207,881)	(311,706)	(176,243)
Deposits for lease of land and building	6,800	6,800	6,800	6,800
Deposits for purchase of land	(21,202)	5,000	-	-
Other non-current assets	22,836	5,496	(3)	1,574

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Increase (decrease) in operating liabilities				
Trade and other payables	(53,614)	(209,029)	(19,696)	(127,896)
Advance received from customers	(43,127)	26,786	(37,480)	34,165
Deposits for rental and service	1,866	(1,880)	2,639	349
Retention guarantees	(88,627)	(79,340)	(79,116)	(59,564)
Other current liabilities	13,158	(142,079)	43,748	11,361
Cash paid for litigation compensation	(114,639)	(2,487)	(29,471)	(2,487)
Paid for long-term employee benefits	(6,301)	(10,354)	(3,369)	(7,513)
Deferred compensatory damage income	-	40,850	-	40,850
Cash flows from operating activities	2,218,904	3,923,825	1,389,392	2,131,596
Cash paid for income tax	(255,028)	(284,097)	(188,198)	(168,904)
Net cash flows from operating activities	1,963,876	3,639,728	1,201,194	1,962,692
Cash flows from investing activities				
Decrease (increase) in restricted deposits at financial institutions	596	(42)	-	-
Dividends received from associates	1,152,158	1,096,099	1,152,158	1,096,099
Decrease in long-term loans to related parties	-	-	435,000	1,002,000
Interest income	2,374	5,191	152,848	196,631
Increase in property, plant and equipment - net of disposals	(17,405)	(73,551)	(4,845)	(6,686)
Net cash flows from investing activities	1,137,723	1,027,697	1,735,161	2,288,044
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(500,000)	500,000	(500,000)	500,000
Cash received from drawdown loan	-	2,500,000	-	2,500,000
Repayment of long-term loan	(600,000)	(38,100)	(600,000)	(38,100)
Cash received from issuance of debentures	4,500,000	-	4,500,000	-
Cash paid for redemption of debentures	(4,600,000)	(4,000,000)	(4,600,000)	(4,000,000)
Dividend paid	(1,178,536)	(1,821,364)	(1,178,536)	(1,821,364)
Cash paid for financial fees	(5,505)	-	(5,505)	-
Cash paid for interest expenses	(272,983)	(330,351)	(272,969)	(330,336)
Cash paid for lease liabilities	(33,014)	(59,918)	(33,014)	(31,918)
Net cash flows used in financing activities	(2,690,038)	(3,249,733)	(2,690,024)	(3,221,718)
Net increase in cash and cash equivalents	411,561	1,417,692	246,331	1,029,018
Cash and cash equivalents at beginning of period	2,509,511	2,211,512	983,488	921,853
Cash and cash equivalents at end of period	2,921,072	3,629,204	1,229,819	1,950,871

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Supplemental cash flows information				
Non-cash transactions				
Transfer of land and project development costs to land and construction in progress	861,658	1,789,974	861,658	1,789,974
Interest expenses recorded as cost of projects	107,312	127,125	86,514	101,219
Decrease in change of brought forward of investments in associated	-	(108,687)	-	(108,687)
Decrease in share of other comprehensive income of associates - net of income tax	(111,491)	(454,659)	(111,491)	(454,659)
Increase in right-of-use assets due to lease modification	343,810	75,868	-	77,618

The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Quality Houses Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2021

1. General information

1.1 Corporate information

Quality Houses Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in property development. The registered office of the Company is at 7th Floor, Q. House Lumpini Building, No. 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is still adversely impacting most businesses and industries. This situation may bring uncertainties and has an impact on the environment in which the group operates. The Group’s management will continuously monitor ongoing developments and assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will use estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis for preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

The interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial information of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

1.4 Basis of consolidation

This interim financial information is prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2020, with there being no changes in the structure of subsidiaries during the period.

1.5 New financial reporting standards

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

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

1.6 Significant accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2. Related party transactions

2.1 During the periods, the Group had significant business transactions with its related parties. These transactions which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Group and those related parties. Below is a summary of those transactions.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	50	61	2.50% to 2.56% per annum (2020: 2.50% to 3.03% per annum)
Material cost	-	-	5	2	Market price
<u>Transactions with associates</u>					
Goods and service cost	3	2	2	1	Market price
Rental expenses	16	51	8	9	Contract value
Building management income	12	13	1	4	Contract value
Office rental income	16	17	16	17	Contract value
Dividend income	453	315	453	315	As declared
Bank fees	-	1	1	1	Market price
<u>Transactions with related companies</u>					
Material cost	8	3	5	3	Market price
Building management income	2	3	1	-	Contract value
Office rental income	5	5	5	5	Contract value
Other service income	1	2	-	1	Contract value

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	151	190	2.50% to 2.74 % per annum (2020: 2.50% to 3.03% per annum)
Material cost	-	-	35	17	Market price
Sale of real estate	-	-	17	-	Compare to trading price in the vicinity

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
<u>Transactions with associates</u>					
Goods and service cost	7	5	4	2	Market price
Rental expenses	117	151	25	25	Contract value
Building management income	48	44	11	17	Contract value
Office rental income	49	50	49	50	Contract value
Interest income	2	4	1	2	0.15% to 0.55% per annum (2020: 0.15% to 1.30% per annum)
Dividend income	1,152	1,096	1,152	1,096	As declared
Bank fees	1	1	1	1	Market price
<u>Transactions with related companies</u>					
Material cost	20	9	14	9	Market price
Building management income	7	10	2	1	Contract value
Office rental income	14	14	14	14	Contract value
Other service income	3	4	-	1	Contract value

As at 30 September 2021 and 31 December 2020, the balances of the accounts between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Deposits at financial institution (shown under cash and cash equivalents)				
Associate				
Land and Houses Bank Plc.	2,516,162	1,918,168	1,069,796	656,602
Trade and other receivables - related parties (Note 3)				
<u>Trade accounts receivable - related parties</u>				
Associates	307	493	307	493
Related companies (common directors or common shareholders)	346	343	346	343
Total trade accounts receivable - related parties	653	836	653	836
<u>Other receivables - related parties</u>				
Subsidiaries	-	-	1,474	245
Associates	32,108	23,811	4,051	3,778
Related companies (common directors or common shareholders)	1,234	1,366	46	-
Total other receivables - related parties	33,342	25,177	5,571	4,023
Total	33,995	26,013	6,224	4,859

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Deposit for rental and service - related party (shown under other non-current assets)				
Associate	7,549	7,552	7,549	7,552
Trade and other payables - related parties (Note 14)				
<u>Trade accounts payable - related parties</u>				
Subsidiary	-	-	6,409	10,517
Related company (common directors or common shareholders)	4,275	4,200	2,769	3,882
Total trade accounts payables - related parties	4,275	4,200	9,178	14,399
<u>Other payables - related parties</u>				
Subsidiaries	-	-	15	83
Associates	1,385	1,103	737	650
Total other payables - related parties	1,385	1,103	752	733
Total	5,660	5,303	9,930	15,132
Deposit for rental and service - related parties				
Associates	8,326	8,326	8,326	8,326
Related companies (common directors or common shareholders)	3,714	3,573	3,714	3,573
Total	12,040	11,899	12,040	11,899
Accrued expenses - related parties (shown under other current liabilities)				
Subsidiary	-	-	33	13
Associate	226,247	15,960	-	-
Total	226,247	15,960	33	13
Rental income received in advance - related party				
Associate (Note 2.3)				
Current portion	27,224	27,224	27,224	27,224
Non-current portion	385,374	405,680	385,374	405,680
Total	412,598	432,904	412,598	432,904
Lease liabilities - related parties				
<u>Associates</u>				
Lease liabilities	1,159,775	1,007,377	270,241	293,378
Less: Deferred interested	(137,209)	(96,721)	(39,276)	(46,266)
Total	1,022,566	910,656	230,965	247,112
Less: Current portion	(113,135)	(249,905)	(22,253)	(21,610)
Lease liabilities - net of current portion	909,431	660,751	208,712	225,502

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Interest policy (% p.a.)
	financial statements		financial statements		
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	
Long-term loans to and interest receivables - related parties					
<u>Subsidiary</u>					
Casa Ville Co., Ltd.	-	-	7,790,125	8,225,814	2.50% to 2.56% (2020: 2.50% to 2.74%)
<u>Related party</u>					
Harbour View Corporation	77,911	68,940	-	-	LIBOR + 3.00%, 4.00% and 8.00% (2020: LIBOR + 3.00%, 4.00% and 8.00%)
Total	77,911	68,940	7,790,125	8,225,814	
Less: Allowance for expected credit losses	(77,911)	(68,940)	-	-	
Net	-	-	7,790,125	8,225,814	

During the period, the movements of loans to and interest receivables with related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	1 January 2021	Increase	Decrease	30 September 2021
Long-term loans to and interest receivables - related party				
<u>Related party</u>				
Harbour View Corporation	68,940	8,971	-	77,911
Less: Allowance for expected credit losses	(68,940)	(8,971)	-	(77,911)
Net	-	-	-	-

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2021	Increase	Decrease	30 September 2021
Long-term loans to and interest receivables - related party				
<u>Subsidiary</u>				
Casa Ville Co., Ltd.	8,225,814	7,130,823	(7,566,512)	7,790,125

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2021	2020	2021	2020
	Short-term employee benefits	16	16	46
Post-employment benefits	-	-	1	1
Total	16	16	47	49

2.2 The Group has the following long-term agreements with property funds in which it and its related companies hold investment units.

(Unit: Million Baht)

	Counterparty	Contract amount	
		30 September	31 December
		2021	2020
a) Agreement to lease immovable properties - Q. House Ploenchit Project	Quality Houses Leasehold Property Fund	819	819
b) Agreement relating to the lease and sublease of building and assets - Centre Point Hotel Pratunam, Sukhumvit 10 and Chidlom	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	456*	504*

* Contract amount is not included variable rental fee.

During the current period, a subsidiary was waived from rental fees totaling Baht 30 million for building and assets - Centre Point Hotel Pratunam, Sukhumvit 10 and Chidlom, for the rental period from 20 July 2021 to 30 September 2021 by Quality Houses Hotel and Residence Freehold and Leasehold Property Fund. The waiver is in accordance with the conditions specified in the lease and sublease agreement. The subsidiary recorded such rental waived in the statement of income for the current period.

2.3 On 21 November 2006, the Company entered into an agreement to lease immovable properties of Q. House Ploenchit project to Quality Houses Leasehold Property Fund, whereby the Company agreed to lease land, building and other related equipment to the Fund and in return received 30 years' rental for the land, building, public utilities and other related equipment of the project totaling Baht 819 million. The Company recorded this rental fees as "Rental income received in advance" in the statements of financial position, and it will be recognised as income on a straight line over the period of the lease contract.

3. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Trade accounts receivable - related parties (Note 2)</u>				
Aged of receivables				
Up to 3 months	653	836	653	836
Total trade receivables - related parties	653	836	653	836
<u>Trade accounts receivable - unrelated parties</u>				
Aged of receivables				
Up to 3 months	3,978	5,459	2,404	2,804
3 - 6 months	266	55	8	-
6 - 12 months	1,488	2,000	283	249
Over 12 months	2,649	1,366	77	-
Total trade accounts receivable - unrelated parties	8,381	8,880	2,772	3,053
Less: Allowance for expected credit losses	(303)	(245)	(58)	-
Total trade accounts receivable - net	8,731	9,471	3,367	3,889
<u>Other receivables</u>				
Other receivables - related parties (Note 2)				
	33,342	25,177	5,571	4,023
Other receivables - unrelated parties	1,628	1,870	1,231	1,205
Total other receivables	34,970	27,047	6,802	5,228
Total trade and other receivables - net	43,701	36,518	10,169	9,117

(Unaudited but reviewed)

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2021	245	-
Addition	58	58
Balance as at 30 September 2021	303	58

4. Land and construction in progress

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Construction material	8,913	16,778	-	-
Land	9,156,565	9,686,113	6,320,906	6,390,430
Interest cost	1,252,601	1,307,868	580,436	567,892
Construction under development	11,107,500	12,043,820	5,633,661	5,840,510
Total	21,525,579	23,054,579	12,535,003	12,798,832
Less: Provision for loss on diminution in value of projects	(476,834)	(509,091)	(43,105)	(46,033)
Land and construction in progress - net	21,048,745	22,545,488	12,491,898	12,752,799

During the current period, the Group included borrowing costs of Baht 97 million as cost of land and construction in progress (the Company only: Baht 76 million) (2020: Baht 116 million, the Company only: Baht 90 million). These were determined by applying a capitalisation rate of 0.9% (the Company only: 0.7%) (2020: 0.8%, the Company only: 0.7%).

The Company mortgaged certain plots of land and construction of subsidiaries with net book values as at 30 September 2021 amounting to Baht 1,344 million (the Company only: Nil) (31 December 2020: Baht 1,379 million, the Company only: Nil) as collateral under the long-term loan agreement.

(Unaudited but reviewed)

Movements in the provision for loss on diminution in value of projects during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	509,091	46,033
Provision reversal according to revenue recognition during the period	(32,257)	(2,928)
Balance as at 30 September 2021	<u>476,834</u>	<u>43,105</u>

Additional information of the Group's projects.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Total estimated sales value of projects on hand of which contracts have been signed	114,646	116,885	57,085	56,995
Total value of contracts signed according to the letters reserving plots of land and structures thereon	74,932	73,831	31,220	30,118
Percentage of total estimated sales value of projects	65%	63%	55%	53%
Total value of contracts signed according to the letters reserving plots of land and structures thereon not yet recognised as income	607	500	442	437

5. Restricted deposits at financial institutions

These represent fixed deposits pledged with the banks to secure credit card facilities from bank.

6. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Investments in marketable equity securities	2	2	2	2
Investment in other company - adjusted book value approach				
(Held by Q.H. International (BVI) Co., Ltd.)				
Harbour View Corporation				
(Registered in Vietnam)	-	-	-	-
Total	2	2	2	2

7. Investments in subsidiaries

7.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	(Unit: Thousand Baht)							
	Separate financial statements							
	Paid-up capital		Shareholding		Cost		Carrying amounts based on equity method	
	30 September 2021	31 December 2020	30 September 2021 (%)	31 December 2020 (%)	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Casa Ville Co., Ltd.	3,000,000	3,000,000	100	100	2,999,999	2,999,999	7,766,940	7,803,852
Q.H. International Co., Ltd.	25,000	25,000	100	100	25,000	25,000	250,080	237,520
Property Host Co., Ltd.	5,000	5,000	100	100	5,000	5,000	4,380	4,549
Centre Point Hospitality Co., Ltd.	5,000	5,000	100	100	4,999	4,999	(233,901)	(122,026)
The Confidence Co., Ltd.*	1,000,000	1,000,000	-	-	-	-	-	-
Q.H. Management Co., Ltd. (and 19% held through The Confidence Co., Ltd.)	110,000	110,000	81	81	88,635	88,635	28,714	28,773
Q.H. International (BVI) Co., Ltd.**	30,796	30,796	-	-	-	-	-	-
Casa Ville (Rayong 2553) Co. Ltd.*	5,000	5,000	-	-	-	-	-	-
Casa Ville (Petchburi 2553) Co. Ltd.*	5,000	5,000	-	-	-	-	-	-
Q. House Precast Co., Ltd.*	5,000	5,000	-	-	-	-	-	-
Gusto Village Co., Ltd.*	500,000	500,000	-	-	-	-	-	-
Casa Ville (Chonburi 2554) Co., Ltd.*	5,000	5,000	-	-	-	-	-	-
Casa Ville (Prachuapkhirikhan 2554) Co., Ltd.*	5,000	5,000	-	-	-	-	-	-
Total					3,123,633	3,123,633	7,816,213	7,952,668

* 100% held through Casa Ville Co., Ltd.

** 100% held through Q.H. International Co., Ltd.

Casa Ville (Chonburi 2554) Company Limited

On 16 September 2021, the Extraordinary General Meeting of shareholders of Casa Ville (Chonburi 2554) Co., Ltd. approved the increase in the Company's registered capital from Baht 5 million to Baht 3,005 million by issuing 30 million new ordinary shares with a par value of Baht 100 per share offered to its existing shareholders in proportion of their shareholding. Casa Ville Co., Ltd. had made fully payment for the newly issued shares and Casa Ville (Chonburi 2554) Co., Ltd. registered the capital increase with the Ministry of Commerce on 4 October 2021.

7.2 Share of comprehensive income

During the periods, the Company has recognised its share of profit (loss) from investments in subsidiaries in the separate financial statements as follows.

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Share of profit (loss) from investments in subsidiaries			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2021	2020	2021	2020
Casa Ville Co., Ltd.	(73,333)	32,569	(36,912)	59,503
Q.H. International Co., Ltd.	2,378	877	12,560	10,600
Property Host Co., Ltd.	(15)	35	(169)	20
Centre Point Hospitality Co., Ltd.	(21,363)	(46,556)	(111,875)	(92,269)
Q.H. Management Co., Ltd.	(23)	123	(59)	220
Total	(92,356)	(12,952)	(136,455)	(21,926)

8. Investments in associates

8.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated and separate financial statements					
			Shareholding		Cost		Carrying amounts based on equity method	
			30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
			(%)	(%)				
Quality Houses Leasehold Property Fund ⁽¹⁾	Investment in immovable properties	Thailand	26	26	2,017,695	2,017,695	1,202,485	1,201,820
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund ⁽²⁾	Investment in immovable properties	Thailand	31	31	1,052,800	1,052,800	340,532	347,565
Home Product Center Plc.	Trading and service provider	Thailand	20	20	759,959	759,959	4,398,575	4,501,069
LH Financial Group Plc. (held 100% in Land and Houses Bank Plc.)	Holding company	Thailand	14*	14*	2,849,800	2,849,800	5,274,958	5,374,139
Total					6,680,254	6,680,254	11,216,550	11,424,593

⁽¹⁾ Carrying amounts are based on the equity method, and presented net of unrealised gains on sales of buildings and transfers of leasehold rights to land by Q. House Lumpini project to the Fund.

⁽²⁾ Carrying amounts are based on the equity method, and presented net of unrealised gains on sales of properties of Centre Point Hotel Pratunam and Centre Point Hotel Sukhumvit 10, and the transfer of leasehold rights to the building of Centre Point Hotel Chidlom to the Fund.

* The management determined that the Company has significant influence over LH Financial Group Plc. even though the Company holds less than 20% of its shares. This is because the Company has key representative on the Board of Director of that company.

8.2 Share of comprehensive income and dividend received

During the periods, the Company has summarised its share of profit (loss) from investments in associates as follows.

(Unit: Thousand Baht)

Company's name	Consolidated and separate financial statements							
	Share of profit (loss) from investments in associates				Share of other comprehensive income of associates			
	For the three-month periods		For the nine-month periods		For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September		ended 30 September		ended 30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
Quality Houses Leasehold Property Fund	34,991	49,015	112,942	132,316	-	-	-	-
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	(7,875)	9,339	(7,033)	23,302	-	-	-	-
Home Product Center Plc.	172,943	278,274	728,365	712,820	626	29	5,308	336
LH Financial Group Plc.	87,448	72,748	221,332	282,494	(58,089)	(89,077)	(116,799)	(454,995)
Total	287,507	409,376	1,055,606	1,150,932	(57,463)	(89,048)	(111,491)	(454,659)

(Unit: Thousand Baht)

Company's name	Dividend received			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2021	2020	2021	2020
Quality Houses Leasehold Property Fund	52,151	53,582	112,277	123,730
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	-	-	-	31,373
Home Product Center Plc.	313,562	261,302	836,167	810,037
LH Financial Group Plc.	87,306	-	203,714	130,959
Total	453,019	314,884	1,152,158	1,096,099

8.3 Fair values of investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values are as follows.

(Unit: Million Baht)

Company's name	Fair values as at	
	30 September	31 December
	2021	2020
Quality Houses Leasehold Property Fund	2,004	1,994
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	569	631
Home Product Center Plc.	35,537	35,537
LH Financial Group Plc.	4,423	3,056
Total	42,533	41,218

Quality Houses Leasehold Property Fund

On 28 October 2021, a meeting of the Investment Committee of Quality Houses Leasehold Property Fund approved the payment of a dividend of Baht 0.1320 per unit to its unitholders from the operating results for the period from 1 July 2021 to 31 August 2021. The dividend is to be paid on 25 November 2021.

LH Financial Group Plc.

During the current period, LH Financial Group Public Company Limited sold all its treasury shares, resulting in a decrease in the Company's shareholding from 13.91 percent to 13.74 percent. The Company recorded a loss of Baht 20 million from such transaction in the share of profit from investments in associated companies in statement of comprehensive income.

9. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Net book value as at 1 January 2021	585,825
Depreciation for the period	(43,628)
Net book value as at 30 September 2021	<u>542,197</u>

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	1,644,592	262,738
Acquisitions during the period - at cost	17,578	4,978
Disposals during the period - net book value at disposal date	(105)	(87)
Depreciation for the period	(97,069)	(26,493)
Net book value as at 30 September 2021	<u>1,564,996</u>	<u>241,136</u>

11. Right-of-use assets

Movements of right-of-use assets account during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	815,108	287,323
Adjustments of right-of-use assets		
due to lease modification	343,810	-
Depreciation for the period	(142,124)	(34,337)
Net book value as at 30 September 2021	<u>1,016,794</u>	<u>252,986</u>

12. Land and project development costs

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Land	6,511,489	6,540,226	2,018,464	2,516,195
Interest cost	208,669	214,133	194,017	199,481
Construction under development	556,278	574,159	346,660	382,963
Total	7,276,436	7,328,518	2,559,141	3,098,639
Less: Provision for loss on diminution in value of projects	(167,616)	(167,616)	(145,381)	(145,381)
Land and project development costs - net	<u>7,108,820</u>	<u>7,160,902</u>	<u>2,413,760</u>	<u>2,953,258</u>

During the current period, the Group included borrowing costs of Baht 10 million (the Company only: Baht 10 million) (2020: Baht 11 million, the Company only: Baht 11 million) as cost of land and project development costs. These were determined by applying a capitalisation rate of 0.9 % (the Company only: 0.7%) (2020: 0.8%, the Company only: 0.7%).

The Company mortgaged certain plots of land and construction of subsidiaries with net book values as at 30 September 2021 amounting to Baht 1,493 million (the Company only: Nil) (31 December 2020: Baht 1,493 million, the Company only: Nil) as collateral under the long-term loan agreement.

(Unaudited but reviewed)

13. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% p.a)		Consolidated and separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Bill of exchange	0.70	1.40	500,000	1,000,000
Less: Deferred interest			(373)	(1,758)
Bill of exchange - net			<u>499,627</u>	<u>998,242</u>

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Trade accounts payable - related parties (Note 2)	4,275	4,200	9,178	14,399
Trade accounts payable - unrelated parties	349,537	395,064	255,235	271,510
Other payables - related parties (Note 2)	1,385	1,103	752	733
Other payables - unrelated parties	45,403	53,847	17,666	15,885
Accrued interest	86,257	48,130	86,257	48,130
Total trade and other payables	<u>486,857</u>	<u>502,344</u>	<u>369,088</u>	<u>350,657</u>

15. Long-term loan

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 September	31 December
	2021	2020
Long-term loan	3,344,141	3,944,141
Less: Current portion	(1,400,000)	(800,000)
Long-term loan - net of current portion	<u>1,944,141</u>	<u>3,144,141</u>

(Unaudited but reviewed)

Movement of the long-term loan account during the nine-month period ended 30 September 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2021	3,944,141
Less: Repayment	(600,000)
Balance as at 30 September 2021	<u>3,344,141</u>

The Group has pledged part of the land and construction in progress and land and project development costs as collateral for long-term loan as discussed in Notes 4 and 12.

The loan agreement contains several covenants which, among other things, requires the Company to maintain debt-to-equity ratio at a rate not exceeding 2:1.

16. Unsecured debentures

Type of debenture	Interest rate	Age	Maturity date	Consolidated and separate financial statements			
				Number of debenture (Unit)		Amount (Thousand Baht)	
				30 September 2021	31 December 2020	30 September 2021	31 December 2020
Unsubordinated and unsecured debentures							
- No. 1/2016							
- Tranche II	Fixed rate of 2.22% p.a.	5 years	25 April 2021	-	600,000	-	600,000
- No. 1/2018	Fixed rate of 2.16% p.a.	3 years	5 March 2021	-	3,000,000	-	3,000,000
- No. 2/2018	Fixed rate of 2.46% p.a.	3 years	25 June 2021	-	1,000,000	-	1,000,000
- No. 1/2019	Fixed rate of 2.85% p.a.	3 years	8 May 2022	3,500,000	3,500,000	3,500,000	3,500,000
- No. 2/2019	Fixed rate of 2.30% p.a.	3 years	27 November 2022	4,000,000	4,000,000	4,000,000	4,000,000
- No. 1/2021	Fixed rate of 2.50% p.a.	3 years	3 March 2024	3,000,000	-	3,000,000	-
- No. 2/2021	Fixed rate of 1.76% p.a.	3 years	8 June 2024	1,500,000	-	1,500,000	-
Total debentures - at face value				<u>12,000,000</u>	<u>12,100,000</u>	<u>12,000,000</u>	<u>12,100,000</u>
Less: Unamortised portion of deferred transaction costs						(7,329)	(5,299)
Debentures - net						11,992,671	12,094,701
Less: Current portion of debentures						(3,500,000)	(4,600,000)
Debentures - net of current portion						<u>8,492,671</u>	<u>7,494,701</u>

All of unsecured debentures include covenants and restrictions. These pertain to, among other things, dividend payment and the maintenance of certain financial ratios.

17. Provisions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Short-term provisions				
Provision for public utility maintenance	255,385	264,143	120,942	111,758
Provision for housing repairment	239,839	213,409	125,126	107,964
Compensation for Housing Estate				
Juristic Persons	132,680	138,129	61,602	62,445
Total short-term provisions	627,904	615,681	307,670	282,167
Long-term provisions				
Litigations	357,162	424,262	23,002	8,871
Total long-term provisions	357,162	424,262	23,002	8,871
Total	985,066	1,039,943	330,672	291,038

18. Income tax

Interim corporate income tax is calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	40,980	90,613	31,731	63,074
Deferred tax:				
Relating to origination and reversal of temporary differences	(10,068)	(24,820)	(97)	(3,137)
Income tax expenses reported in the statements of comprehensive income	30,912	65,793	31,634	59,937

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	148,132	232,667	103,050	161,432
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,518)	(64,247)	(5,339)	(13,636)
Income tax expenses reported in the statements of comprehensive income	139,614	168,420	97,711	147,796

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax relating to share of other comprehensive income of associates	(17,672)	(22,269)	(17,672)	(22,269)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax relating to share of other comprehensive income of associates	(36,757)	(113,749)	(36,757)	(113,749)

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the period (Thousand Baht)	262,938	575,040	262,938	575,040
Weighted average number of ordinary shares (Thousand shares)	10,714,382	10,714,382	10,714,382	10,714,382
Earnings per share (Baht per share)	0.02	0.05	0.02	0.05

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the period (Thousand Baht)	1,175,744	1,543,626	1,175,744	1,543,626
Weighted average number of ordinary shares (Thousand shares)	10,714,382	10,714,382	10,714,382	10,714,382
Earnings per share (Baht per share)	0.11	0.14	0.11	0.14

20. Dividend paid

Dividends declared during nine-month period ended 30 September 2021 and 2020 consist of:

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
Year 2021				
Interim dividend for the operating results of six-month period ended 30 June 2021	Board of Directors' Meeting of the Company on 9 August 2021	321,425	0.03	7 September 2021
Interim dividend for the operating results of six-month period ended 31 December 2020	Annual General Meeting of the Shareholders on 22 April 2021	857,111	0.08	18 May 2021
Total dividend paid		1,178,536	0.11	

(Unaudited but reviewed)

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
Year 2020				
Interim dividend for the operating results of six-month period ended 30 June 2020	Board of Directors' Meeting of the Company on 10 August 2020	428,556	0.04	8 September 2020
Interim dividend for the operating results of six-month period ended 31 December 2019	Board of Directors' Meeting of the Company on 20 April 2020	<u>1,392,808</u>	<u>0.13</u>	18 May 2020
Total dividend paid		<u><u>1,821,364</u></u>	<u><u>0.17</u></u>	

21. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2021 and 2020, respectively.

(Unit: Million Baht)

	For the three-month period ended 30 September 2021							Consolidated
	Real estate business					Total reportable segments	Other transactions and eliminations	
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business			
Revenues								
External customers	1,375	72	67	75	15	1,604	-	1,604
Inter-segment	7	-	-	-	1	8	(8)	-
Total revenues	<u>1,382</u>	<u>72</u>	<u>67</u>	<u>75</u>	<u>16</u>	<u>1,612</u>	<u>(8)</u>	<u>1,604</u>
Operating results								
Segment profit (loss)	144	(59)	(56)	43	2	74	-	74
Administrative expenses								(63)
Share of profit from investments in associates								288
Finance cost								(5)
Income tax expense								<u>(31)</u>
Profit for the period								<u><u>263</u></u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2020

	Real estate business					Total reportable segments	Other transactions and eliminations	Consolidated
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business			
Revenues								
External customers	2,103	270	40	77	15	2,505	-	2,505
Inter-segment	5	-	-	-	-	5	(5)	-
Total revenues	2,108	270	40	77	15	2,510	(5)	2,505
Operating results								
Segment profit (loss)	383	(24)	(105)	40	2	296	-	296
Other income								2
Administrative expenses								(61)
Share of profit from investments in associates								409
Finance cost								(5)
Income tax expense								(66)
Profit for the period								575

(Unit: Million Baht)

For the nine-month period ended 30 September 2021

	Real estate business					Total reportable segments	Other transactions and eliminations	Consolidated
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business			
Revenues								
External customers	5,000	278	219	229	58	5,784	-	5,784
Inter-segment	136	-	-	-	3	139	(139)	-
Total revenues	5,136	278	219	229	61	5,923	(139)	5,784
Operating results								
Segment profit (loss)	686	(160)	(219)	130	18	455	-	455
Other income								2
Administrative expenses								(184)
Share of profit from investments in associates								1,056
Finance cost								(13)
Income tax expense								(140)
Profit for the period								1,176

(Unit: Million Baht)

For the nine-month period ended 30 September 2020

	Real estate business					Total reportable segments	Other transactions and eliminations	Consolidated
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business			
Revenues								
External customers	5,623	609	253	230	57	6,772	-	6,772
Inter-segment	28	-	-	-	5	33	(33)	-
Total revenues	5,651	609	253	230	62	6,805	(33)	6,772
Operating results								
Segment profit (loss)	957	(114)	(231)	122	20	754	-	754
Other income								4
Administrative expenses								(182)
Share of profit from investments in associates								1,151
Finance cost								(15)
Income tax expense								(168)
Profit for the period								1,544

22. Commitments and contingent liabilities

The Group had the following outstanding commitments and contingent liabilities.

22.1 The Group had the following outstanding commitments in respect of agreements to purchase of land and construction of projects.

	(Unit: Million Baht)	
	<u>30 September 2021</u>	<u>31 December 2020</u>
Construction contracts	665	566
Agreements to purchase land for development of future projects	191	-

22.2 The Group entered into several lease agreements to lease motor vehicles and equipment, with a term of generally 1 year.

The Group had the following future minimum lease payments required under those operating leases contracts as follows.

	(Unit: Million Baht)	
	<u>30 September 2021</u>	<u>31 December 2020</u>
Payable:		
in up to 1 year	7	12

22.3 As at 30 September 2021, the Group had commitments in respect of various service commitments totaling Baht 20 million (31 December 2020: Baht 20 million).

22.4 As at 30 September 2021, the Group had servitude over land of approximately 49 Rai (31 December 2020: 50 Rai) of which the cost is included in the cost of projects.

23. Bank guarantees

There were outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

	(Unit: Million Baht)	
	<u>30 September 2021</u>	<u>31 December 2020</u>
Letters of guarantee for arrangement and maintenance of public utilities	1,913	1,926
Letters of guarantee for electricity usage	19	10
Other letters of guarantee	51	48
Total	<u>1,983</u>	<u>1,984</u>

24. Litigations

24.1 Between 2013 and 2021, various customers sued the Company and its subsidiaries for compensatory damages from purchase of land and houses of their projects, as at 30 September 2021, totaling Baht 1,254 million (31 December 2020: Baht 1,423 million). The lawsuits are currently in the judicial process. For reasons of prudence, the Company and its subsidiaries have set aside provisions totaling Baht 328 million (31 December 2020: Baht 375 million), which the Group deemed appropriate.

During the period, a case was finalised in the Supreme Court. A subsidiary made settlement payment for the case amounting to Baht 36 million in October 2021, which has been fully set aside to the provision for the loss arising from these litigations.

24.2 In 2017, the Company was filed as a defendant by a construction contractor company, plaintiff, for breach of hire of work agreement, with the plaintiff demanding outstanding payment and compensatory damages as at 30 September 2021, totaling Baht 135 million (31 December 2020: Baht 135 million). In October 2019, the Court of First Instance dismissed the case and rendered a judgement ordering that plaintiff pay the compensatory damages arising from the counterclaim of Baht 77 million together with interest.

The Company demanded that the bank, as an issuer of the letter of guarantees, settle the payment on behalf of the plaintiff in accordance with the judgement of the Court and subsequently received the amount of Baht 41 million in May 2020 in accordance with the facilities stated in the letter of guarantee. The amount received was presented as “Deferred compensatory damage income” in the statement of financial position and will be recognised in profit or loss when the lawsuit is finalised.

The lawsuit is currently in the judicial process. However, the management believes that there will be no material impact on the Company.

24.3 Between 2014 and 2021, Housing Estate Juristic Persons sued the Company and its subsidiaries as a defendant/co-defendant for a breach of agreement under the Land Development Act B.E. 2543, demanding compensatory damages of the Company and its subsidiaries, as at 30 September 2021, totaling Baht 494 million (31 December 2020: Baht 481 million). The lawsuits are currently in the judicial process. For reasons of prudence, the Company and its subsidiaries have set aside provision of Baht 25 million (31 December 2020: Baht 45 million) for the loss arising from these litigations, which the Company and its subsidiaries deemed to be an appropriate amount.

24.4 Customers sued the Company and a subsidiary in 2011, seeking compensatory damages and to return land and houses, with aggregate claims, as at 30 September 2021, with an amount in dispute of Baht 15 million (31 December 2020: Baht 15 million). The lawsuit has now been finalised at the Supreme Court, and the Company and its subsidiary are to accept the return of the land and houses and make payments to the plaintiffs in accordance with the judgement. The subsidiary has placed a cheque for Baht 13 million with the Court as a bond since 21 June 2018, in accordance with the judgement of the Court of Appeal. The subsidiary is currently in the process of executing the judgement. For reasons of prudence, the subsidiary has set aside provision of Baht 4 million (31 December 2020: Baht 4 million).

25. Fair values of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- a) For financial assets and liabilities which have short-term maturity, including cash and cash at financial institutions, accounts receivable, accounts payable, deposits, retention guarantees, short-term loans and long-term loan, their carrying amounts in the statement of financial position approximate their fair value.
- b) For fixed rate debentures and long-term loans, their fair value are estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

Since the majority of the Group's financial instruments are short-term maturity or bear floating interest rates, their fair value except unsecured debentures are not expected to be materially different from the amounts presented in the statement of financial position. The estimated fair value of unsecured debentures, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	As at 30 September 2021		As at 31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Unsecured debentures	11,993	12,151	12,095	12,201

During the current period, there were no change in methods and assumptions used by the Group in estimating the fair value of financial instruments and no transfer within the fair value hierarchy.

26. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 10 November 2021.