

Quality Houses Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2022

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 31 March 2022, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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 period (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: 9 May 2022

Quality Houses Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2022	2021	2022	2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	2	3,858,037	3,206,217	1,911,333	1,258,873
Trade and other receivables	2, 3	36,731	25,875	12,709	6,668
Land and construction in progress	4	20,107,199	19,987,238	12,300,587	11,856,618
Advance for construction work		2,531	2,531	1,531	1,531
Advance for construction material		64,582	63,980	55,639	54,820
Asset recognised in respect of cost to obtain contracts with customers		10,522	10,522	10,522	10,522
Other current assets		133,829	68,111	47,747	6,684
Total current assets		24,213,431	23,364,474	14,340,068	13,195,716
Non-current assets					
Other non-current financial assets		2	2	2	2
Investments in subsidiaries	5	-	-	7,767,501	7,771,638
Investments in associates	6	11,884,909	11,524,072	11,884,909	11,524,072
Long-term loans to and interest receivables					
- related parties	2	-	-	7,586,092	7,839,692
Investment properties		513,111	527,483	513,111	527,483
Property, plant and equipment	7	1,517,621	1,545,985	225,509	233,737
Right-of-use assets		928,237	972,029	230,094	241,414
Land and project development costs	8	6,752,534	7,474,057	1,719,170	2,533,850
Deposits for lease of land and building		13,600	13,600	13,600	13,600
Deposits for purchase of land		50,837	47,837	47,837	47,837
Deferred tax assets		746,558	735,197	200,441	198,839
Other non-current assets	2	30,262	30,956	10,928	10,580
Total non-current assets		22,437,671	22,871,218	30,199,194	30,942,744
Total assets		46,651,102	46,235,692	44,539,262	44,138,460

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 31 March 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2022	2021	2022	2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	2	601,706	556,444	443,530	384,428
Current portion of long-term loan	9	1,600,000	1,600,000	1,600,000	1,600,000
Current portion of unsecured debentures	10	7,500,000	7,500,000	7,500,000	7,500,000
Current portion of lease liabilities	2	120,362	119,952	31,845	32,554
Income tax payable		128,189	76,192	105,465	65,086
Short-term provisions	11	634,761	630,311	328,064	319,560
Advance received from customers		143,083	62,868	127,755	44,772
Deposits for rental and service	2	73,681	73,211	66,759	66,518
Retention guarantees		229,157	229,820	109,397	110,849
Current portion of rental income received in advance	2	27,224	27,224	27,224	27,224
Other current liabilities	2	541,437	445,985	186,417	133,909
Total current liabilities		11,599,600	11,322,007	10,526,456	10,284,900
Non-current liabilities					
Long-term loan, net of current portion	9	1,144,141	1,544,141	1,144,141	1,544,141
Unsecured debentures, net of current portion	10	4,495,098	4,493,898	4,495,098	4,493,898
Lease liabilities, net of current portion	2	840,826	878,684	203,972	209,686
Provision for long-term employee benefits		263,763	265,469	171,046	173,780
Long-term provisions	11	336,809	326,728	27,850	27,509
Rental income received in advance - net of current portion	2	371,837	378,531	371,837	378,531
Deferred tax liabilities		166	219	-	-
Deferred compensatory damage income	16	40,850	40,850	40,850	40,850
Total non-current liabilities		7,493,490	7,928,520	6,454,794	6,868,395
Total liabilities		19,093,090	19,250,527	16,981,250	17,153,295

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 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but reviewed)	31 December 2021 (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	16,000,814	15,414,637	16,000,814	15,414,637
Other components of shareholders' equity	(607,873)	(594,543)	(607,873)	(594,543)
Total shareholders' equity	27,558,012	26,985,165	27,558,012	26,985,165
Total liabilities and shareholders' equity	46,651,102	46,235,692	44,539,262	44,138,460
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Quality Houses Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2022**

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenue from sales of real estate		1,914,704	1,868,018	1,285,380	1,064,460
Revenue from hotel operations		101,230	86,940	24,979	26,418
Revenue from office rental operations	2	74,713	76,578	74,713	76,578
Other income					
Income from forfeiture of booking and down payments		418	509	196	166
Others	2	50,658	62,104	25,311	23,692
Total revenues		2,141,723	2,094,149	1,410,579	1,191,314
Expenses					
Cost of real estate sold	2	1,263,382	1,310,398	817,736	738,165
Cost of hotel operations		81,124	114,447	27,403	24,494
Cost of office rental operations	2	26,819	27,152	26,819	27,152
Selling expenses		100,113	101,139	67,218	57,385
Administrative expenses	2	350,300	364,943	199,085	197,079
Total expenses		1,821,738	1,918,079	1,138,261	1,044,275
Profit from operating activities		319,985	176,070	272,318	147,039
Share of loss from investments in subsidiaries	5	-	-	(4,137)	(39,594)
Share of profit from investments in associates	6	399,384	386,711	399,384	386,711
Interest income	2	522	281	48,934	52,130
Finance cost	2	(70,909)	(84,005)	(75,110)	(83,947)
Profit before income tax expenses		648,982	479,057	641,389	462,339
Income tax expenses	12	(64,175)	(47,969)	(56,582)	(31,251)
Profit for the period		584,807	431,088	584,807	431,088
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	6, 12	(48,833)	(77,071)	(48,833)	(77,071)
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(48,833)	(77,071)	(48,833)	(77,071)
<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	6, 12	36,873	(17,061)	36,873	(17,061)
Other comprehensive income not to be reclassified to profit or loss					
in subsequent periods - net of income tax		36,873	(17,061)	36,873	(17,061)
Other comprehensive income for the period		(11,960)	(94,132)	(11,960)	(94,132)
Total comprehensive income for the period		572,847	336,956	572,847	336,956
Earnings per share:					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.05	0.04	0.05	0.04

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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

Consolidated financial statements

					Other components of shareholders' equity			Total
					Other comprehensive income			
	Issued and paid-up share capital	Share premium	Retained earnings		Surplus on changes in value of financial assets	Share of other comprehensive income of associates	Total other components of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated				
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
Profit for the period	-	-	-	431,088	-	-	-	431,088
Other comprehensive income for the period	-	-	-	-	-	(94,132)	(94,132)	(94,132)
Total comprehensive income for the period	-	-	-	431,088	-	(94,132)	(94,132)	336,956
Balance as at 31 March 2021	10,714,382	379,246	1,071,443	15,390,812	1	(650,489)	(650,488)	26,905,395
Balance as at 1 January 2022	10,714,382	379,246	1,071,443	15,414,637	1	(594,544)	(594,543)	26,985,165
Investment in equity instruments derecognised of associate during the period	-	-	-	1,370	-	(1,370)	(1,370)	-
Profit for the period	-	-	-	584,807	-	-	-	584,807
Other comprehensive income for the period	-	-	-	-	-	(11,960)	(11,960)	(11,960)
Total comprehensive income for the period	-	-	-	584,807	-	(11,960)	(11,960)	572,847
Balance as at 31 March 2022	10,714,382	379,246	1,071,443	16,000,814	1	(607,874)	(607,873)	27,558,012

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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Separate financial statements							
			Retained earnings		Other components of shareholders' equity			
	Issued and paid-up share capital	Share premium	Appropriated		Surplus on changes in value of financial assets	Share of other comprehensive income of associates	Total other components of shareholders' equity	
			- statutory reserve	Unappropriated				Total
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
Profit for the period	-	-	-	431,088	-	-	-	431,088
Other comprehensive income for the period	-	-	-	-	-	(94,132)	(94,132)	(94,132)
Total comprehensive income for the period	-	-	-	431,088	-	(94,132)	(94,132)	336,956
Balance as at 31 March 2021	10,714,382	379,246	1,071,443	15,390,812	1	(650,489)	(650,488)	26,905,395
Balance as at 1 January 2022	10,714,382	379,246	1,071,443	15,414,637	1	(594,544)	(594,543)	26,985,165
Investment in equity instruments derecognised of associate during the period	-	-	-	1,370	-	(1,370)	(1,370)	-
Profit for the period	-	-	-	584,807	-	-	-	584,807
Other comprehensive income for the period	-	-	-	-	-	(11,960)	(11,960)	(11,960)
Total comprehensive income for the period	-	-	-	584,807	-	(11,960)	(11,960)	572,847
Balance as at 31 March 2022	10,714,382	379,246	1,071,443	16,000,814	1	(607,874)	(607,873)	27,558,012

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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	648,982	479,057	641,389	462,339
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	1,237,781	1,283,411	790,377	711,405
Depreciation	46,288	46,544	23,064	23,189
Depreciation of right-of-use assets	43,792	47,971	11,320	11,320
Allowance for expected credit losses (reversal)	(59)	-	15	-
Unrealised exchange losses (gains)	322	(3,873)	-	-
Share of loss from investments in subsidiaries	-	-	4,137	39,594
Share of profit from investments in associates	(399,384)	(386,711)	(399,384)	(386,711)
Income from forfeiture of booking and down payments	(418)	(509)	(196)	(166)
Interest income	(522)	(281)	(48,934)	(52,130)
Gain on sales of equipment	(15)	(6)	(12)	(1)
Provision for loss arising from litigations	11,944	16,475	2,022	12,702
Reverse of provision for loss arising from litigations	-	(8,224)	-	-
Reverse of provision for loss on diminution in value of projects	(10,083)	(10,671)	(261)	(1,741)
Provision for housing repairment	15,709	16,004	10,327	8,775
Provision for long-term employee benefits	6,015	5,793	3,880	3,774
Transfer deferred financial fees to finance cost	1,200	1,100	1,200	1,100
Interest expenses	57,734	70,677	69,512	77,787
Interest expenses from lease liabilities	9,290	9,455	2,315	2,630
Income from rental fees waived	(38,000)	-	-	-
Profit from operating activities before changes in operating assets and liabilities	1,630,576	1,566,212	1,110,771	913,866
Decrease (increase) in operating assets				
Trade and other receivables	(11,119)	(2,638)	(6,056)	(2,794)
Land and construction in progress	(444,183)	(356,107)	(337,379)	(316,806)
Advance for construction material	(602)	(274)	(819)	(274)
Other current assets	(64,224)	(14,306)	(41,063)	(9,188)
Land and project development costs	(144,182)	(98,154)	(56,037)	(92,943)
Deposits for purchase of land	(3,000)	(47,036)	-	(47,036)
Other non-current assets	694	22,831	(348)	45

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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Increase (decrease) in operating liabilities				
Trade and other payables	10,462	(1,051)	24,302	24,875
Advance received from customers	73,939	(15,970)	76,485	(13,920)
Deposits for rental and service	470	5,165	241	4,225
Retention guarantees	(663)	(80,709)	(1,452)	(79,004)
Other current liabilities	84,193	(12,090)	50,685	(5,855)
Cash paid for litigation compensation	(1,863)	(89,965)	(1,681)	(3,121)
Paid for long-term employee benefits	(7,721)	(6,301)	(6,614)	(3,368)
Cash flows from operating activities	1,122,777	869,607	811,035	368,702
Cash paid for income tax	(25,086)	(26,622)	(17,805)	(16,463)
Net cash flows from operating activities	1,097,691	842,985	793,230	352,239
Cash flows from investing activities				
(Increase) in restricted deposits at financial institutions	-	(9)	-	-
Dividends received from associates	26,587	33,540	26,587	33,540
Decrease in long-term loans to related parties	-	-	253,000	175,000
Interest income	522	281	49,534	52,762
Increase in property, plant and equipment - net of disposals	(3,537)	(635)	(452)	(236)
Net cash flows from investing activities	23,572	33,177	328,669	261,066
Cash flows from financing activities				
Repayment of long-term loan	(400,000)	(200,000)	(400,000)	(200,000)
Cash received from issuance of debentures	-	3,000,000	-	3,000,000
Cash paid for redemption of debentures	-	(3,000,000)	-	(3,000,000)
Cash paid for financial fees	-	(3,659)	-	(3,659)
Cash paid for interest expenses	(60,705)	(64,583)	(60,701)	(64,579)
Cash paid for lease liabilities	(8,738)	(8,738)	(8,738)	(8,738)
Net cash flows used in financing activities	(469,443)	(276,980)	(469,439)	(276,976)
Net increase in cash and cash equivalents	651,820	599,182	652,460	336,329
Cash and cash equivalents at beginning of period	3,206,217	2,509,511	1,258,873	983,488
Cash and cash equivalents at end of period	3,858,037	3,108,693	1,911,333	1,319,817

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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Supplemental cash flows information				
Non-cash transactions				
Transfer of land and project development costs to land and construction in progress	873,662	-	873,662	-
Interest expenses recorded as cost of projects	37,771	35,518	25,989	28,404
Decrease in share of other comprehensive income of associates - net of income tax	(11,960)	(94,132)	(11,960)	(94,132)

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 period ended 31 March 2022

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 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.

1.3 Basis of consolidation

This interim financial information are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2021, with there have been no changes in the structure of subsidiaries during the period.

1.4 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group’s financial statements.

2. Related party transactions

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. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period. Below is a summary of significant related party transactions.

	(Unit: Million Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Interest income	-	-	48	52
Sale of real estate	-	-	-	17
<u>Transactions with associates</u>				
Rental expenses	8	50	8	8
Building management income	18	17	8	5
Office rental income	16	16	16	16
Interest income	1	-	1	-
Dividend income	27	34	27	34
<u>Transactions with related companies</u>				
Material cost	8	8	4	7
Office rental income	5	5	5	5
Other service income	1	1	-	-

The balances of the accounts between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
Deposits at financial institution (shown under cash and cash equivalents)				
Associate				
Land and Houses Bank Plc.	3,237,788	2,721,778	1,556,265	1,021,358
Trade and other receivables - related parties (Note 3)				
<u>Trade accounts receivable - related parties</u>				
Subsidiaries	-	-	15	-
Associates	464	395	464	395
Related companies (common directors or common shareholders)	347	347	341	323
Total trade accounts receivable - related parties	811	742	820	718

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
<u>Other receivables - related parties</u>				
Subsidiary	-	-	215	27
Associates	22,777	10,267	6,884	699
Related companies (common directors or common shareholders)	1,878	1,872	-	187
Total other receivables - related parties	24,655	12,139	7,099	913
Total	25,466	12,881	7,919	1,631
Deposit for rental and service - related party (shown under other non-current assets)				
Associate	7,550	7,549	7,550	7,549
Trade and other payables - related parties				
<u>Trade accounts payable - related parties</u>				
Subsidiary	-	-	25,546	13,914
Related company (common directors or common shareholders)	5,955	6,232	3,191	4,614
Total trade accounts payables - related parties	5,955	6,232	28,737	18,528
Deposit for rental and service - related parties				
Associates	8,197	8,326	8,197	8,326
Related companies (common directors or common shareholders)	3,714	3,714	3,714	3,714
Total	11,911	12,040	11,911	12,040
Accrued expenses - related parties (shown under other current liabilities)				
Subsidiary	-	-	18	6
Associate	234,180	234,180	-	-
Total	234,180	234,180	18	6
Rental income received in advance - related party				
Associate				
Current portion	27,224	27,224	27,224	27,224
Non-current portion	371,837	378,531	371,837	378,531
Total	399,061	405,755	399,061	405,755
Lease liabilities - related parties				
<u>Associates</u>				
Lease payments	1,060,417	1,106,129	254,817	262,530
Less: Deferred interested	(115,109)	(124,231)	(34,881)	(37,028)
Total	945,308	981,898	219,936	225,502
Less: Current portion	(111,210)	(109,872)	(22,693)	(22,475)
Lease liabilities - net of current portion	834,098	872,026	197,243	203,027

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Interest policy
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	(% p.a.)
Long-term loans to and interest receivables - related parties					
<u>Subsidiary</u>					
Casa Ville Co., Ltd.	-	-	7,586,092	7,839,692	2.50% to 2.61% (2021: 2.50% to 2.61%)
<u>Related party</u>					
Harbour View Corporation	76,492	76,741	-	-	LIBOR + 3.00%, 4.00% and 8.00% (2021: LIBOR + 3.00%, 4.00% and 8.00%)
Total	76,492	76,741	7,586,092	7,839,692	
Less: Allowance for expected credit losses	(76,492)	(76,741)	-	-	
Net	-	-	7,586,092	7,839,692	

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 2022	Increase	Decrease	31 March 2022
Long-term loans to and interest receivables - related party				
<u>Related party</u>				
Harbour View Corporation	76,741	-	(249)	76,492
Less: Allowance for expected credit losses	(76,741)	-	249	(76,492)
Net	-	-	-	-

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2022	Increase	Decrease	31 March 2022
Long-term loans to and interest receivables - related party				
<u>Subsidiary</u>				
Casa Ville Co., Ltd.	7,839,692	48,417	(302,017)	7,586,092

Directors and management's benefits

During the three-month periods ended 31 March 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2022	2021
Short-term employee benefits	15	15
Post-employment benefits	-	-
Total	15	15

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<u>Trade accounts receivable - related parties</u> (Note 2)				
Aged of receivables				
Up to 3 months	811	742	820	718
Total trade receivables - related parties	811	742	820	718
<u>Trade accounts receivable - unrelated parties</u>				
Aged of receivables				
Up to 3 months	7,906	8,928	3,528	3,425
3 - 6 months	459	32	26	-
6 - 12 months	148	1,108	-	203
Over 12 months	2,351	2,547	-	59
Total trade accounts receivable - unrelated parties	10,864	12,615	3,554	3,687
Less: Allowance for expected credit losses	(1,359)	(1,873)	(112)	(155)
Total trade accounts receivable - unrelated parties, net	9,505	10,742	3,442	3,532
Total trade accounts receivable - net	10,316	11,484	4,262	4,250

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
<u>Other receivables</u>				
Other receivables - related parties				
(Note 2)	24,655	12,139	7,099	913
Other receivables - unrelated parties	1,760	2,252	1,348	1,505
Total other receivables	26,415	14,391	8,447	2,418
Total trade and other receivables - net	36,731	25,875	12,709	6,668

4. Land and construction in progress

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
Land and construction in progress	20,611,145	20,501,267	12,344,426	11,900,718
Less: Provision for loss on diminution				
in value of projects	(503,946)	(514,029)	(43,839)	(44,100)
Land and construction in progress - net	20,107,199	19,987,238	12,300,587	11,856,618

The Company mortgaged certain plots of land and construction of subsidiaries with net book values as at 31 March 2022 amounting to Baht 1,323 million (the Company only: Nil) (31 December 2021: Baht 1,327 million, the Company only: Nil) as collateral under the long-term loan agreement.

Movements in the provision for loss on diminution in value of projects during the three-month period ended 31 March 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	514,029	44,100
Provision reversal according to revenue		
recognition during the period	(10,083)	(261)
Balance as at 31 March 2022	503,946	43,839

5. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Cost		Carrying amounts based on equity method	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Casa Ville Co., Ltd.	2,999,999	2,999,999	7,706,564	7,721,493
Q.H. International Co., Ltd.	25,000	25,000	257,719	253,303
Property Host Co., Ltd.	5,000	5,000	4,275	4,369
Centre Point Hospitality Co., Ltd.	4,999	4,999	(229,686)	(236,242)
The Confidence Co., Ltd.*	-	-	-	-
Q.H. Management Co., Ltd. (and 19% held through The Confidence Co., Ltd.)	88,635	88,635	28,629	28,715
Q.H. International (BVI) Co., Ltd.**	-	-	-	-
Casa Ville (Rayong 2553) Co. Ltd.*	-	-	-	-
Casa Ville (Petchburi 2553) Co. Ltd.*	-	-	-	-
Q. House Precast Co., Ltd.*	-	-	-	-
Gusto Village Co., Ltd.*	-	-	-	-
Casa Ville (Chonburi 2554) Co., Ltd.*	-	-	-	-
Casa Ville (Prachuapkhirikhan 2554) Co., Ltd.*	-	-	-	-
Total	3,123,633	3,123,633	7,767,501	7,771,638

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

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

5.2 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 31 March	
	2022	2021
Casa Ville Co., Ltd.	(14,929)	(1,274)
Q.H. International Co., Ltd.	4,416	5,007
Property Host Co., Ltd.	(94)	(143)
Centre Point Hospitality Co., Ltd.	6,556	(43,156)
Q.H. Management Co., Ltd.	(86)	(28)
Total	(4,137)	(39,594)

6. Investments in associates

6.1 Details of associates

(Unit: Thousand Baht)

Company's name	Consolidated and separate financial statements			
	Cost		Carrying amounts based on equity method	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Quality Houses Leasehold Property Fund	2,017,695	2,017,695	1,191,517	1,181,189
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	1,052,800	1,052,800	322,775	330,820
Home Product Center Plc.	759,959	759,959	5,065,194	4,764,372
LH Financial Group Plc.	2,849,800	2,849,800	5,305,423	5,247,691
Total	6,680,254	6,680,254	11,884,909	11,524,072

6.2 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			
	For the three-month periods ended 31 March			
	Share of profit (loss) from investments in associates		Share of other comprehensive income from investment in associates	
	2022	2021	2022	2021
Quality Houses Leasehold Property Fund	36,915	39,461	-	-
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	(8,045)	(1,366)	-	-
Home Product Center Plc.	300,211	270,710	611	4,292
LH Financial Group Plc.	70,303	77,906	(12,571)	(98,424)
Total	399,384	386,711	(11,960)	(94,132)

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Dividend received	
	For the three-month periods ended 31 March	
	2022	2021
Quality Houses Leasehold Property Fund	26,587	33,540
Total	26,587	33,540

6.3 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	
	31 March	31 December
	2022	2021
Quality Houses Leasehold Property Fund	2,168	2,229
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	537	563
Home Product Center Plc.	41,286	37,889
LH Financial Group Plc.	4,074	3,900
Total	48,065	44,581

7. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	1,545,985	233,737
Acquisitions during the period - at cost	3,582	464
Disposals during the period - net book value at disposal date	(30)	-
Depreciation for the period	(31,916)	(8,692)
Net book value as at 31 March 2022	1,517,621	225,509

8. Land and project development costs

The Company mortgaged certain plots of land and construction of subsidiaries with net book values as at 31 March 2022 amounting to Baht 1,493 million (the Company only: Nil) (31 December 2021: Baht 1,493 million, the Company only: Nil) as collateral under the long-term loan agreement.

9. Long-term loan

Movement of the long-term loan account during the three-month period ended 31 March 2022 are summarised below:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2022	3,144,141
Less: Repayment	(400,000)
Balance as at 31 March 2022	2,744,141

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 8.

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.

10. Unsecured debentures

				Consolidated and separate financial statements			
				Number of debenture (Unit)		Amount (Thousand Baht)	
				31 March 2022	31 December 2021	31 March 2022	31 December 2021
Type of debenture	Interest rate	Age	Maturity date				
Unsubordinated and unsecured debentures							
- 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	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	1,500,000	1,500,000
Total debentures - at face value				12,000,000	12,000,000	12,000,000	12,000,000
Less: Unamortised portion of deferred transaction costs						(4,902)	(6,102)
Debentures - net						11,995,098	11,993,898
Less: Current portion of debentures						(7,500,000)	(7,500,000)
Debentures - net of current portion						4,495,098	4,493,898

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

11. Provisions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Short-term provisions				
Provision for public utility maintenance	251,231	250,106	124,953	121,978
Provision for housing repairment	254,942	248,427	137,289	132,399
Compensation for Housing Estate				
Juristic Persons	128,588	131,778	65,822	65,183
Total short-term provisions	634,761	630,311	328,064	319,560
Long-term provisions				
Litigations	336,809	326,728	27,850	27,509
Total long-term provisions	336,809	326,728	27,850	27,509
Total	971,570	957,039	355,914	347,069

12. 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 periods ended 31 March 2022 and 2021 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	75,672	42,440	58,184	32,013
Deferred tax:				
Adjustment in respect of deferred tax of previous year	(83)	-	-	-
Relating to origination and reversal of temporary differences	(11,414)	5,529	(1,602)	(762)
Income tax expenses reported in the statements of comprehensive income	64,175	47,969	56,582	31,251

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2022 and 2021 are as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax relating to share of other comprehensive income of associates	(10,440)	(24,060)	(10,440)	(24,060)

13. 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 periods ended 31 March 2022 and 2021, respectively.

(Unit: Million Baht)

	For the three-month period ended 31 March 2022							
	Real estate business					Other		Consolidated
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business	Total reportable segments	transactions and eliminations	
Revenues								
External customers	1,852	63	101	75	22	2,113	-	2,113
Inter-segment	26	-	-	-	2	28	(28)	-
Total revenues	1,878	63	101	75	24	2,141	(28)	2,113
Operating results								
Segment profit (loss)	339	(57)	(25)	43	10	310	-	310
Other income								1
Administrative expenses								(57)
Share of profit from investments in associates								399
Finance cost								(4)
Income tax expense								(64)
Profit for the period								585

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2021							
	Real estate business					Other transactions and eliminations	Consolidated
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business	Total reportable segments	
Revenues							
External customers	1,775	93	87	77	21	2,053	2,053
Inter-segment	117	-	-	-	1	118	-
Total revenues	1,892	93	87	77	22	2,171	2,053
Operating results							
Segment profit (loss)	229	(49)	(76)	43	8	155	155
Administrative expenses							(59)
Share of profit from investments in associates							387
Finance cost							(4)
Income tax expense							(48)
Profit for the period							431

14. Commitments and contingent liabilities

The Group had the following outstanding commitments and contingent liabilities.

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

	(Unit: Million Baht)	
	31 March 2022	31 December 2021
Construction contracts	708	580
Agreements to purchase land for development of future projects	561	431

- 14.2 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)	
	31 March 2022	31 December 2021
Payable:		
in up to 1 year	8	8

- 14.3 As at 31 March 2022, the Group had commitments in respect of various service commitments totaling Baht 37 million (31 December 2021: Baht 35 million).

- 14.4 As at 31 March 2022, the Group had servitude over land of approximately 50 Rai (31 December 2021: 50 Rai) of which the cost is included in the cost of projects.

15. 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)	
	31 March 2022	31 December 2021
Letters of guarantee for arrangement and maintenance of public utilities	2,049	1,863
Letters of guarantee for electricity usage	14	14
Other letters of guarantee	44	47
Total	2,107	1,924

16. Litigations

16.1 Between 2014 and 2021, various customers sued the Company and its subsidiaries for compensatory damages from purchase of land and houses of their projects, as at 31 March 2022, totaling Baht 1,400 million (31 December 2021: Baht 1,411 million). The lawsuits are currently in the judicial process. For reasons of prudence, the Company and its subsidiaries have set aside provisions totaling Baht 307 million (31 December 2021: Baht 298 million), which the Company and its subsidiaries deemed appropriate.

16.2 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 31 March 2022, totaling Baht 135 million (31 December 2021: 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.

16.3 Between 2018 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 31 March 2022, totaling Baht 464 million (31 December 2021: Baht 464 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 2021: Baht 25 million) for the loss arising from these litigations, which the Company and its subsidiaries deemed to be an appropriate amount.

16.4 Customers sued the Company and a subsidiary in 2011, seeking compensatory damages and to return land and houses, with aggregate claims, as at 31 March 2022, amounting to Baht 15 million (31 December 2021: Baht 15 million). The lawsuit has now been finalised at the Supreme Court, with the plaintiff's petition being denied. Thus, 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 of the Court of Appeal. 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. For reasons of prudence, the subsidiary has set aside provision of Baht 4 million (31 December 2021: Baht 4 million).

In April 2022, a subsidiary has already executed according to the judgement of the Court.

17. Event after reporting period

On 22 April 2022, the Annual General Meeting of the Company's Shareholders passed a resolution to approve a dividend payment at a rate of Baht 0.10 per share from the operating result of the year 2021 or a total of Baht 1,071 million. The Company paid an interim dividend of Baht 0.03 per share to its shareholders on 7 September 2021, remaining a final dividend of Baht 0.07 per share or a total of Baht 750 million to be paid on 18 May 2022.

18. Approval of interim financial information

This interim financial information was issued on 9 May 2022 by an acknowledgement of the Audit Committee who has been assigned by the Company's Board of Directors.