

Quality Houses

Quality Houses Public Company Limited

Form 56-1 One Report 2021

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Vision and Mission

Vision

To be the leading real estate development company in providing the quality and innovations of products and services for customers in all target segments.

Mission

Product and Service Quality

- Create long-term competitive advantage by focusing on best quality of products and services for customers in all target segments.
 - Focus on the innovations of new products and services that accurately respond to customer needs.
-

Work Life Quality

- Create work environment and culture, as well as improve employee benefits to achieve maximum performance.
-

Personnel

- Operate legally with transparency that can be monitored at every stage.
 - Support and encourage employees to develop their potentials in various fields in accordance with their responsibilities.
-

Social Quality

- Social quality of the project: Focus on pleasant and environmental friendly living place, as well as providing convenience and safety for customers.
 - Social quality of the surrounding community: Support and be responsible for surrounding communities where the company and its subsidiaries operate, as well as general society.
-

Investment quality

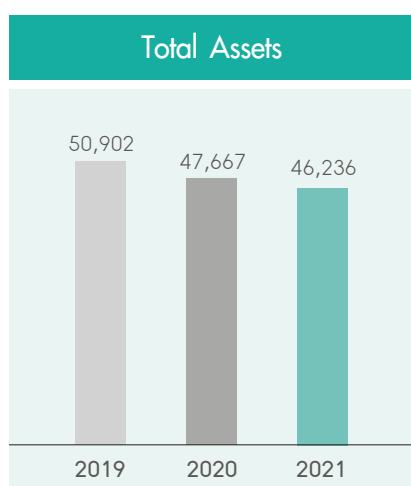
- Improve efficiency of company's operation and investment in order to achieve a sustainable growth in profitability.
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Financial Highlights for the year 2019–2021

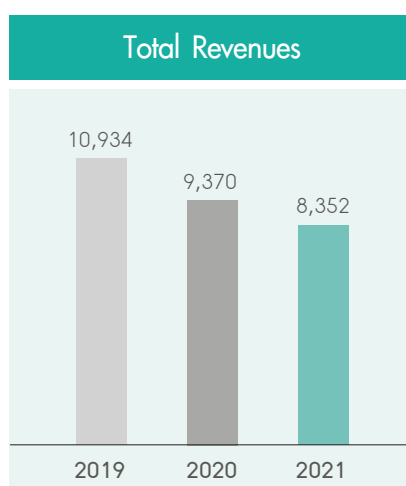
(Unit : Million Baht)

Summary of Financial Statements Information	2019	2020	2021
Total Assets	50,902	47,667	46,236
Total Liabilities	24,039	21,099	19,251
Shareholders' Equity	26,863	26,568	26,985
Net Sales	10,680	9,138	8,119
Total Revenues	10,934	9,370	8,352
Gross Profit	3,596	2,820	2,418
Net Profit	2,854	2,123	1,670

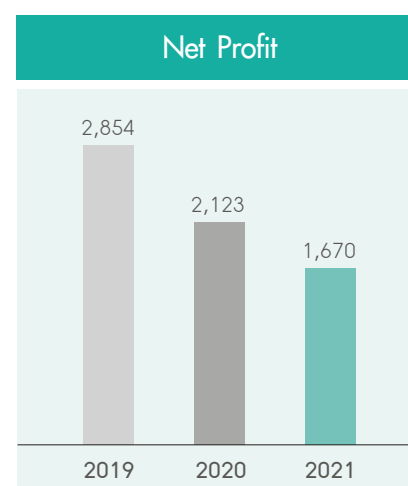
Financial Ratio	2019	2020	2021
Net Profit Margin (%)	26.1	22.7	20.0
Return on Equity (%)	10.7	7.9	6.2
Return on Assets (%)	5.4	4.3	3.6
Basic Earning per Share (Baht)	0.27	0.20	0.16
Dividend per Share (Baht)	0.20	0.12	n.a.
Debt to Equity Ratio (Time)	0.9	0.8	0.7
Time Interest Earned Ratio (Time)	4.6	10.4	8.2
Book Value per Share (Baht)	2.51	2.48	2.52



(Million Baht)



(Million Baht)



(Million Baht)

Message from the Board of Directors

Dear Shareholders,

The situation of the Coronavirus (COVID-19) pandemic in the year 2021 continued to affect the economy. For the tourism and service industries, the number of foreign tourists entering Thailand in the year 2021 also decreased by 93.62% compared to the same period in the year 2020. In the real estate sector, the housing market completed 77,823 units, a decrease of 29% from the year 2020. Although the Bank of Thailand began to relax mortgage control measure (LTV), the bank still keep strictly on home loan. So it had not been able to substantially stimulate the property market. Moreover, the decline in purchasing power and pandemic situation leading consumers became more cautious on spending and delay in housing purchasing decisions.

With the above factors affecting the Company's performance in the year 2021, the Company's total revenue from core business was Baht 8,119 million, a decrease of 11% from the year 2020, with income from real estate sales, and income from rent and services accounting for 92% and 8%, respectively. Meanwhile, the net profit reported Baht 1,670 million, a decrease of 21% from the year 2020. Interest-bearing debt to equity ratio of 0.56 (compared to 0.64 in the year 2020). The Company was able to maintain TRIS credit Rating at A- / Stable.

The Company remains committed to and continues to strive to manage its operation in accordance with the ESG guidelines covering the environmental issues, corporate social responsibility and business operations based on good corporate governance principles. In 2021, the Company has established policies and guidelines for sustainable development so that the executives and employees are aware of the guidelines and are able to implement them effectively. The Company is also committed to developing quality products along with innovating new technology to continuously develop residential properties. Moreover, the Company has developed housing design as well as maximized usable area to be accordance with consumer behavior in work from home trend.

In addition, as the Company has operated based on the principles of good governance, in the past year, the Company received "Excellent" recognition level according to the Corporate Governance Report of Thai Listed Companies (CGR) survey program for six consecutive years and was certified as a member of the Thai Private Sector Anti-Corruption Coalition.

Finally, the Board of Directors would like to thank customers, shareholders, bondholders, financial institutions, business partners, and all related parties who have always given continued support to the Company, as well as all employees for their commitment and hard work during the COVID-19 pandemic over the past year. The Company will continue to adhere to sustainable business operations under good corporate governance principles for the maximum benefit of all related parties.



A handwritten signature in black ink, appearing to read 'B. Boonsom'.

(Mr. Boonsom Lerdhirunwong)
Chairman

Report of the Board of Directors' Responsibility for Financial Reports

The financial statements of Quality Houses Public Company Limited have been prepared under the policy of the Board of Directors in accordance with Generally Accepted Accounting Principles (GAAP) and conservative accounting policy with careful judgment in making estimates in the preparation of the financial statements to reflect actual operating results of the Company.

The Board of Directors has realized the importance of the quality of the financial statements by providing a review of financial information and adequate disclosure of important information in the Notes to Financial Statements for the benefits of shareholders and general investors in the use of financial statements.

In this regard, the Board of Directors has appointed an Audit Committee, consisting of independent directors who are experts, to directly oversee the quality of the financial statements. The opinion of an Audit Committee has appeared in the Audit Committee Report as disclosed in this Annual Registration Statement / Annual Report.

According to the mentioned management structure and internal control system as well as an unqualified opinion by the auditor, the Board of Directors therefore believes that the financial statements of Quality Houses Public Company Limited as of December 31, 2021 have presented the financial position, operating results and cash flow correctly in accordance with GAAP.



(Mr. Boonsom Lerdhirunwong)
Chairman

Report from the Audit Committee

Dear Shareholders,

The Audit Committee of Quality Houses Public Company Limited consists of 3 independent directors. In 2021, 6 meetings were convened to independently discuss and consider various subjects. The list of Audit Committee's members and the details of its meetings were shown as follows:

Audit Committee		Position in the Audit Committee	Attendance / Total Meetings (Times)
Mr. Rachai	Wattanakasaem	Chairman of Audit Committee	6/6
Mr. Suri	Buakhom	Member of Audit Committee	6/6
Mr. Adul	Vinaiphat	Member of Audit Committee	6/6

The Audit Committee performed his duties as delegated by the Company's Board of Directors and as stipulated in the rules and regulations of the Stock Exchange of Thailand. The Audit Committee's performance of year 2021 is summarized as follows:

1. **Reviewing the Company's quarterly and yearly financial statements** : The Audit Committee collaborated with the internal auditor and the executives in providing the opinion that the Company's financial statement was prepared according to the generally accepted accounting principles and was disclosed accurately and completely. The external auditors did not provide any specific opinion on such financial statement.

In 2021, the Audit Committee held 4 private meetings with the external auditors, without the presence of any executives of the Company, in order to exchange opinions and acknowledge the significant comments as well as suggestions of the external auditors. The meetings were also conducted in order that the financial statements were well prepared for the changes on new or improved accounting standards. This brings about financial statement accuracy and reliability for the benefits of investors and users.

2. **Monitoring internal audit activities and reviewing annual audit plan** : The Audit Committee reviewed and approved the annual audit plan created by prioritizing the risk of significant business operation.

The Audit Committee acknowledged the result of audit report and commented on taking the preventive measures of internal control systems to prevent or mitigate risks as well as suggested to improve the internal audit activities. The Audit Committee also emphasized the following up the improvement of business operation as recommended in the internal audit report to achieve the efficiency and effectiveness of internal audit system. In 2021, no significant deficiencies were found in the Company's internal control systems.

3. **Reviewing the adequacy of the risk management system** : The Audit Committee considered the adequacy of the risk management system. The Risk Management Committee was established in order to classify the risk type, define the criteria of risk assessment and evaluate the impact level of each risk type by department. The Audit Committee considered that the Company has the appropriate and adequate risk management for the business operation.
4. **Monitoring the Company's compliance with the Securities and Exchange Law** : The Audit Committee monitored the Company's business conducts to ensure that they comply with the regulations of the Stock Exchange of Thailand, the regulations of the Securities and Exchange Commission and any other laws related to the business activity of the Company. The secretary of the Audit Committee was assigned to regularly report such laws and regulations including any updated laws to the Audit Committee. The Audit Committee believed that there was no significant incident of violations of any laws or regulations in 2021.
5. **Selecting the Company's external auditors and reviewing their remuneration** : The Audit Committee proposed and selected the Company's external auditors based on their knowledge, capabilities, independence, performance and service, as well as the appropriate remuneration. In 2021, the Audit Committee recommended the appointment of EY Office Company Limited to be the Company's external auditors. The proposal was approved by the Board of Directors and was subsequently approved by shareholders at the 2021 Annual General Meeting.
6. **Reviewing and providing opinions on related party transactions** : The Audit Committee ensured that the Company has established procedures and guidelines for every related party transactions in accordance with the government law and regulations, by considering the Company's best benefits at arm's length basis to prevent any conflicts of interest. The Audit Committee also monitored the full and fair disclosure of all related party transactions. The Company performed fairly in compliance with government regulations.
7. **Emphasizing the Company's corporate governance** : The Audit Committee focused on the Company's corporate governance to ensure that the Company business practices complied with rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in terms of principles of good corporate governance. The Company has an established system to receive complaints from all stakeholders. It also promotes staff's compliance with such rules, regulations and Code of Conduct, as well as encouraged staff's participation in the environmental reservation. The practice of Company's good corporate governance would enhance the Company recognition and trust among shareholders, investors and other stakeholders.

8. **Performing the Audit Committee's duties properly** : The Audit Committee properly performed his duties prudently and independently within the framework of Audit Committee Charter, and also regularly reviewed and appropriately revised the Audit Committee Charter in accordance with the current business situation.
9. **Establishing the Self-Assessment System** : The Audit Committee established the self-assessment system for its members in following topics:
- The Audit Committee composition
 - Training and resources
 - Meetings
 - Activities of the Audit Committee
 - Relationship with Chief of Internal Audit department, external auditors and Executives

The assessment result was found that the Audit Committee completely performed in accordance with the Audit Committee Charter and effectively promoted good corporate governance. The Report of the Audit Committee's performance shall be regularly presented to the Board of Directors on a quarterly basis.

The Audit Committee concluded that the Company conducted its business principally in line with the good corporate governance policy. As the result, the management system and internal control system had no significant deficiency. Besides, the Company's business practices were conducted based on the Company's best benefits under the policies determined by the Board of Directors.



(Mr. Rachai Wattanakasaem)
Chairman of Audit Committee

Report from the Nomination and Remuneration Committee

Dear Shareholders,

The Nomination and Remuneration Committee are appointed by the Board of Directors with 3-years term or the remaining term of directorship, comprising of 3 members which are 2 Independent Directors and 1 Non-Executive Director as follows:

- | | | | |
|----|-------------|-------------------|---|
| 1. | Mr. Adul | Vinaiphat | Chairman of Nomination and Remuneration Committee |
| 2. | Mr. Rachai | Wattanakasaem | Member of Nomination and Remuneration Committee |
| 3. | Mr. Adisorn | Thananan-narapool | Member of Nomination and Remuneration Committee |

The Nomination and Remuneration Committee have duty and responsibility based on the Charter of the Nomination and Remuneration Committee with regard to human resource policy, director nomination, and employee remuneration policy based on the company's performance. The Nomination and Remuneration Committee also consider the directors' remuneration to get an approval from the Board of Directors before proposing to the shareholders' meeting for approval.

For the year 2021, the Nomination and Remuneration Committee held a total of 3 meetings to consider and present agendas to the Board of Directors for approval as follows:

1. Nominate the directors to replace those who completed their terms
2. Consider the Board of Directors' monthly remuneration and meeting allowance for the year 2021
3. Consider the Board of Directors' bonus for the year 2020
4. Consider the Chief Executive Officer's KPI
5. Consider employee bonus for the year 2021 and employee salary increase for the year 2022
6. Consider the Chief Executive Officer's bonus for the year 2021 and salary increase for the year 2022
7. Consider and review a succession plan
8. Consider the Nomination and Remuneration Committee's self-assessment for the year 2021

In addition, the Chairman and all member of the Nomination and Remuneration Committee attended the meeting every time.



(Mr. Adul Vinaiphat)

Chairman of Nomination and Remuneration Committee

Report from the Corporate Governance Committee

Dear shareholders,

The Corporate Governance Committee is responsible for supporting the Board of Director to supervise the company's policy, regulation and procedure, complying with the good corporate governance principle and corporate social responsibility.

Names of the Corporate Governance Committee and details of the Corporate Governance Committee Meeting in 2021 are as follows:

Name of the Corporate Governance Committee		Position of the Corporate Governance Committee	Meeting Attendance / Total Meeting (Times)
1. Mr. Suri	Buakhom	Chairman of the Corporate Governance Committee	4/4
2. Mr. Rachai	Wattanakasaem	Member of the Corporate Governance Committee	4/4
3. Mrs. Suwanna	Buddhaprasart	Member of the Corporate Governance Committee	4/4
4. Ms. Apinya	Jarutrakulchai	Member of the Corporate Governance Committee	4/4

In 2021, the Corporate Governance Committee acted according to the charter based on the Board of Director's assignment. Details of the operation are as follows:

(1) To acknowledge and reconsider suggestions from the Thai Institute of Directors Association (IOD) in order to improve the company's corporate governance

The Corporate Governance Committee acknowledged and reconsidered the IOD's suggestions to improve the company's corporate governance according to the Corporate Governance Report of Thai Listed Companies.

(2) To review the Corporate Governance Code 2017 and apply the Code with the company's business

In 2021 the Company has additional complied according to the Corporate Governance to prepare the Company's subsidiaries governance Policy that approved by the Board of Directors' Meeting No.3/2021 effective March 30, 2021.

(3) To evaluate the operational results of the Board of Director and Sub-Committee

Complying with the good CG Code, the Corporate Governance Committee set an evaluation of operational results of the Board of Director (group and individual) and the Sub-Committee (group) in order to improve future operation. The Corporate Governance Committee also encouraged the directors to join IOD's training courses and other course from related institutions.

(4) To set the company's development policy for sustainable growth

The Corporate Governance Committee has agreed to propose "Sustainable Development Policy and Practice" including "Charter of the Board of Directors" to the Board of Directors for approval. The committee also encouraged the employees to join the SET's training courses.

With intention to create business operation according to the good corporate governance principle, Quality Houses Plc.'s business supervision was evaluated in 2021 as follows:

- **Evaluation result on the corporate governance 2021**

The company received a CG Score of Excellent in the evaluation program arranged by the Thai Institute of Directors Association (IOD). In addition, the company also received a CG Score of Excellent in 2020.

- **Evaluation result on the quality of the Shareholders' Meeting 2021**

The company received a perfect score of 100 points in the evaluation program arranged by the Thai Investors Association.

Currently, the company has been a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since March 9, 2017 and has been certified to renew the CAC membership on November 4, 2019.

According to the evaluation, the Corporate Governance Committee has focused on the good CG Code and continued to improve the company's CG principle in order to support sustainable growth for benefits of the shareholders and the whole society.



(Mr. Suri Buakhom)

Chairman of the Corporate Governance Committee

The Board of Directors and Executives

The Board of Directors		
Mr. Boonsom Lerdhirunwong		Chairman and Independent Director
Mr. Rachai Wattanakasaem		Independent Director, Chairman of Audit Committee, Member of Nomination and Remuneration Committee and Member of Corporate Governance Committee
Mr. Adul Vinaiphat		Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit Committee
Mr. Suri Buakhom		Independent Director, Chairman of Corporate Governance Committee and Member of Audit Committee
Mr. Naporn Sunthornchitcharoen		Director
Mr. Adisorn Thananan-narapool		Director and Member of Nomination and Remuneration Committee
Mrs. Suwanna Bhuddhaprasart		Director, Member of Risk management Committee and Member of Corporate Governance Committee
Mr. Achawin Asavabhokin		Director
Mr. Chalerm Kiettitanabumroong		Director, Chairman of Risk management Committee and Chairman of Executive Committee
Mr. Pravit Choatewattanaphun		Director and Member of Risk management Committee
Ms. Apinya Jarutrakulchai		Director, Member of Risk management Committee, Member of Corporate Governance Committee and Company Secretary

The Executives		
Mr. Chalerm Kiettitanabumroong		Chief Executive Officer
Mr. Pravit Choatewattanaphun		Managing Director
Ms. Apinya Jarutrakulchai		Senior Executive Vice President
Mr. Adisak Srisook		Executive Vice President
Mr. Sommart Promkunakorn		Executive Vice President
Ms. Orathai Luengpaitoon		Vice President, Financial and Accounting Department

Section 1

Business Operation and Operating Results

1. Organizational Structure and Operation of the Group of Companies
2. Risk Management
3. Driving Business for Sustainability
4. Management Discussion and Analysis
5. General Information and Other Material Facts

1. Organizational Structure and Operation of the Group of Companies

1.1 Policy and Overview of Business Operations of the Company

Quality Houses Public Company Limited, its subsidiaries and associated companies operates real estate development for sales and rent business, jointly invests in other companies and property funds, which could be summarized as follows:

- **Real Estate Development for Sales Business** : including Land and houses for sales business and Residential condominium units for sales business.
- **Real Estate for Rent Business** : including hotels business and office buildings for rent business.
- **Management Service for Real Estates for Rent Business** : including hotels, apartments, office buildings and houses for rent.
- **Investment Business** : the Company has direct and indirect, through its subsidiaries, investments and property funds, including Harbour View Corporation, Home Product Center Plc., LH Financial Group Plc., Quality Houses Leasehold Property Fund ("QHPPF") and Quality Houses Hotel and Residence Freehold and Leasehold Property Fund.

1.1.1 Vision and Mission

The Board of Directors has set the vision of the Company to serve as goals and guidelines for formulating strategy as well as future business plan. The details are as follows:

Vision

To be the leading real estate development company in providing the quality and innovations of products and services for customers in all target segments.

Mission

Product and Service Quality

- Create long-term competitive advantage by focusing on best quality of products and services for customers in all target segments.
- Focus on the innovations of new products and services that accurately respond to customer needs.

Work Life Quality

- Create work environment and culture, as well as improve employee benefits to achieve maximum performance.

Personnel

- Operate legally with transparency that can be monitored at every stage.
- Support and encourage employees to develop their potentials in various fields in accordance with their responsibilities.

Social Quality

- Social quality of the project : Focus on pleasant and environmental friendly living place, as well as providing convenience and safety for customers.
- Social quality of the surrounding community : Support and be responsible for surrounding communities where the company and its subsidiaries operate, as well as general society.

Investment quality

- Improve efficiency of company's operation and investment in order to achieve a sustainable growth in profitability.

1.1.2 Significant Changes and Developments

The Company's history, significant changes and developments are summarized as follows;

- Year 1983 :** The Company was incorporated on October 21, 1983 with an initial registered capital of Baht 1.0 million with a primary objective to provide one-stop, integrated construction services for housing projects on customers' plots of land;
- Year 1990 :** The Company began operating the business of real estate development for rent, divided into 2 categories : serviced apartments for rent and office buildings for rent;
- Year 1991 :** On September 11, 1991, the Company was listed on the Stock Exchange of Thailand;
- Year 1992 :** The Company began operating the business of land and houses for sales;
- Year 1993 :** The Company was transformed into a Public Company on June 28, 1993;
- Year 1997 :** The Company encountered business difficulties during Thailand's financial crisis;
- Year 1999 :** The Company entered into debt restructuring agreements with commercial banks and financial institutions and was able to satisfactorily comply with the terms and conditions of the agreements. Later in 2005, the Company was able to repay the full amount of loans according to the agreements;
- Year 2001 :** The Company increased its capital and offered 20% of its total shares or Baht 812.0 million to the Government of Singapore Investment Corporation Pte Ltd. (GIC);
- Year 2006 :** The Company and its subsidiaries sold the properties together with the related equipment, and/or gave the leasehold rights, and/or transferred the property leasehold rights for 2 office buildings, namely, Q.House Ploenjit and Q.House Lumpini, to the Quality Houses Leasehold Property Fund (QHPPF). The transaction was approved by the Securities and Exchange Commission (SEC) on December 7, 2006. The Company also invested 204.5 million units, equating to 25.66%, worth Baht 2,045.1 million in the property fund.

Furthermore, the Fund Manager appointed Q.H. International Co., Ltd., a subsidiary of the Company, to be the property manager of such properties for 5 years with an option to renew the contract for not exceeding 5 years each;

Year 2012 : The Company and its subsidiaries sold the properties together with related equipment and/or gave the leasehold rights and/or transferred the property leasehold rights for 3 hotel projects, i.e. the Centre Point Hotel Pratunam, the Centre Point Hotel Sukhumvit 10 and the Centre Point Hotel Chidlom, to the Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (QHHR) ("The Fund"). The transaction was approved by the Securities and Exchange Commission (SEC) on July 2, 2012. The Company also invested 105.28 million units, equating to 31.33%, worth Baht 1,050.28 million in The Fund.

After invested in those properties, QHHR was set to offer for rent or for lease the properties under its ownership and possession, and all of whose leasehold rights it has been granted, to Centre Point Hospitality Co., Ltd., a 100% wholly owned subsidiary of the Company.

The Centre Point Hospitality Co., Ltd. then appointed Q.H. International Co., Ltd., a 100% wholly owned subsidiary of the Company, to manage the hotels and serviced apartments over the period of 3 years and the contract can be renewal with an option to renew the contract for not exceeding 3 years each;

Year 2017 : LH Financial Group Public Company Limited ("LHFG") issued new shares and sold to CTBC Bank Co., Ltd. ("CTBC") resulting in a lower shareholding of the Company of 13.74% from 21.34% of total registered and paid up capital;

Year 2018 : Casa Ville (Chonburi 2554) Co., Ltd. Opened the Centre Point Hotel Pattaya on December 2018. (In 2020, the hotel was renamed to "Centre Point Prime Hotel Pattaya");

Objective of Business

The Company and its subsidiaries operate in 3 core businesses including, real estate development for sales business, hotel business and office building rental business. The Company's and its subsidiaries business policy in the next 3 years will maintain to focus on real estate development for sales comprising of single detached houses, townhouses and condominiums with high quality in various price ranges in Bangkok, its greater area and upcountry regions aiming to serve customers in all target segments, as well as focusing on safety and after service sales for customer's satisfaction.

1.1.3 Utilization of the Capital from Debentures

In 2019, the Company offered debentures in total amount THB 7,500 million

No.	Code	Spending Objectives	Amount of Spent Money	Spending Duration	Details / Spending Progress
1/2019	QH225A	Repayment of loan and/or Working capital	THB 3,500 million	1-3 years	Repaid the loan and utilized as working capital
2/2019	QH22NA	Repayment of loan and/or Working capital	THB 4,000 million	1-3 years	Repaid the loan and utilized as working capital

In 2021, the Company offered debentures in total amount THB 4,500 million

No.	Code	Spending Objectives	Amount of Spent Money	Spending Duration	Details / Spending Progress
1/2021	QH243A	Repayment of loan and/or Working capital	THB 3,000 million	1-3 years	Repaid the loan and utilized as working capital
2/2021	QH246A	Repayment of loan and/or Working capital	THB 1,500 million	1-3 years	Repaid the loan and utilized as working capital

1.1.4 Head Office Location

Company Name : Quality Houses Public Company Limited
 Registration No. : 0107536000579
 Type of business : Operates real estate development for sales and rent business
 Head Office Location : 6th and 7th Floor of Q. House Lumpini Building,
 No. 1 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
 Telephone No. : 0-2677-7000
 Company Website : www.qh.co.th
 Registered capital : 10,714,426,091 Baht (As at December 31, 2021)
 Paid-up capital : 10,714,381,645 Baht (As at December 31, 2021)
 Par value Per Share : 1 Baht

1.2 Nature of Business

1.2.1 Revenue Structure

Revenue structure of Quality Houses Public Company Limited and its Subsidiaries

(Unit : Million Baht)

Revenue by Business ^{1/}	Operated by	2019		2020		2021	
		Revenues	%	Revenues	%	Revenues	%
1) Real Estate Business							
1.1 Real Estate for Sales Business	Quality Houses Plc. and its Subsidiaries ^{2/}	7,827	61	7,674	70	6,984	72
1.2 Residential Condominium for Sale Business	Quality Houses Plc. and its Subsidiaries ^{3/}	1,464	11	829	8	518	5
1.3 Hotel Business	Quality Houses Plc., Centre Point Hospitality Co., Ltd. and Casa Ville (Chonburi 2554) Co., Ltd.	1,052	8	330	3	314	3
1.4 Office Building for Rent Business	Quality Houses Plc.	337	3	305	3	303	3
Total revenue from real estate business		10,680	83	9,138	84	8,119	83
2) Other income							
2.1 Share of profit from investments in associates	Quality Houses Plc.	1,927	15	1,530	14	1,382	14
2.2 Others	Quality Houses Plc. and its subsidiaries	254	2	232	2	233	2
Total of other income		2,181	17	1,762	16	1,615	17
Total		12,861	100	10,900	100	9,734	100

Remarks : ^{1/} The Company's revenue is entirely from domestic sales.

^{2/} Subsidiaries are Casa Ville Co., Ltd., The Confidence Co., Ltd., Casa Ville (Rayong 2553) Co., Ltd., Casa Ville (Chonburi 2554) Co., Ltd. and Gusto Village Co., Ltd.

^{3/} Subsidiaries are Casa Ville Co., Ltd., The Confidence Co., Ltd., Casa Ville (Prachuabkhirikhan 2554) Co., Ltd., Casa Ville (Chonburi 2554) Co., Ltd., Casa Ville (Petchburi 2553) Co., Ltd., Gusto Village Co., Ltd. and Casa Ville (Rayong 2553) Co., Ltd.

The structure of Share of profit from investments in associates

(Unit : Million Baht)

Project	Operated by	% Owned by the Company as at Dec 31, 2021	2019		2020		2021	
			Revenues	%	Revenues	%	Revenues	%
1. Office building for rent Business								
- Q. House Lumpini Building, Q.House Ploenjit Building and Wave Place Building	Quality Houses Leasehold Property Fund	25.66	192	10	167	11	148	11
Sub-total			195	10	167	11	148	11
2. Hotel Business								
- Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10, Centre Point Hotel Chidlom	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	31.33	61	3	32	2	(17)	(1)
Sub-total			61	3	32	2	(17)	(1)
3. Construction material Business	Home Product Center Plc.	19.87	1,232	64	1,020	67	1,081	78
Sub-total			1,232	64	1,020	67	1,081	78
4. Investment Business	LH Financial Group Plc.	13.74	442	23	311	20	170	12
Sub-total			442	23	311	20	170	12
Total			1,927	100	1,530	100	1,382	100

1.2.2 Products information

(1) Nature of products and services

(1.1) **Products or services classification.** The Company and its subsidiaries classify its products according to the nature of business and use variety of marketing strategies based on each business types. The Company's approaches may be summarized as follows:

A) Real Estate Development for Sales Business**- Land and houses for sales business**

The Company and its subsidiaries develop land and houses for sales by taking the raw lands which are in good locations, subdividing the land into plots, building houses on those land plots whilst developing a variety of infrastructures accordingly. At present, the Company and its subsidiaries' residential development projects are located in location with convenient access to the city center, including Bangkok Metropolitan Region and upcountry such as Chonburi, Chachoengsao, Rayong and Chiang Mai.

The Company and its subsidiaries have adopted a policy to expand its target group by offering a wider range of products from high-end, middle-end to low-end in order to cater to customers' needs as follows:

- **High-end products**

(Price per Unit)

Company Name	Single Detached House Projects			
	Q House Avenue	Prukpirom	Laddarom / Laddarom Elegance	Vararom / Vararom Premium
	Baht > 20 million	Baht > 20 million	Baht 12-20 million	Baht 8-12 million
1. Quality Houses Plc.	✓	✓	✓	✓
2. Casa Ville Co., Ltd.				✓

- **Middle-end Products**

(Price per Unit)

Company Name	Single Detached House Projects				Townhouses Project
	Casa Grand/ Legend	Casa Premium	Casa Ville/ Presto	Casa Seaside	Casa City
	Baht 7-12 million	Baht 5-7 million	Baht 4-6 million	Baht 3-6 million	Baht 3-5 million
1. Quality Houses Plc.			✓		✓
2. Casa Ville Co., Ltd.	✓	✓	✓		✓
3. Casa Ville (Rayong 2553) Co., Ltd.			✓	✓	
4. Casa Ville (Chonburi 2554) Co., Ltd.	✓		✓		
5. The Confidence Co., Ltd.			✓		✓
6. Gusto Village Co., Ltd.					✓

- **Low-end products**

(Price per Unit)

Company Name	Single Detached House Project	Townhouses Project	
	The Trust Ville	Gusto	The Trust Town Home
	Baht 3-5 million	Baht < 3 million	Baht < 3 million
1. The Confidence Co., Ltd.	✓		✓
2. Gusto Village Co., Ltd.		✓	
3. Quality Houses Plc.		✓	

- **Residential condominium units for sales business**

The Company and its subsidiaries have adopted a policy to expand its business in residential condominium units for sales, considering projects with appropriate return on investment and located in the city center or near the mass transit lines (BTS) both current lines and future extensions as well as community area with convenient transportation. Moreover, the Company's subsidiaries also expand condominium projects to upcountry such as Chonburi, Petchburi, Prachuapkhirikhan, Chiang Mai, Chiang Rai and Nakhon Pathom.

This policy is strategically intended to inspire customer's satisfaction and cater to the needs and wants of those who are looking for modern-day convenience in terms of commuting from and to workplaces while at the same time making it possible to enjoy their lifestyles. The target group includes entrepreneurs, middle management and above, as well as company employees and younger generation who prefer convenience and city life. The projects may be classified by product types as follows:

(Price per Unit)

Company Name	High-end product		Mid-end product	Low-end product	
	Q Condo	Q Seaside Condo	Casa Condo Q House Condo	The Trust Condo	The Point Condo
	Baht >20 million	Baht 3-10 million	Baht 2-5 million	Baht 1.5-4 million	Baht <1 million
1. Quality Houses Plc.	✓		✓		
2. Casa Ville Co., Ltd.			✓		
3. The Confidence Co., Ltd.				✓	✓
4. Casa Ville (Petchburi 2553) Co., Ltd.		✓			
5. Casa Ville (Chonburi 2554) Co., Ltd.			✓	✓	✓
6. Casa Ville (Prachuap khirikhan 2554) Co., Ltd.				✓	
7. Gusto Village Co., Ltd.			✓		
8. Casa Ville (Rayong 2553) Co., Ltd.			✓		

B) Real Estate for Rent Business**- Hotel business**

The Company has built and rented hotel buildings under the brand “Centre Point” in order to provide residential services to expatriates who come to work and/or travel in Thailand on both short-term and long-term basis. Therefore, the Company and its subsidiaries have made selection of the best in terms of locations, equipped with convenience and comfort within the heart of the city and central business district areas (CBD). Furthermore, the Company and its subsidiaries have also emphasized on other services, such as by providing meeting rooms, business centers and restaurants, etc.; the Company also has a policy of providing high quality services, efficient security system, as well as state-of-the-art communication devices.

The assets used in operating the hotel business are ones used for long-term operation and those leased for business operation under the terms of agreement between 1-3 years.

- Office buildings for rent business

The Company has constructed high-rise buildings on its own plots of land and on long-term leased land which are located in central business district areas (CBD) and fully equipped with public utilities and telecommunication facilities in order to provide office space rental services to customers. In addition, the Company also emphasizes on the standard quality of the buildings, the quality of services and the proper lay-out within the buildings to ensure more effective business operations.

C) Management Service for Real Estates for Rent Business

The Company and its subsidiaries provide management service for real estate for rent, including hotels, apartments, office buildings and houses for rent as follows:

- Management of Wave Place Building and management of office buildings: Q.House Lumpini Building, and Q.House Ploenjit Building for the Quality Houses Leasehold Property Fund;
- Management of residential buildings for rent : Centre Point Residence Promphong Project and Centre Point Sukhumvit-Thonglor, as well as management of houses for rent in L&H Villa Sathorn Project for Land and Houses Freehold and Leasehold Property Fund;
- Management of Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10 and Centre Point Hotel Chidlom for Quality Houses Hotel and Residence Freehold and Leasehold Property Fund;
- Management of Mandarin Hotel for the Mandarin Hotel Public Company Limited.
- To be an advisor to Siam Retail Development Company Limited to manage Centre Point Terminal21 Korat.

D) Investment Business

The Company has direct and indirect, through its subsidiaries, investments and property funds as follows:

- **Harbour View Corporation (“HVC”)** ; The Company has invested indirectly in HVC by holding 100% shares in Q.H. International Co., Ltd. (QHI), while in turn QHI owns 100% shares in Q. H. International (BVI) Co., Ltd. (“QHI (BVI)”) and QHI (BVI) is in possession of 14.15% shares in HVC, the last of which operates a hotel and office building rental business in Haiphong, Vietnam;
- **Home Product Center Plc.** ; Of which the Company holds 19.87% shares; (detail in “Shareholding Structure of the Company” section,topic 1.3.1 (B) Associated Companies)
- **LH Financial Group Plc.** ; A holding company which has remained active in making long-term investments in the Land and Houses Bank Plc., holding 100% of shares; the Company holds 13.74% of its shares; (detail in “Shareholding Structure of the Company” section,topic 1.3.1 (B) Associated Companies)
- **Quality Houses Leasehold Property Fund (“QHPF”)** ; The Company and its subsidiaries sold the property with components and relevant equipment and/ or transferred the office building leasehold rights of 2 projects, Q. House Ploenjit and Q. House Lumpini, to Quality Houses Leasehold Property Fund. The Company invested in QHPF for 204.5 million units, or 25.66% of QHPF’s total investment units, which amounted to 2,045.1 million Baht.

In addition, Land and Houses Fund management Co.,Ltd. has appointed the Company and/or Q.H. International Co., Ltd., which was the Company’s subsidiary, to be the Property Manager for all properties in which QHPF has invested.The management fee will be calculated with reference to the result of business operation of each project.

In 2020, the Company and its subsidiary, Q.H. International Co., Ltd.,the Company’s subsidiary was continuously extended the agreement as the Property Manager for another 3 years. Which is effective since January 1, 2020 to December 31, 2022.

Summary of Quality Houses Property Fund's Investment Properties are as follow;

Detail	Q.House Ploenjit	Q.House Lumpini	Wave Place
Location	598 Ploenchit Rd., Lumpini, Pathumwan (Construction completed since 1998)	1 South Sathorn Rd., Tungmahamek, Sathorn (Construction completed since Mar 2006)	55 Wireless Rd., Lumpini, Pathumwan (Constuction completed since 1999)
Type of investment	Leasehold of land and building including infrastructure system and related equipment for 30 years	Freehold of building and infrastructure system including related equipment and be transferred for land leasehold right	Freehold of building and infrastructure system including related equipment and be transferred for land leasehold right
Ownership			
- Land	Quality Houses Plc.	Individual ^{1/}	Individual ^{1/}
- Building	Quality Houses Plc.	The Confidence Co., Ltd.	Land and Houses Freehold and Leasehold Property Fund
- Infrastructure system and related equipments	Quality Houses Plc.	The Confidence Co., Ltd.	Land and Houses Freehold and Leasehold Property Fund
Property manager after investment by fund	Quality Houses Plc.	Q.H.International Co.,Ltd.	Quality Houses Plc.

Remark ^{1/} Individual is a person who has no conflict of interest.

- **Quality Houses Hotel and Residence Freehold and Leasehold Property Fund** ; The Board of Directors' Meeting No.4/2012 dated June 19, 2012, has passed a resolution to establish Quality Houses Hotel and Residence Freehold and Leasehold Property Fund ("QHHR"), which was to be managed by Land and Houses Fund Management Co., Ltd. ("management company"), and on behalf of which the Company was in charge of distributing the real estate property, fixture and the related equipment and/or to give the leasehold right and/or to transfer the leasehold right of real estate property for the following (three) hotels, i.e. Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10 and Centre Point Hotel Chidlom, and ensure that QHHR would enter into the property lease agreement "for" Centre Point Hotel Chidlom "from" The Crown Property Bureau. In addition, by virtue of the aforementioned resolution, approbation has been made in order that Company was to invest in QHHR whereby a number of not greater than 112 million investment units would be purchased at Baht 10 each, thus accounting for not greater than Baht 1,120 million approximately, or not more than one-third of the total number of QHHR investment units. The Company has practically made investment in the aforementioned entity's 105.3 million (investment) units worth Baht 1,053 million.

In addition, the Board of Directors has also adopted another resolution to grant one of the Company's subsidiaries "Centre Point Hospitality Co., Ltd.", whose shares amounting to not less than 99.99% being directly or indirectly held by the Company, to lease and sublease the aforementioned properties from QHHR over the period of 3 years commencing from the lease commencement date at the prescribed rates of rental and sublease fees. Centre Point Hospitality Co., Ltd. has also given a pledge to QHHR that it would lease and sublease from the latter following the completion of the lease and sublease period, whichever applicable, for the period of 3 years, were QHHR to desire accordingly; whereas the terms and conditions specified thereof were to be thoroughly the same as the currently existing ones, including an option to renew the lease and sublease terms for the other 3 years each, commencing from the lease and sublease expiry dates stated in the contracts. Furthermore, the resolution has also been given so as to approve that the Company entered into the process of guaranteeing that QHHR would observe all terms and conditions and thus act accordingly in honoring the agreements with the Crown Property Bureau, as the joint debtor. The initial total value of the aforementioned act of guarantee amounted to Baht 86.2 million.

Furthermore, the Board of Directors have also approved that the Company entered into agreement whereby to provide guarantee for the minimum rental fee of Baht 837 million, which was to be received by QHHR from the investments in all 3 Centre Point projects, and which would remain effective for a period of 3 years commencing from the date upon which QHHR had first entered into the business of making investment in the aforementioned property ("guarantee period") however the guarantee period for the minimum rental expired since July 2015.

Summary of Quality Houses Hotel and Residence Property Fund's Investment Properties are as follow;

Detail	Centre Point Hotel Pratunam	Centre Point Hotel Sukhumvit 10	Centre Point Hotel Chidlom
Location	6 Petchburi Rd., Phayathai, Ratchathewi, Bangkok	39 Sukhumvit 10, Klongtoey Rd., North Klongtoey, Klongtoey, Bangkok	60 Langsuan 1, Langsuan Rd., Lumpini, Patumwan, Bangkok
Type of investment	Freehold of building, infrastructure system, furniture and related equipment.	Freehold of building, infrastructure system, furniture and related equipment.	Freehold of building, infrastructure system, furniture and related equipment.

Detail	Centre Point Hotel Pratunam	Centre Point Hotel Sukhumvit 10	Centre Point Hotel Chidlom
Ownership			
- Land, Building and infrastructure	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	Crown Property Bureau
- Furniture and related equipment	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund
Lessee from QHHR after investment by fund	Centre Point Hospitality Co., Ltd.	Centre Point Hospitality Co., Ltd.	Centre Point Hospitality Co., Ltd.
Property manager	Q.H. International Co., Ltd.	Q.H. International Co., Ltd.	Q.H. International Co., Ltd.
Additional conditions	<p>Quality Houses Plc., agreed to guarantee for minimum rental to the fund for 3 projects for 3 years, since and including July 20, 2012, “the fund’s investment date”, to and including July 19, 2015, “guarantee period”, as following amount of “guarantee net profits”;</p> <ol style="list-style-type: none"> 1. Since the fund’s investment date to 31 December 2012, “guarantee period year 2012”, at amount of Baht 138,400,000 (One hundred and thirty-eight million and four hundred thousand Baht). 2. Year 2013, “guarantee period for year 2013”, at amount of Baht 266,100,000 (Two hundred and sixty-six million and one hundred thousand baht). 3. Year 2014, “guarantee period for year 2014”, at amount of Baht 278,300,000 (Two hundred seventy-eight million and three hundred thousand baht). 4. Since 1 January 2015 to 19 July 2015, 3 years anniversary date from the fund’s investment date or “guarantee period year 2015”, at amount of Baht 152,800,000 (One hundred and fifty-two million and eight hundred thousand baht). 		

Remark

- Centre Point Hotel Pratunam Formerly known as “Centre Point Hotel & Residence Petchburi”
- Centre Point Hotel Sukhumvit 10 Formerly known as “Centre Point Hotel & Residence Sukhumvit ”
- Centre Point Hotel Chidlom Formerly known as “Centre Point Hotel & Residence Langsuan”

(1.2) Project details by business types.

A) Land and Houses for sales, the Company and its subsidiaries are categorized into 2 categories as follows;

- Complete construction projects (As at December 31, 2021)

Projects' Name	Unit	Project Area (Rai-Ngan- Sq.w.)	Sales Area (Sq.w.)	Investment Value (MB)	Project Value (MB)	Remaining Value		Operated by
						Unit	(MB)	
1. Q.House Avenue Phraram 5 (North)	46	91-1-58	22,275	2,037	2,753	1	54	Quality Houses Plc.
2. Pruckpirom Pinklao 1-2	117	74-3-1	17,170	751	960	5	84	Quality Houses Plc.
3. Pruckpirom Regent Pinklao Phase 3	96	63-3-45	17,510	902	1,103	1	16	Quality Houses Plc.
4. Casa Legend Kaset-Navamintr	126	39-2-99	8,706	1,217	1,764	1	7	Casa Ville Co., Ltd.
5. Casa Ville Bangna - Teparak	329	68-3-32	16,979	951	1,491	1	10	Quality Houses Plc.
6. Casa Ville Bangyai	159	32-0-25	7,683	546	783	2	14	The Confidence Co., Ltd.
7. Casa Seaside Rayong	184	63-0-91	14,811	580	801	2	7	Casa Ville (Rayong 2553) Co., Ltd.
8. The Trust Ban Pho	266	43-3-80	10,699	600	851	1	2	Quality Houses Plc.
9. Gusto-Bangna suwannaphum	407	38-1-62	8,931	681	959	4	9	Gusto Village Co., Ltd.
10. Gusto Wongwean-Phraram 5	274	28-3-54	6,160	475	737	3	9	Gusto Village Co., Ltd.
11. Gusto Ratchapruk-Phraram 5	350	33-2-83	7,263	722	1,144	5	16	Gusto Village Co., Ltd.

• **Current Project** (As at December 31, 2021)

Project's Name	Unit	Project Area (Rai-Ngan-Sq.w.)	Sales Area (Sq.w.)	Total Investment Value (MB)	Construction Progress		Project Value (MB)	Accumulate Presales (MB)	Accumulate Transfer (MB)	Operated by
					Investment Value (MB)	% of progress				
1. Q.House Avenue Phraram 5 (South)	168	138-0-42	33,660	3,233	3,198	99%	4,758	4,622	4,470	Quality Houses Plc.
2. Q.House Villa Nakorn Ping	37	10-1-69	2,501	303	291	96%	364	221	221	Quality Houses Plc.
3. Laddarom Elegance Outer Ring Road - Sathorn	217	92-1-45	23,689	2,303	2,272	99%	3,209	2,962	2,962	Quality Houses Plc.
4. Laddarom Phuttamonthon Sai 1 - Bang Khae	96	44-2-73	11,906	1,050	769	73%	1,620	566	566	Quality Houses Plc.
5. Laddarom Wong Wean-Ramintra	135	42-3-80	11,606	855	592	69%	1,381	592	570	Quality Houses Plc.
6. Laddarom Tiwanon	108	34-1-50	7,069	697	595	85%	967	511	494	Quality Houses Plc.
7. Laddarom Elegance City Hall	119	48-3-39	10,269	626	412	66%	1,169	439	439	Quality Houses Plc.
8. Vararom Watcharapol - Permsin	339	72-0-7	19,467	1,420	865	61%	2,232	421	387	Quality Houses Plc.
9. Vararom Premium Kaewnawarat	290	83-0-87	20,024	837	530	63%	1,523	509	509	Quality Houses Plc.
10. Vararom Premium Kawila	34	8-2-43	2,138	202	192	95%	245	97	97	Quality Houses Plc.
11. Casa Grand On nut - Outer Ring Road	205	63-2-25	14,884	1,438	1,423	99%	2,180	2,005	1,992	Casa Ville Co., Ltd.
12. Casa Grand Sukhaphiban 5	100	31-3-99	6,838	663	655	99%	850	778	769	Casa Ville Co., Ltd.
13. Casa Grand Ratchaphruk - Phraram 5	106	24-2-23	5,980	654	650	99%	785	742	742	Casa Ville Co., Ltd.
14. Casa Grand Sriracha	196	35-2-62	8,213	656	578	88%	677	225	225	Casa Ville (Chonburi 2554) Co., Ltd.
15. Casa Legend Phraram 5 - Ratchaphruk	247	63-3-70	15,617	1,377	1,266	92%	2,119	1,468	1,468	Casa Ville Co., Ltd.
16. Casa Legend Ban Bueng	87	21-0-16	4,773	383	375	98%	424	300	296	Casa Ville (Chonburi 2554) Co., Ltd.
17. Casa Premium Ratchaphruk - Chaengwattana	362	93-1-22	23,908	1,688	1,520	90%	2,426	1,739	1,680	Casa Ville Co., Ltd.
18. Casa Premium Ratchaphruk - Phraram 5	311	70-1-47	18,062	1,450	1,444	100%	2,215	2,094	2,094	Casa Ville Co., Ltd.
19. Casa Premium On Nut - Outer Ring Road	134	39-3-28	9,118	802	794	99%	1,145	1,039	1,025	Casa Ville Co., Ltd.
20. Casa Premium Phraram 2	112	30-0-84	6,695	582	577	99%	815	707	707	Casa Ville Co., Ltd.
21. Casa Presto Don Mueang - Song Prapha	369	60-3-78	13,590	1,237	951	77%	2,021	902	902	Quality Houses Plc.

Project's Name	Unit	Project Area (Rai-Ngan-Sq.w.)	Sales Area (Sq.w.)	Total Investment Value (MB)	Construction Progress		Project Value (MB)	Accumulate Presales (MB)	Accumulate Transfer (MB)	Operated by
					Investment Value (MB)	% of progress				
22. Casa Presto Pracha Uthit 90	167	29-2-95	6,571	543	364	67%	701	228	208	The Confidence Co., Ltd.
23. Casa Ville Wong Wean - Ramintra	395	89-3-35	24,076	1,572	852	54%	2,427	497	465	Casa Ville Co., Ltd.
24. Casa Ville Ramkamhaeng - Outer Ring Road 2	344	84-0-48	20,936	1,425	1,160	81%	2,339	1,457	1,443	Quality Houses Plc.
25. Casa Ville Wongwaen Chatu Chot	266	65-1-61	14,796	975	681	70%	1,299	676	665	Quality Houses Plc.
26. Casa Ville Pinklao- Sirat	212	44-3-95	10,026	673	542	81%	1,042	626	618	Casa Ville Co., Ltd.
27. Casa Ville Don Mueang-Song Prapha	133	32-0-95	6,852	638	590	92%	1,014	802	802	Quality Houses Plc.
28. Casa Ville Pracha Uthit 90	31	8-1-19	1,601	137	134	98%	164	112	112	The Confidence Co., Ltd.
29. Casa Ville Ban Bueng	211	39-2-48	9,209	556	401	72%	698	262	262	Casa Ville (Chonburi 2554) Co., Ltd.
30. Casa Ville Rayong	137	31-2-59	7,486	325	321	99%	435	414	407	Casa Ville (Rayong 2553) Co., Ltd.
31. Casa Waterside Phraram 5	279	27-1-13	5,555	607	589	97%	951	714	714	Casa Ville Co., Ltd.
32. Q Prime Sukhumvit 77	272	25-0-76	5,876	1,209	872	72%	1,596	287	281	Quality Houses Plc.
33. Q District West Gate	483	61-3-91	12,210	1,171	973	83%	1,709	937	934	Quality Houses Plc.
34. Q District Suksawat - Wongwaen Phraram 3	495	66-1-48	13,254	1,028	996	97%	1,663	1,537	1,537	Quality Houses Plc.
35. Q District Suksawat 76	451	50-0-0	12,286	906	499	55%	1,438	218	209	Quality Houses Plc.
36. Q District Bangna-King Kaew	292	31-1-43	8,029	740	504	68%	1,127	86	86	Quality Houses Plc.
37. Casa City Watcharapol Permsin 2	480	47-0-94	12,749	1,007	722	72%	1,552	636	622	Quality Houses Plc.
38. Casa City Don Mueang Si Saman	401	48-0-92	10,088	1,004	971	97%	1,488	1,310	1,306	Gusto Village Co., Ltd.
39. Casa City Ratchaphruk - Phraram 5	411	46-2-68	8,597	1,014	876	86%	1,244	727	727	Casa Ville Co., Ltd.
40. Casa City Phraram 5 Pinklao	299	29-2-7	6,103	684	559	82%	1,019	564	564	Quality Houses Plc.
41. Casa City Sukhumvit - Samut Prakan	229	21-0-76	5,365	682	614	90%	844	373	366	The Confidence Co., Ltd.
42. Casa City Don Mueang-Song Prapha	168	22-1-8	4,875	463	385	83%	700	427	423	Quality Houses Plc.
43. Casa City Pracha Uthit 90	230	20-3-31	4,844	507	504	99%	617	564	564	The Confidence Co., Ltd.

Project's Name	Unit	Project Area (Rai-Ngan-Sq.w.)	Sales Area (Sq.w.)	Total Investment Value (MB)	Construction Progress		Project Value (MB)	Accumulate Presales (MB)	Accumulate Transfer (MB)	Operated by
					Investment Value (MB)	% of progress				
44. Casa City Ramkhamhaeng - Misteem	144	15-2-21	3,514	396	351	89%	540	242	242	Quality Houses Plc.
45. Casa City King Kaew - Suvarnabhumi	135	18-0-71	3,816	384	373	97%	515	332	332	Quality Houses Plc.
46. The Trust Suvarnabhumi - Teparak	212	37-2-58	8,375	620	609	98%	861	740	728	The Confidence Co., Ltd.
47. Gusto Petchkasem - Taweewattana	459	51-0-71	10,653	916	874	95%	1,339	1,164	1,151	Gusto Village Co., Ltd.
48. Gusto King Kaew - Suvarnabhumi	445	40-1-100	8,701	882	820	93%	1,281	968	965	Gusto Village Co., Ltd.
49. Gusto Don Mueang - Song Prapha	385	37-0-6	8,211	741	717	97%	1,240	1,104	1,087	Gusto Village Co., Ltd.
50. Gusto Petkasem 69 - Kanjanapisek	330	32-1-42	6,581	661	533	81%	956	540	535	Quality Houses Plc.
51. Gusto Suksawat - Pracha Uthit	290	30-1-26	6,739	460	297	65%	705	245	234	Quality Houses Plc.

B) Condomenium for sales, the Company and its subsidiaries are categorized into 2 categories as follows ;

- **Complete construction projects (As at December 31, 2021)**

Project's Name	Unit	Project Area (Rai-Ngan-Sq.w.)	Sales Area (Sq.m.)	Investment Value (MB)	Projects Value (MB)	Remaining		Operated by
						Unit	Value (MB)	
1. Q House Condo Phahon Yothin Chiangrai	348	3-0-99	11,317	383	565	5	7	Quality Houses Plc.
2. CASA Condo Chang Puak	280	3-0-3	10,813	301	428	1	8	Quality Houses Plc.
3. The Trust Condo Hua Hin	671	8-3-48	24,685	996	1,341	25	61	Casa Ville (Prachuabkhirkhan 2554) Co., Ltd.
4. The Trust Condo South Pattaya	609	4-0-56	17,706	714	964	9	11	Casa Ville (Chonburi 2554) Co., Ltd.
5. Sathorn House	394	2-1-12	21,776	937	1,359	1	10	Quality Houses Plc.

• Projects under construction (As at December 31, 2021)

Project's Name	Unit	Project Area (Rai-Ngan-Sq.w.)	Sales Area (Sq.w.)	Total Investment Value (MB)	Construction Progress		Project Value (MB)	Accumulate Presales (MB)	Accumulate Transfer (MB)	Operated by
					Investment Value (MB)	% of progress				
1. Q Condo Sukhumvit	273	3-1-70	34,170	6,352	6,352	100%	9,948	2,324	2,324	Quality Houses Plc.
2. Q Seaside Hua Hin	207	7-1-20	11,308	1,313	1,313	100%	1,524	502	502	Casa Ville (Petchburi 2553) Co., Ltd.
3. Casa Condo @MRT T-Junction Bangyai	847	3-1-12	22,721	1,126	1,126	100%	1,517	896	894	Casa Ville Co., Ltd.
4. Casa Condo Sriracha A	49	1-1-80	2,450	104	104	100%	136	50	48	Casa Ville (Rayong 2553) Co., Ltd.
5. Casa Condo Sriracha B	49	1-1-48	2,450	105	105	100%	170	-	-	Casa Ville (Petchburi 2553) Co., Ltd.
6. Casa Condo Sriracha C	42	1-0-49	2,333	104	104	100%	164	75	75	Casa Ville (Chonburi 2554) Co., Ltd.
7. Casa Condo @ CMU 2	67	1-2-7	2,023	110	110	100%	148	120	120	Gusto Village Co., Ltd.
8. The Trust Condo at BTS Erawan	1,570	7-2-84	44,690	2,407	2,407	100%	3,095	1,534	1,532	The Confidence Co., Ltd.
9. The Trust Condo Ngamwongwan	1,280	4-3-59	37,711	1,685	1,685	100%	2,125	1,947	1,940	The Confidence Co., Ltd.
10. The Trust Condo Nakornpathom	405	5-2-43	11,628	414	414	100%	561	436	431	The Confidence Co., Ltd.
11. The Trust Condo Amata-Chonburi	518	5-0-4	14,713	604	604	100%	719	431	429	Casa Ville (Chonburi 2554) Co., Ltd.
12. The Point Condo Rangsit-Klong 6	821	7-0-32	21,624	518	518	100%	668	486	486	The Confidence Co., Ltd.
13. The Point Condo Laem Chabang	683	5-1-77	18,100	408	408	100%	512	157	157	Casa Ville (Chonburi 2554) Co., Ltd.

C) Hotel Business

Project's Name and location	Unit	Project Area (Rai-Ngan-Sq.w.)	Total Rental area	Investment Value (MB)	Average revenue from rental and service fee / month (100% full leasing of space) (MB)	Average revenue from rental and service fee/month As at December 31, 2021		Operated by
						Revenue from rental and service fee (MB)	% of revenue from rental and service fee (100% full leasing of space)	
1 Centre Point Hotel Silom Charoenkrung Rd., Bangrak, BKK.	214	4-3-20	Construction area 28,463 Sq.m. Rental area 13,933 Sq.m.	1,145	21.38	7.26	34	Quality Houses Plc.
2. Centre Point Prime Hotel Pattaya Nakluae, Banglamong, Chonburi.	556	6-1-91	Construction area 34,562 Sq.m. Rental area 15,611 Sq.m.	1,353	13.89	3.43	25	Casa Ville (Chonburi 2554) Co., Ltd.

D) Office Building for Rent Business

Project's Name and location	Project Area (Rai-Ngan-Sq.w.)	Total Rental area	Investment Value (MB)	Average revenue from rental and service fee / month (100% full leasing of space) (MB)	Average revenue from rental and service fee/month As at December 31, 2021		Operated by
					Revenue from rental and service fee (MB)	% of revenue from rental and service fee (100% full leasing of space)	
1. Q.House Asoke 66, Sukhumvit 21 Rd., BKK.	2-2-54	Construction area 48,579 Sq.m. Rental area 20,737 Sq.m.	677	13.24	11.75	89	Quality Houses Plc.
2. Q.House Sathorn South sathorn Rd., BKK.	2-3-56	Construction area 27,829 Sq.m. Rental area 13,454 Sq.m.	517	9.14	7.28	80	Quality Houses Plc.

Project's Name and location	Project Area (Rai-Ngan-Sq.w.)	Total Rental area	Investment Value (MB)	Average revenue from rental and service fee / month (100% full leasing of space) (MB)	Average revenue from rental and service fee/month As at December 31, 2021		Operated by
					Revenue from rental and service fee (MB)	% of revenue from rental and service fee (100% full leasing of space)	
3. Q.House Ploenjit * Ploenchit Rd., BKK.	1-1-63	Construction area 22,341 Sq.m. Rental area 10,880 Sq.m..	897	7.67	7.55	98	Quality Houses Leasehold Property Fund has granted leasehold right from Quality Houses Plc., for 30 years, 16 years remaining from now, and contracted Quality Houses Plc. to be property manager

*Remark : * On 8 December 2006, the Company granted land and building leasehold including related equipment of QH Ploenjit projects to Quality Houses Property Fund for 30 years. Therefore, the right of use as well as benefits regard of rental agreement and service agreement needs to be transferred to Quality Houses Property Fund since 8 December 2006.*

(1.3) Detail of trade accounts receivable

Project name	Total trade accounts receivable		Aged of receivables					
	No of customers	Amount (MB)	1-3 months		3-6 months		Over 6 months	
			No of customers	Amount (MB)	No of customers	Amount (MB)	No of customers	Amount (MB)
Hotel Business								
1. Centre Point Hotel Pratunam	73*	1.84	64	0.55	3	0.003	7	1.29
2. Centre Point Hotel Sukhumvit 10	58*	1.52	58	1.52	1	0.001	-	-
3. Centre Point Hotel Silom	44	1.35	42	1.15	-	-	2	0.20
4. Centre Point Hotel Chidlom	103*	2.03	101	1.80	-	-	3	0.23
5. Centre Point Prime Hotel Pattaya	35*	1.84	34	1.13	5	0.01	1	0.70
Office Building for Rent Business								
1. Q.House Convent	-	-	-	-	-	-	-	-
2. Q.House Asoke	22	1.22	22	1.22	-	-	-	-
3. Q.House Sathorn	18	1.68	18	1.68	-	-	-	-

Remark : * Number of payables in 1-3 months, 3-6 months and over 6 months.

The policy of credit loss arising provision setting for rental payables and service receivables of hotel business and office for rent business shall consider projecting credit loss arising from payables according to Financial Reporting Standard No. 9, Financial Instrument. As ending of financial statement, payables's credit loss arising would be perceived through financial statement

(2) Marketing and Competition

(2.1) Product and Service Marketing Policy

(A) Pricing Policy

The Company's and its subsidiaries' pricing policy are in conjunction with product types and market segmentation, as well as cost of production while also remaining competitive.

(B) Sales and Distribution Channels

The Company and its subsidiaries allocate their distribution channels in accordance with types of business as follows:

1) Land and houses for sales and residential condominium units for sales business

The Company and its subsidiaries utilize their sales office strategically situated in each project as well as through exhibition booths as appropriate.

2) Hotel business

There are several channels of distribution for the Company and its subsidiaries as follows:

- **The Company's sales representatives** : Customers are able to contact the central sales office; alternatively, our sales representatives may visit the customers at their office. Our sale personnel will provide useful information on each and every project while ensuring that good relationship be maintained and that customer satisfaction be achieved through contacts being made with the customers.
- **Sales agents** : As an integral part to widen the customer base, the Company provides the opportunity for all agents/brokers to seek and locate customers for both the short- terms and long-term businesses.
- **The Company's website** : The Company has facilitated foreign customers who are interested in our hotels to make their reservations through the Company's website. This channel has gradually become an incrementally potential marketing means on annual basis.
- **Online representative website** : Given the current trend in which foreign customers are most likely to employ the Internet in making (room) reservation, the Company therefore provides another distribution channel through online representative website.

3) Office buildings for rent business

The Company's and its subsidiaries' main sales distribution channel is predominantly through corporate agents since they tend to be in possession of an extensive network of customers and relevant products of which they may choose to conduct inspection prior to making decision. In addition, the Company's customers may directly contact the Company's sales representative office as well.

(C) Target Customers and Their Characteristics

The Company's and subsidiaries' customers are retail customers which has the follow characteristics,

1) Land and houses for sales and residential condominium units for sales business

The target customers include senior executives, business proprietors, government officials, those working for state enterprise agencies and private company employees, etc.

2) Real estate for rent business

- Office building for rent: The target customers include medium-to-large companies, Thai and foreign, which require office space in the prime locations.
- Hotel business: The main target customers include foreign business persons visiting Thailand for business or working with private companies and/or organizations, as well as foreign tourists who may be planning on short- or long-term stay.

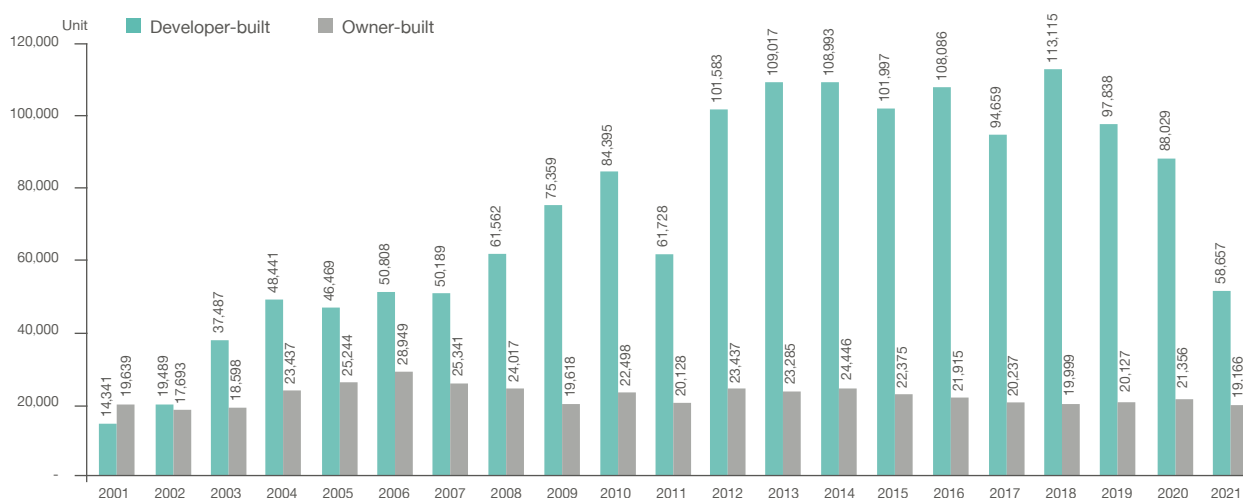
(2.2) Industry Competition and the Company's Competitiveness

The Company and its subsidiaries classify the competition within the industry according to nature of business as follows:

1) Real estate for sales business

The number of newly registered residential property in 2020 was at 109,385 units, a 7 percent decrease from 117,965 units in 2019. In particular, the number of developer-built housing was at 88,029 units, a 10 percent decrease from 2019, and the number of owner-built housing was at 21,355 units, a 6 percent decrease from 2019.

For the residential property market in 2021, there were 77,823 newly registered units, a 29 percent decrease from 109,385 units in 2020. In particular, the number of developer-built housing was at 58,657 units, a 33 percent decrease from 2020, and the number of owner-built housing was at 19,166 units, a 10 percent decrease from 2020.



Source : Real Estate Information Center, Government Housing Bank

Additional developer-built house registrations classified by types of housing from 2014 to 2021

(Unit)

Additional developer-built house registrations classified by types of housing	2014	2015	2016	2017	2018	2019	2020	2021	% changes from 2020/ to 2019	% changes from 2021/ to 2020
Single Detached houses	13,056	11,837	12,736	12,129	15,563	13,552	11,010	9,827	-19%	-11%
Duplexes	2,820	2,366	1,895	2,535	2,101	3,024	2,472	2,845	-18%	15%
Townhouses and commercial buildings	18,059	19,624	17,111	16,634	20,051	21,274	15,535	12,392	-27%	-20%
Condominiums	75,058	68,170	76,344	63,361	75,400	59,988	59,012	33,593	-2%	-43%
Total number of additional developer-built house registrations	108,993	101,997	108,086	94,659	113,115	97,838	88,029	58,657	-10%	-33%

Source : Real Estate Information Center, Government Housing Bank

In 2020, the number of newly registered developer-built housing decreased from 2019 in all categories.

In 2021, the number of newly registered developer-built housing decreased when compared to 2020, mainly from the decrease in condominiums, townhouses, commercial buildings, and single detached houses, while the number of newly registered duplexes increased. This is mainly due to the slowdown of the overall economy caused by the prolong Covid-19 pandemic since 2020 which directly affected consumer purchasing power. Even though the government had introduced measures that were conducive to real estate purchasing such as the reduction of ownership transfer and mortgage fees for properties that cost less than 3 million baht, as well as the easing of mortgage lending control measure (LTV) by the Bank of Thailand in October 2021 which allowed homebuyers to borrow up to 100 percent, these measures had boosted the property market without much success as consumers, still lacked purchasing power and were unsure about the pandemic situation and the economy recovery, became more cautious about using money and spent longer amount of time deciding to buy houses. This led many residential developers to delay the launch of new projects, especially condominiums, and instead focus on releasing existing stock and adjusting the plan to launch more low-rise projects to meet the needs of consumers who buy with the intention to live in the properties themselves. And as buyers spent more time at home during the lockdown period, this led them to focus more on the living spaces within the house.

For the overall housing market outlook in 2022, the Company expects the real estate business to recover better from positive factors such as economic recovery, government programs to increase consumer purchasing power, gradual improvement of domestic spending from the easing of pandemic control measures, acceleration of the vaccination campaign coverage, the reopening of the country to travelers which would lead to the recovery of the tourism sector and foreign investment, as well as the renewal of government stimulus for real estate sale. Nevertheless, there are negative factors that may affect the housing market including the tightening of mortgage lending by financial institutions, high household debt burdens and unemployment rate, and higher project costs from land prices, building materials, labor cost, etc.

2) Office Buildings for Rent Business

For the office building market in 2021, the total office space for rent was at 9.49 million square meters, an increase of 0.26 million square meters from the previous year, with the expansion of 0.15 million square meters in the central business district (CBD) and 0.11 million square meters in the non-central business district (non-CBD).

Overall, the office building market in 2021 had more supply coming into the market than demand. The demand had been declining from 2020 to 2021 due to COVID-19 pandemic, which affected the expansion of investment businesses both inside the country and abroad. Although the overall access rate of office space in new buildings had increased due to the expansion of e-commerce, logistics, technology and hygiene businesses, the overall access rate is negative by approximately 0.08 million square meters compared to the same period last year, with the overall access rate increasing by 0.03 million square meters. On the part of tenants, there was a considerable reduction in the use of office space to reduce costs and from a policy requiring some employees to work from home. Some tenants in the CBD areas moved their offices to the non-CBD areas with lower rents and downsized their space, while some companies had to close and return their rental space. As a result, the occupancy rate of office space was at the lowest level in the past 10 years.

The average rental rate at the third quarter of 2021 (for 100-300 square meters space) decreased in almost all locations except the average rental rate of grade B office buildings in the CBD areas which remained steady. Compared to the same quarter last year, the average rental rate of Grade A office buildings in the CBD areas decreased from 1,100 baht per square meter per month to 1,060 baht per square meter per month, and the rate of Grade A office buildings in the non-CBD areas decreased from 898 baht per square meter per month to 892 baht per square meter per month. The average rental rate of Grade B office buildings in the CBD areas remained steady at 796 baht per square meter per month, and the rate of Grade B office building in the non-CBD areas decreased from 732 baht per square meter per month to 676 baht per square meter per month. For the space larger than 1,000 square meters, the average rental rate decreased by 5-15 percent from the above-mentioned rate depending on the size.

For the rental office market outlook in 2022, the rental space is expected to increase by approximately 0.49 million square meters, with the expansion of 0.20 million square meters in the CBD areas and 0.29 million square meters in non-CBD areas. And approximately 1.14 million square meters of office space is expected to be under construction and scheduled for completion in 2023 - 2025. The situation of the office building market depends on the economic conditions and the expansion of investment from both Thai and foreign investors. If economic conditions continue to slow down and market conditions remain uncertain, building owners may consider postponing the completion of new buildings to avoid competition. And in 2022, demand for space is expected to be limited, therefore the overall average rental rate is likely to remain steady. In addition, the owners of old office buildings will have to adapt to compete with new buildings that come with modernity, comfort, as well as tenant safety, and adjust the leasing strategy appropriately and quickly to retain the existing tenants to renew their long-term lease.

CBD : Central Business District - Silom, Sathorn, Surawongse, Rama IV, Ploenchit, Wireless, Down Town Sukhumvit, and Asoke Roads, etc

Non CBD : Up Town Sukhumvit, Petchburi, Rachadapisek, Paholyothin, Vibhavadee-rangsit, Rama III and Bangna-Trad Roads, etc

Source : Information compiled by Quality Houses plc.

3) Hotels / Rental Residential Buildings

At the end of 2021, the total number of foreign tourists entering Thailand throughout the year was 0.42 million persons, a decrease of 6.27 million persons, or 93.62 percent compared to the same period in 2020 which saw a total number of foreign tourists of 6.70 million persons, resulting in lower tourism revenues from the international tourist market. This was mainly due to the COVID-19 pandemic which led many countries to implement travel restrictions to control outbreaks within their countries. For Thailand, in 2021, the Cabinet approved several respite measures to allow the reopening for foreign tourists to support tourism-related businesses, however, they were still unable to fully recover the tourism-related businesses. Starting with Phuket sandbox measures on July 1, 2021, and followed by Samui Plus measures on July 15, 2021, these were programs that accepted tourists into a seven-day quarantine period in specific state-designated areas. And on November 1, 2021, the government approved additional relief measures that reduced the number of quarantine period in pilot provinces, which went by the name of Test and Go measure, which was a one-day quarantine program for tourists arriving from low-risk countries that were fully vaccinated, and sandbox measure, which was a seven-day quarantine program for tourists who did not arrive from low-risk countries but were fully vaccinated. However, with a new wave of Covid-19 from Omicron strains in many countries around the world, the Test and Go measure was suspended in late 2021.

The COVID-19 pandemic also negatively impacted domestic tourism. At the end of 2021, the number of Thai tourists in the country was 53.03 million person-visit, generating 2.16 billion baht in revenue for domestic tourism industry. Despite the government measures to restore domestic tourism through the We Travel Together Phase 3 program in October which led to the gradual recovery of the industry, the recovery was slow, with the number of both tourists and incomes lower than 2020, and was unable to replace the tourism revenues from foreign tourists that had been disrupted.

For the hotel market in Bangkok in 2021, there were 78,488 rooms, an increase of 1,776 rooms, or a 2.4 percent increase from 76,712 rooms in 2020. The mid-end hotels recorded the highest number of rooms in the market and were mostly located in the business district along Ploenjit-Sukhumvit road. Nevertheless, the ongoing COVID-19 pandemic has significantly affected the hotel business. Many mid and small hotels had to temporarily close due to the insufficient occupancy rate required to continue their business operation. The report at the end of October 2021 found that 15,495 rooms were temporarily closed in Bangkok.

For the overall investment in Thailand based on the information of the Office of the Board of Investment (BOI), there were 1,273 projects applied by foreign investors for investment promotion at the end of September in 2021, with a total investment value of 520.68 billion baht. Compared to the same period in 2020 when 1,037 projects were applied by foreign investors for investment promotion with a total investment value of 216.64 billion baht, the number of projects in 2021 increased by 236 projects, or 22.8 percent. At the same time, the total investment value increased by 304.04 billion baht, or 140 percent from the same period in 2020.

Considering the number of foreigners who had work permits in companies with BOI privilege and those that temporarily resided in Bangkok, the cumulative number at the end of 2021 was 84,365, declining by 3,412, or 3.8 percent from 87,777 in the same period in 2020. The main target customer groups for rental apartments remained Japanese and other Asian customers. At the end of 2021, the highest number of people with working permits that remained in Thailand were Japanese with 27,385 people, the second and third places were Chinese and Filipinos with 24,509 and 17,588 people, respectively.

For the rental residential market in 2021, there was a total of 19,887 rental residential units, up by 988 units, or just 5.2 percent from 18,899 units at end of 2020. Most foreign customers still preferred to live in serviced apartments, but due to the reduction in housing expense for foreign customers in many multinational companies from the covid-19 pandemic and with the growth of condominiums for rent market, which had entered the competition and grabbed market share, there had been a severe competition in the residential rental market.

*Source : Alien Section, Work Provision Department
 The Office of Board of Investment
 The Tourism Department
 Information compiled by Quality Houses Plc.*

(3) Sourcing Product or Service

(3.1) Product Acquisition

A) Product Design

The Company and its subsidiaries have research and development teams, which conduct studies on consumer behavior by surveying customers who visited home-design projects, as well as by using historical project sales data to analyze customer needs, and surveying competitor products to use as information on product design. As a result, the Companies and its subsidiaries are able to build homes that meet the needs and are accepted by the customers. In addition, to achieve a variety of design that changes over the years, the Company and its subsidiaries also hire companies and third parties to design homes and projects.

B) Production and Procurement

Production, and Production Policies

The Company and its subsidiaries that produce high-priced products have manufacturing control policies in place to ensure that the products meet the set standards and quality.

Raw Material Procurement

The Company and its subsidiaries supply raw materials in key components of the house, and the construction contractors also supply some of the materials, which can be detailed as follows:

- 1) Raw materials supplied directly by the Company and its subsidiaries include piles, roof tiles, steel bar, sanitary ware, ceramic, brick, marble, granite, prefabricated slabs, etc.
- 2) For raw materials which are included in the construction price, the Company and its subsidiaries have hired construction contractors, with sum covering the total cost of all labor and raw materials except for raw materials mentioned in item 1).

The raw materials used by the Company and its subsidiaries in constructions are diverse. As a result, the cost of any raw material is not above 50 percent of the total production cost and there has been no reliance on the purchase of raw materials from any supplier worth more than 30 percent of the total revenue in the past three years, and there is no obligation to any supplier to purchase raw materials worth more than 30 percent of the total revenue in the future.

Selection and Hiring of Construction Contractors

The Company and its subsidiaries have preliminary criteria for determining and selecting contractors as follows:

- 1) Established as a company or partnership
- 2) Able to operate according to the standards and quality defined by the Company and its subsidiaries
- 3) Have financial stability
- 4) Have engineers, architects, and construction supervisors
- 5) Have reliable experience and performance with presentable and verifiable details
- 6) Have a permanent establishment
- 7) Have a clear phone number and contact name
- 8) Have a letter of guarantee for construction work
- 9) Pass the benchmark for the annual quality and performance assessment for consideration of the next employment.

Use of Raw Materials Substitution

In the construction of houses and residential units for sale, most of the raw materials used are domestically available. Therefore, when suffering from a shortage of raw materials, the Company and its subsidiaries can find other raw materials to replace the original raw materials; for example, wood used to make door and window jambs can be replaced by high quality aluminum jambs or UPVC that meet the specified standards, etc.

Effect of Technological Changes on Raw Material Consumption

Because advanced technology is not used in the control or construction of residential houses and residential units for sale, the change in technology does not significantly affect the raw materials used in construction.

Raw Material Cost

The rise in raw material costs is a problem that affect the cost of houses or residential units for sale. The key variables are the price of vacant land, the price of oil and fuel used in the production process of building materials, the cost of transporting raw materials to projects, as well as other building materials. The Company and its subsidiaries seek to reduce such costs by negotiating with the sellers of raw materials to maintain the raw material price or by signing futures contracts for 6 months to 1 year period, etc.

Proportion of Domestic and Oversea Raw Materials Procurement

Most raw materials for the Company and its subsidiaries business are domestic.

Land Acquisition Policy

The Company and its subsidiaries have a policy to procure and acquire additional land to operate the real estate business over the next 2-3 years. The process will be considered by the Board of Directors, to support future expansion and operation.

(3.2) Environmental Impact

The Company and its subsidiaries may have impact on the environment through each business type as follows:

1) Real estate for sales business

In regard to the implementation of all the Company's and its subsidiaries' projects, for any project requiring permission from the Environmental Board, the Company and its subsidiaries shall duly comply with the prescribed criteria and ensure that they be properly and entirely licensed. Pertaining to the projects that do not require any permission from the Environmental Board, the Company and its subsidiaries also have an eye on the following factors which may affect the environment. For instance, the Company and its subsidiaries will control the construction process by adopting noise control measure against audio pollutions which might affect the communities during the period of project development. In addition, tools and equipment are to be retained in safe places. Construction sites are to be controlled to ensure safety, dust prevention and orderly work site. Construction zones are to be properly allocated in order to minimize the negative impacts on finished houses and their residents.

2) Real estate for rent business

The Company and its subsidiaries have preventive and control measures so as to minimize impacts of public utility problems, such as the ones whereby to inspect and replace equipment in aims at reducing energy consumption, as well as garbage management and sewage testing, etc.

As a result, none of the projects operated by the Company and its subsidiaries creates any negative environmental impact.

(4) Assets for business undertaking

The Company's assets and its subsidiaries as of December 31, 2021 are as follows:

- (4.1) Property, plant and equipment, Investment properties and Right-of-use assets
- (4.2) Land and construction in progress and Land and project development costs
- (4.3) Right-of-use assets

Details of assets for business undertaking are disclosed in Attachment 4

(5) Under-construction projects

As of December 31, 2021, the Company and its subsidiaries have a letter of subscription for land and buildings for land and the house for sales project and the condominium project, that has not yet been recognized in the total amount of approximately Baht 603 million. There is no project, land and the house for sales project and the condominium project, with unrealized revenues of more than 10% of the total revenues according to the consolidated financial statements.

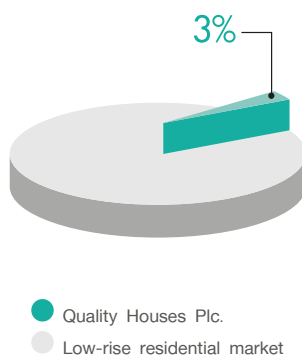
(6) Market Share

The Company reported a market share of sales of residential projects in Bangkok and Vicinities in 2021 as follows:

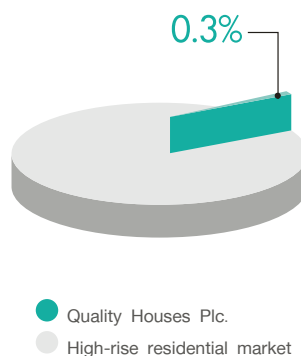
- For low-rise projects including detached house, duplex and townhouse, the Company reported a market share around 3%.
- For high-rise projects including condominium, the Company had a market share around 0.3%.

Overall, the Company reported a market share of sales of residential projects in Bangkok and Vicinities in 2021 around 2% as shown in the following diagrams:

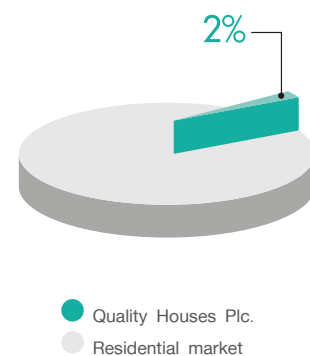
QH's sales of low-rise projects vs.
Total sales of low-rise projects



QH's sales of high-rise projects vs.
Total sales of high-rise projects



QH's sales vs. Total sales of
low-rise and high-rise projects



Source : Agency for Real Estate Affairs (AREA) and Quality Houses Plc.

1.3 Shareholding Structure of the Company

Quality Houses Public Company Limited, its subsidiaries and associated companies operates real estate development for sales and rent business, jointly invests in other companies and property funds, which could be summarized as follows:

1. Land and houses for sales;
2. Condominium units for sales;
3. Hotel business;
4. Office building for rent;
5. Property management for rental properties including hotels, serviced apartments, rental office buildings and rental residential projects;
6. Investment business.

(Details as Section 1.2 “Nature of Business“ Topic 1.2.2 “Type of Product”)

1.3.1 Shareholding Structure of the Company

The Company has the policy to segregate the operations of the Company, its subsidiaries and associated company is summarized as follows:

A) Subsidiaries

The Company has invested in 13 subsidiaries as follows,

- (1) **The Confidence Co., Ltd.** : The Company holds 100% of its shares via Casa Ville Co., Ltd. At present, The Confidence Co., Ltd. is conducting the business of for sales, including land and houses and condominium units for sales;
- (2) **Q.H. Management Co., Ltd.** : The Company holds 80.58% of its shares. The remaining 19.42% is held by The Confidence Co., Ltd. At present, Q.H. Management Co., Ltd. does not conduct any businesses, as the business of infrastructure management and after sales service has been transferred to the Company and its subsidiaries;
- (3) **Casa Ville Co., Ltd.** : The Company holds 100% of its shares. At present, Casa Ville Co., Ltd. is conducting the business of for sales, including land and houses and condominium units for sales;
- (4) **Q.H. International Co., Ltd.** : The Company holds 100% of its shares. At present, Q.H. International Co., Ltd. is conducting the business of residential building, hotel and office building for rent management and making investments in various companies;
- (5) **Q.H. International (BVI) Co., Ltd.** : 100% of its shares is held by Q.H. International Co., Ltd. At present, Q.H. International (BVI) Co., Ltd. is conducting investments in Harbour View Corporation, which is comprised of the hotel and office building for rent businesses in Haiphong City, Vietnam, with 14.15% share ownership in those companies;
- (6) **Casa Ville (Rayong 2553) Co., Ltd.** : The Company holds 100% of its shares via Casa Ville Co., Ltd. At present, Casa Ville (Rayong 2553) Co., Ltd. is conducting the business of for sales, including land and houses and condominium units for sales;
- (7) **Casa Ville (Petchburi 2553) Co., Ltd.** : The Company holds 100% of its shares via Casa Ville Co., Ltd. At present, Casa Ville (Petchburi 2553) Co., Ltd. is conducting the business of for sales, including land and houses and condominium units for sales;
- (8) **Q. House Precast Co., Ltd.** : The Company holds 100% of its shares via Casa Ville Co., Ltd. to manufacture and sell ready-made concrete sheets to the housing projects of Company and its subsidiaries;
- (9) **Gusto Village Co., Ltd.** : The Company holds 100% of its shares via Casa Ville Co., Ltd. to operate the business of for sales, including land and houses and condominium units for sales;
- (10) **Casa Ville (Chonburi 2554) Co., Ltd.** : The Company holds 100% of its shares via Casa Ville Co., Ltd. to operate the business of for sales, including land and houses, condominium units for sales and hotel business;
- (11) **Property Host Co., Ltd.** : The Company holds 100% of its shares to operate the business of property for rent;

- (12) **Casa Ville (Prachuabkhirikhan 2554) Co., Ltd.** : The Company holds 100% of its shares via Casa Ville Co., Ltd. to operate the business of for sales, including condominium units for sales;
- (13) **Centre Point Hospitality Co., Ltd.** : The Company holds 100% of its share to operate the business of hotel and serviced apartment.

B) Associated Companies

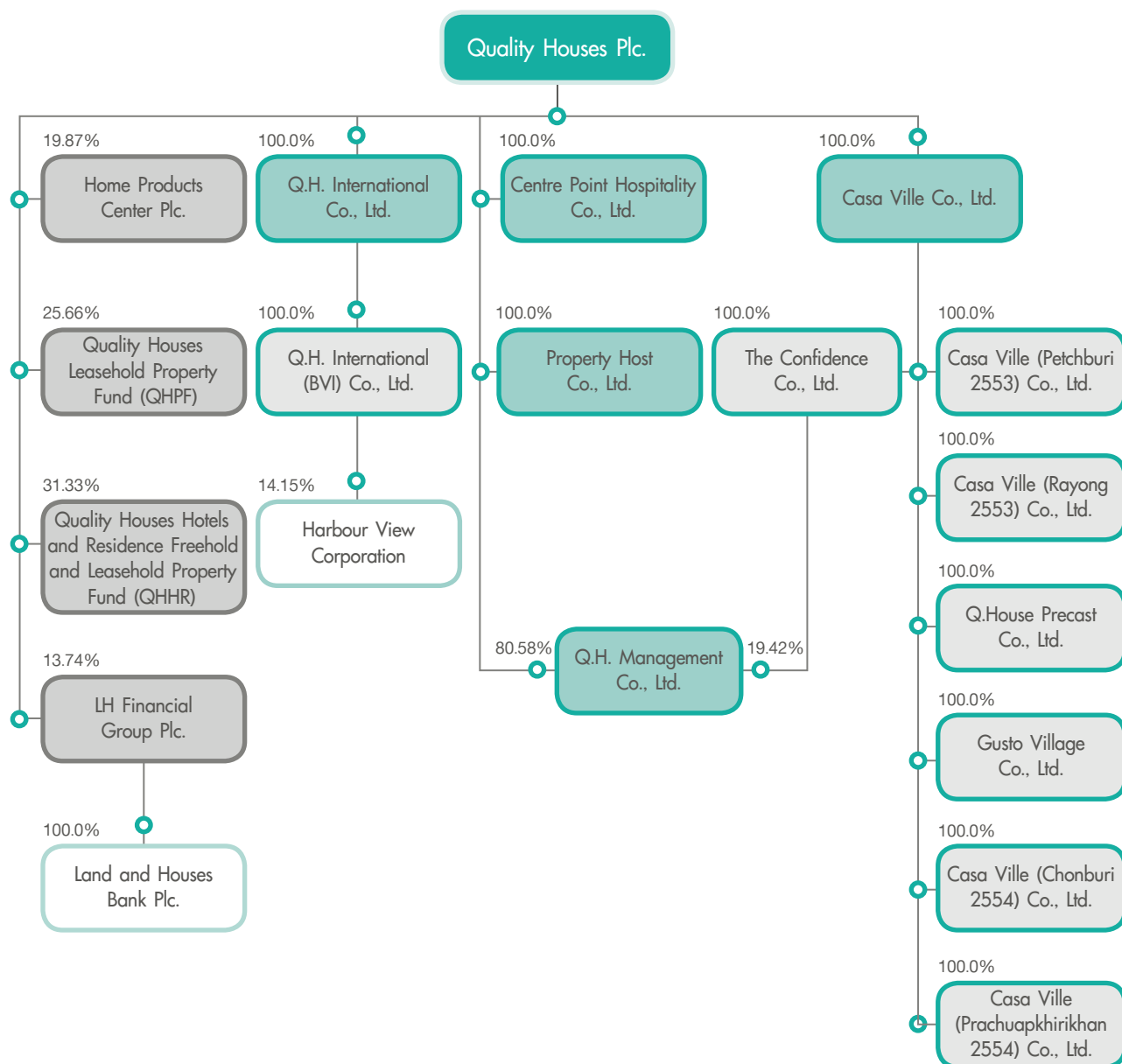
The Company has invested in 2 associated companies and 2 property funds as follows:

- (1) **Home Product Center Plc.** : The Company has a long-term investment policy, as of December 31, 2021, the Company has a shareholding of 19.87%. Home Product Center Plc. operates as a one stop shopping home center, selling products and providing services for construction, decoration, expansion, repair and improvement for home, residential unit, and building, under the trademark 'Home Pro' and also provides space for rent;
- (2) **LH Financial Group Plc.** : As of December 31, 2021, the Company has a shareholding of 13.74%. LH Financial Group Plc. was established as a holding company with the business objective of making long-term investment by holding 100% shares in Land and Houses Bank Plc., which operates the business of commercial banking services that provides services of deposits, mortgages, corporate loans and personal loans;
- (3) **Quality Houses Leasehold Property Fund (QHPPF)** : QHPPF was established in December 2006. The Company has a long-term investment policy and a unit holding of 25.66%. Quality Houses Leasehold Property Fund operates in property for rent business and has registered as a closed-end Property Fund, with the capital of Baht 7,970 million in total. Properties in form of office buildings for rent invested by the Quality Houses Leasehold Property Fund include Q.House Lumpini, Q.House Ploenjit and Wave Place projects;
- (4) **Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (QHHR)** : QHHR was established in July 2012. The Company has a long-term investment policy on a unit holding of 31.33% of shares. Quality Houses Hotel and Residence Freehold and Leasehold Property Fund operates in hotel and serviced apartment business and has registered as a closed-end Property Fund, with the capital of Baht 3,360 million in total. Properties invested by the Quality Houses Hotel and Residence Freehold and Leasehold Property Fund include Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10 and Centre Point Hotel Chidlom.

C) Other Companies

Harbour View Corporation operates hotel and office buildings for rent in Haiphong City, Vietnam. Q.H. International (BVI) Co., Ltd., one of the Company's subsidiaries, once held 21% of its shares. However, without the Company's further subscription to any additional shares of Harbour View's shares being offered to existing shareholders, due to Harbour View Corporation's continually loss, the current proportion of shareholding has decreased to 14.15%.

Shareholding Structure in Subsidiaries and Associated Companies as at December 31, 2021



1.3.2 Shareholders

List of the top 10 shareholders at the book-closing date on August 24, 2021

Major shareholders	Number of shares	% of the paid-up capital
1. LAND AND HOUSE PLC.	2,675,945,601	24.98
2. THAI NDVR COMPANY LIMITED	847,007,817	7.91
3. MR. NIWES HEMVACHIRAVARAKORN	250,000,000	2.33
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	179,715,759	1.68
5. MR. PRINYA TIEANWORN	170,000,000	1.59
6. STATE STREET EUROPE LIMITED	156,486,526	1.46
7. MS.PISSACHA HEMVACHIRAVARAKORN	150,000,000	1.40
8. MR. VICHAI MITSANTISUK	146,590,300	1.37
9. DHIPAYA INSURANCE PUBLIC COMPANY LIMITED	143,721,600	1.34
10. NORTRUST NOMINEES LTD-CL AC	128,950,995	1.20
Total of the top 10 shareholders	4,848,418,598	45.25
Total of the shareholders	10,714,381,645	100.00

1.4 Registered and Paid-up Capital

As at December 31, 2021, the Company had registered and paid-up capital of

Registered capital :	10,714,426,091 Baht (10,714,426,091 ordinary shares of Baht 1 each)
Paid-up capital :	10,714,381,645 Baht (10,714,381,645 ordinary shares of Baht 1 each)

According to the information of ordinary share holdings by Thai NVDR Co., Ltd, as of August 24, 2021, the number of Company's ordinary shares of 847,007,817 shares, representing 7.91% of total paid up ordinary shares, whereas the ordinary shares held by Thai NVDR Co., Ltd. are not entitled to a voting right in the shareholders' meeting (except for a decision to consider the de-listing of the shares from the Stock Exchange), thus the holders of non-NVDR shares shall have 8.58% more of the voting right. As a result, the holders of only 23.02% of the paid-up ordinary shares will have a voting right equal to 25% of total voting shares. Investors can check the latest number of shares held through Thai NVDR at the Stock Exchange of Thailand's website at <http://www.set.or.th/nvdr/th/info/monthly-outstanding.html>

1.5 Issuance of other securities

1.5.1 Debentures

As at December 31, 2021, the Company had outstanding debentures worth Baht 12,000 million with detail are as follows:

Unsubordinated and Unsecured Debentures							
No.	Fixed Interest rate (%)	Tenor	Maturity date	Repayment	No. of Shares (Million Unit)	Amount (MB)	Credit Rating
1/2019	2.85	3 years	May 8, 2022	At maturity	3.5	3,500	A-
2/2019	2.30	3 years	Nov 27, 2022	At maturity	4.0	4,000	A-
1/2021	2.50	3 years	Mar 3, 2024	At maturity	3.0	3,000	A-
2/2021	1.76	3 years	Jun 8, 2024	At maturity	1.5	1,500	A-

1.5.2 Short-term loans from financial institutions/ Short-term loans/ Short-term bill of exchange

As at December 31, 2021, the Company had no outstanding Short-term loans from financial institutions/ Short-term loans / Short-term bill of exchange.

1.5.3 Long-term loan

As at December 31, 2021, the Company had outstanding long-term loan from financial institutions worth Baht 3,144 million.

1.6 Dividend payment policy

1.6.1 The Company's dividend payment policy

The Company has a policy to pay dividends from the retained earnings and/or net profit to its shareholders. In considering the payments, the following factors are taken into consideration: the Company's operating results and financial position, liquidity, expansion plans and other management-related factors. Any dividend payment is subjected to the approval of the Company's Board of Directors and/or shareholders' meetings.

Dividend payment during 2019 - 2021 is as follows:

Detail on dividend payment	2019	2020	2021
1. Basic earnings per share (Baht/share)	0.27	0.20	0.16
2. Dividend paid per share (Baht/share)	0.20	0.12	0.10
2.1 Interim dividend for the first half year (Baht/share)	0.07	0.04	0.03
2.2 Dividend for the second half year (Baht/share)	0.13	0.08	0.07
3. Dividend payout ratio (%)	75	61	64

Remarks : 1) Dividend for the year 2019 amounted to 0.20 Baht/share paying from the first 6-month operation of 0.07 Baht/share, according to the resolution of the Board of Directors' Meeting No.5/2019, and the last 6-month operation of another 0.13 Baht/share, according to the resolution of Board of Directors' Meeting No.4/2020.

2) Dividend for the year 2020 amounted to 0.12 Baht/share paying from the first 6-month operation of 0.04 Baht/share, according to the resolution of the Board of Directors' Meeting No.7/2020, and the last 6-month operation of another 0.08 Baht/share, according to the resolution of the Board of Directors' Meeting No.1/2021 and the resolution of the 2021 Annual General Meeting of Shareholders.

3) Dividend for the year 2021 amounted to 0.10 Baht/share paying from the first 6-month operation of 0.03 Baht/share, according to the resolution of the Board of Directors' Meeting No.6/2021, and the last 6-month operation of another 0.07 Baht/share, according to the Board of Directors' Meeting No.1/2022 approved to propose to the 2022 Annual General Meeting of Shareholders.

1.6.2 The Company's Subsidiaries dividend payment policy

The Company's subsidiaries shall pay dividend to the Company from the earnings of subsidiaries, whereas the Board of Directors of the Company and/or subsidiaries shall consider the dividend payment policy as suitable to the management of capital structure and overall financial management.

2. Risk Management

2.1 Risk management policy and plan

The Risk Management Committee is an independent body that will provide support and act on behalf of the Board of Directors in risk management to minimize potential damage to business operations from both external and internal factors. In order to give the company reasonable confidence that if there are various risks in the organization, the Company will manage such risks appropriately and in timely manner in order to contribute to the sustainable growth and create added value for shareholders in the long run.

The Risk Management Committee will constantly assess the company's risks and find way or measures that will minimize the company's risk with consideration given to financial risks, business risks, and production related risks as a minimum.

2.2 Risk factors on business operation

2.2.1 Financial Risks

Risk from investments, lending made for the related companies Harbour View Corporation

Harbour View Corporation ("HVC") is a related company with Q.H. International (BVI) ("QHI (BVI)"), a wholly-owned subsidiary (which the Company holds 100% shares through its subsidiary, Q.H. International Co., Ltd.), with a shareholding of 14.15% (previously, it had a shareholding of 21%).

As of December 31, 2021, the net investment after the allowance for impairment of investment in HVC amounted was zero, in comparison with the investment cost of Baht 33 million. The Company reserved an allowance for loss impairment of the aforementioned investment in full amount as HVC, which operates hotel businesses and rental office buildings in Haiphong, Vietnam, had continually operated at a loss.

As of December 31, 2021, QHI (BVI), the subsidiary, had loan amount, principal and interest receivables to HVC, of approximately US\$ 2.3 million and US\$ 0.04 million, respectively (2020: US\$ 2.3 million and US\$ 0.04 million; 2019: US\$ 2.3 million and US\$ 0.04 million, respectively). Thus, the mentioned subsidiary probably incurs the risk of losing all principal as HVC had continually operated at a loss; however, QHI (BVI) has already had provision for loss arising on such debt. In addition, the Company has guaranteed the loans for HVC since 1997 because each shareholder is obligated to provide financial support to HVC in proportion to their shareholding. Consequently, QHI (BVI) and one other shareholder jointly provided loan guarantee (principal and interest) US\$ 1.8 million from a financial institution in the proportion of 50% each. However, the liabilities that the Company and its subsidiaries had to provide for HVC, was dependent on the percentage of ownership of QHI (BVI), which was equivalent to 21%. Subsequently, there was a capital increase to existing shareholders in the same proportion, whereas the subsidiary company (QHI (BVI)) did not exercise its right to subscribe for such shares, as HVC had continually operated at a loss. Consequently, the Company's shareholding in HVC at the end of 2007 reduced to 14.15%. During 2017, HVC had already paid back both principal and interest owed to financial institutions and the Company withdrew such guarantees and reversed the provision for losses arising.

Risk from obligation Company issued debentures

As of December 31, 2021, the Company had debentures with total of Baht 11,994 million, comprising of current portion of debentures due within one year at the amount of Baht 7,500 million and debentures-net of current portion at the amount of Baht 4,494 million. In addition, the Company had long-term loans from financial institutions at the amount of Baht 3,144 million. Interest bearing debt-to-equity ratio was at 0.56 times. If the Company is unable to achieve the sales target, it might affect the Company's repayment ability. However, the Company still delivered revenue from sale of housing and condominiums as shown performance as of December 31, 2021. Furthermore, the Company and its subsidiaries had total 60 active projects of landed properties for sale with a remaining value of Baht 25,595 million; furthermore, there are 14 residential condominiums projects for sale with a remaining value of Baht 12,274 million which are potential sources of the Company's revenue in the future. Meanwhile, the Company has continual stable income from the hotel business and rental office building business to bolster cash flow.

The issuance of the Company's debenture has been implemented in accordance with the funding policy whereby finding sources of funds with lower financial costs than obtaining loans from financial institutions, while lowering the risk from fluctuating interest rates. The Company has a proven track record in being able to pay interest and redeem its debentures as scheduled.

Risks from interest rate fluctuation and access to capital

The Company and its subsidiaries require a large amount of funds for, the part of which is derived from loans from financial and banking institutions and issuance of debentures. Consequently, market interest rates play a vital role in the Company's cost of funds required for its operations and project development.

Due to the interest rate fluctuations, the Company and its subsidiaries have adopted several preventive measures depending on the trend of interest rates at that particular period. These measures include the issuance of debentures with fixed interest rates in place of loans from banks which mostly bear floating rate and higher interest costs, or the issuance of short-term bills of exchange to institutional investors with lower interest rates which is to reduce interest obligations and more suitable for the business of land and houses for sales that requires short-term fund in light of project development. Another measure is to improve the efficiency of project planning and construction to shorten the development period and to alleviate the burden of interest bearing loans. Furthermore, the Company also monitors the interest rate trends, and considers the use of appropriate financial tools in order to manage the risk accordingly.

2.2.2 Business Risks**Risks from Pre-built Projects**

The Company and its subsidiaries operate a business of real estate development for sales and for rent with main revenue generated from sales of land and houses. In 2019, 2020 and 2021, the Company and its subsidiaries generated revenue from sales of land and houses of 87%, 93% and 92% of total revenue from their real estate business for sales and for rent respectively. The Company and its subsidiaries has pre-built projects, resulting in requiring high working capital for such construction, and having risks from not being able to completely sell all pre-built houses.

However, the Company and its subsidiaries have established preventive measures to reduce and prevent the aforementioned risk, by dividing construction into phases, and controlling inventories by construction planning appropriate to market demands, as well as conducting an analysis on customer demands based on historical data of project sales, to construct pre-built house to cater to and be accepted by customers. Furthermore, as the Company and its subsidiaries are major real estate developers with a long track record in the real estate industry, the real estate projects are widely recognized and well accepted among customer target segments in term of quality, price and services, which help reducing the risk in term of inventory.

Risk from high competition

At present, there is increased competition in real estate development business from the increased number of new developers and increased number of new projects from major developers, resulting in rapid increase in supply. In addition, various new marketing strategies and tactics have been constantly introduced to increase sales, thus, even higher competition. However, as the Company and its subsidiaries have a long proven track record, and is well accepted in the sales of houses with high, medium and low prices, it has competitive advantage in terms of reputation, trustworthiness, quality and standards. Furthermore, the Company and its subsidiaries have been adding more innovations, product diversities and differentiators, in order to cater well to the consumers' requirements, as well as focusing on effective after sales services.

2.2.3 Production Risk

Risk from shortage of contractors and skilled labor

Housing construction and development project significantly depends upon qualified contractors and skilled labors. In particular, the projects that the Company's and subsidiaries' sell are mid-level to high-end products which have heavy emphasis on product quality. The number of qualified contractors and skilled labor for construction of the houses or public infrastructure of the projects are limited or in shortage, especially in times real estate industry growth.

The shortage of qualified contractors and skilled labor is an obstacle to production, growth of revenue and quality control. However, the Company and its subsidiaries have a policy in accepting new contractors, who meet the criteria in contracting for its projects. Additionally, it constantly provides knowledge and skills development, and promotes good relationship with both existing and new contractors.

In addition, the Company and its subsidiaries also provide financial support to contractors as the case may be. The Company and its subsidiaries have also adapted its construction methods by introducing new technologies, including, pre-cast, pre-fabrication and tunnel to reduce labor intensity and shorten construction period.

Risk from cost of construction material

As the cost of construction material is of the major costs, the Company has risks from fluctuations or increase in the cost of construction material. However, the Company has preventive measures against such risk by entering into turnkey contracts with fixed costs of labor and some types of construction material. For main construction materials, the Company will contact the manufacturer or major distributor directly with more negotiation power for better terms. Additionally, the Company has a policy to speed up sales to reduce risk of fluctuating construction material prices.

2.2.4 Risk from mortgage loan by commercial banks

Due to economic slowdown, as well as increasing household debt, commercial banks have been more stringent in mortgage loan policies, with high chances of disapproving mortgages. As a result, customers who have reserved houses and condominium units are not able to transfer the unit ownership, which would affect the Company's income. However, the Company has preventive measures for such risk, by evaluating the basic qualifications and ability of mortgage repayment of customers before submitting them to the banks for consideration prior the reservation. Furthermore, the company has increase the down payment amount for residential units that cost less than Baht 10 million, from 10% to 15% of sale value. Consequently, this helped reducing the loan amount request to the bank on the day of ownership transfer, which in turn reduced the default risk of the commercial banks' mortgage loans.

3. Driving Business for Sustainability

3.1 Policies and goals for sustainability management

The Company is committed to conducting business in building quality communities and societies to become a learning organization that creates innovation and technology for sustainable business operations with the aim to deliver a better quality of life. This would lead to the creation of economic values while preserving resources and the environment under good corporate governance in order to satisfy all stakeholders,

The Board of Directors believes that to sustainably operate the business, all stakeholders must be taken into account under the principles of good corporate governance. Therefore, the Company have established policies and practices to cover all 3 dimensions as follows:

1. **Corporate Governance** The Company has established a framework for conducting business operations in accordance with the principles of good corporate governance by establishing the “Corporate Governance Policy”, “Code of Business Conduct”, and “Anti-Corruption Policy” in writing which have been strictly adhered to. The Company has also made additional adjustments to the policies to ensure various practices are international, up-to-date, and timely, in order for the performance of directors, executives and employees of Quality House Public Company Limited to be up to the standard and include risk management so that the Company can continue to thrive.

The Company is committed to creating value for products and services to meet stakeholders’ expectations. Therefore, the “policies and guidelines for managing the impact on stakeholders in the business value chain” have been established to assess expectations/approaches to meet expectations of such stakeholders.

2. **The environment** The Company values the important of environmental care by establishing environmental policies and practices for managing resources cost-effectively and with no environmental impacts, which cover the following important issues:
 - Energy Management
 - Water Management
 - Management of waste, leftovers and pollution
 - etc.
3. **Social Issue** The Company values the important of social responsibility by establishing social policies and practices which cover the following important issues:
 - Respect for human rights
 - Fair treatment of workers
 - Responsible production and service to customers
 - etc.

The Company has listed the full version of the sustainability policy and guidelines on the Company’s website “www.qh.co.th” to increase channels for executives and employees to be able to access the guidelines and implement them effectively.

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Business Value Chain

The nature of the business value chain that represents the relationship of key stakeholders in activities related to the company's business operations is as follows:

1. Land acquisition

Management will make land acquisition decision based on experience and vision, as well as information from the Marketing Department that studies demand, supply and project feasibility to ensure that the project is appropriate and in line with the organizational strategy and the needs of customers.



Shareholder



Neighboring communities



Trading Partner and Creditor



Employee

2. Research, development and project design

The Company designs and plans projects in accordance with all relevant laws by taking into account the impact on all aspects to the stakeholder and using innovations to develop the company's products to meet customer expectations.



Customers/ Residents



Environment



Neighboring communities

3. Project Development

Construction is the process that causes the greatest impact on the environment and society. Therefore, the company has a process to control the development of the project according to the specified standards to reduce the impact on communities and the environment.



Trading Partner and Creditor



Customers/Residents



Labor



Environment



Neighboring communities



Regulators and governments

4. Sales Management

The Company has prepared information related to sales projects such as sales charts and marketing campaign plan with clear and appropriate sales price, as well as having service staffs to provide additional information to meet customer's needs for having such information to make appropriate decisions.



Shareholder



Customers/ Residents



Employee

5. Product delivery (transfer)

The Company has standard quality inspections of products before delivery to ensure safety and to ensure various equipment is ready to use. The Company also provide ownership transfer service to customers for additional convenience.



Customers/ Residents



Financial Institutions

6. After-sales service

The Company has warranty for products for a specified period of time and delivers related equipment to customers such as house keys, house registration, CD/ home toolkit, promotional equipment, and work guarantee certificates from suppliers to give customers peace of mind when choosing the company's products, as well as providing repair services in case of defective goods



Customers/ Residents



Environment



Employee

7. Project Delivery

Approximately 6 months prior to the closing of the sale of the project, the project must inspect the completion of the project's utility work and collect all official documents in order to prepare the delivery of the utility to the responsible village juristic person.




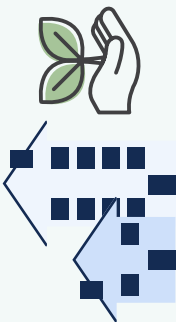
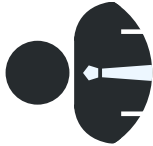
Customers/ Residents



Environment

3.2.2 Analysis of stakeholders in the business value chain

The Company's guidelines for meeting the expectations of stakeholders both inside and outside the organization are as follows:

Stakeholders	Points of interest/expectations	Response to stakeholders and treatment	Communication and engagement channels
Shareholder 	<ul style="list-style-type: none"> Consistently generate appropriate profits and business growth Balance returns for the stakeholders of all groups Risk Management Adherence to good governance Anti-Corruption Socially and Environmentally Responsible 	<ul style="list-style-type: none"> Appropriate and consistent dividend payment Treat all shareholders equally Establish sustainable development policies and practices consisting of corporate, environmental, and social governance principles Disclose information with transparency in a specified period of time Conduct business in accordance with relevant laws and regulations 	<ul style="list-style-type: none"> Annual general meeting of shareholders Company website SET News Annual report Analyst meetings Investors/fund managers meetings
Neighboring communities and environment 	<ul style="list-style-type: none"> Reduce the environmental impact from construction Construction Safety Promote energy savings Efficient use of resources Does not cause damage to nearby buildings 	<ul style="list-style-type: none"> Design products with regards to environmental responsibility Blocking/enclosing construction zones Prevent noise, dust and reduce impact/prevent damage from construction Conduct business with a focus to prevent impact on communities and the environment Choose an eco-friendly partner Strictly comply with relevant laws Establish sustainable development policies and practices consisting of corporate, environmental, and social governance principles 	<ul style="list-style-type: none"> Construction site signs Community visits Social responsibility activities
Trading Partner and Creditor 	<ul style="list-style-type: none"> Fair and appropriate compensation Clear procurement policy Safety at work Comply with the contracts 	<ul style="list-style-type: none"> Record the contract in writing Strictly comply with the conditions of creditors Pay appropriate and on-time compensation Have protective equipment at work Treat all partners equally 	<ul style="list-style-type: none"> Inspect the site and survey requirements Training arrangements Relationship building activities

Stakeholders	Points of interest/ expectations	Response to stakeholders and treatment	Communication and engagement channels
Customers/ Residents 	<ul style="list-style-type: none"> • Business Ethics and Transparency • High quality products and services at a fair price • New innovation for products • Customer relationship management • Data security and privacy • Set up a unit to receive customer complaints 	<ul style="list-style-type: none"> • Set price appropriately • Quality material that is reasonable with price • Continuously develop innovation for products and services • Develop and improve customer services • Maintain customer confidentiality • Establish sustainable development policies and practices consisting of corporate, environmental, and social governance principles • Provide appropriate after-sales services 	<ul style="list-style-type: none"> • Non-exaggerated advertising • Satisfaction Survey • Call Center • Customer relations activities • Email for complaint notification
Employee 	<ul style="list-style-type: none"> • Happy at work • Have career advancement • Good quality of life • Appropriate compensation and benefits • Sustainable Business Growth • Continuous knowledge and skills development • Occupational Health and Safety 	<ul style="list-style-type: none"> • Provide appropriate benefits • Take care and provide fair treatment in compensation and career advancement • Provide the necessary training for continuous development • Establish sustainable development policies and practices consisting of corporate, environmental, and social governance principles • Notification of Occupational Health and Safety Policy • Operational guidelines for employees 	<ul style="list-style-type: none"> • Employee Manual • Intranet • Employees' Orientation • Trainings
Regulators and governments 	<ul style="list-style-type: none"> • Compliance of related rules and regulations • Transparent Disclosure • Business integrity and ethics • Cooperation with government agencies 	<ul style="list-style-type: none"> • Conducting business correctly according to official requirements • Complete disclosure of information in a timely manner as required by the regulatory authorities • Cooperate and support operations that benefit all sectors 	<ul style="list-style-type: none"> • Company Website • Government Agency Website • Annual Report • Corporate Governance Policy • Contacting government agencies
Financial Institutions 	<ul style="list-style-type: none"> • The number of the Company's customers applying for loans with the financial institutions increases 	<ul style="list-style-type: none"> • Introduce financial institutions to approve loans to customers 	<ul style="list-style-type: none"> • Contacting financial institutions • Financial Institutions Website • Facilitate customers to submit documents for loan applications.

3.3 Environmental performance

- **Environment Conservation**

The Company remains constantly resolute in providing supports for a variety of activities that prove beneficial to the society, community and environment as follows:

- Office buildings for rent, hotels and serviced apartment projects have cooperated well in light of energy conservation by installing new air-conditioners in replacement for the previous ones every time it was detected that the use of energy exceeded the standard of energy consumption; in addition, the quality of the used water supplies in buildings has been tested before draining to the public wastewater system, etc.;
- Waste water treatment system has been utilized in office buildings for rent, hotels and serviced apartment projects so as to treat waste liquid prior to releasing it to public pipes;
- Encouraged to classify wastes before disposed;
- Training courses have been provided for the employees whose tasks are related to housekeeping, which include the properties of floor cleaning products that are suitable for each type of surface or materials, as well as the appropriate amount required to reduce both the residue and the amount of water used in cleaning; as a result, the amount of waste water affecting the environment has proven to be in decline;
- Only materials by the manufacturers who have proven to care about environment, and who have made efficient use of natural resources in aims at alleviating environmental impacts, are to be used. Verification may be conducted by examining their certified environment standards.

- **Participation in social/community development**

- The lighting system has been installed surrounding the project area, as well as that of traffic lights in the public-roadway junction area for safety of customers and neighboring community residents;
- In 2021, the employees of the Company and its subsidiaries, participated in blood donation campaign for the charitable benefits of the Thai Red Cross Society at 'Q. House Lumpini 2 times.

- **Availability of innovations and distribution of innovations obtained from the operations that are responsible for the society, environment and stakeholders**

Hotel business

- Swimming pools use salt instead of chlorine to reduce the use of chemicals and benefit the health of customers;
- Using LED light bulbs Instead of halogen bulbs to reduce energy consumption in hotel rooms and customer service areas.

Business of real estate development for sales

- The Company has adopted the construction system to reduce construction time and to minimize impacts from construction work on surrounding communities, as well as decreasing the amount of garbage or waste from the construction work;
- Using alternative materials in construction instead of natural materials in aims at reducing impacts on environment and saving the installation time; for instance, the use of artificial wood or wooden-designed tiles instead of real wood, or that of ready-made stairs rather than wooden stairs, as well as selection of vinyl doors and windows in replacement for wood in order to alleviate the burden of natural materials consumption;
- Developing a total wastewater treatment system in projects that exceed the legal requirements by providing a sub-septic tank in every house and building to treat wastewater or used water and discharge it into the project drainage system. Then the water will flow into the total wastewater treatment system of the project and will be treated to a standard value according to the government criteria before being released into public pipes of the area outside the project or public canal;
- Strategically planned project layout in accordance with the principle of tropical architect design, with the focus being made upon directions of sunlight, wind, rainfall and seasonal climates; housing projects are also designed with energy-saving in mind based upon directions of sunlight and wind;
- Using Smart Security System which is a security system with wireless technology that can be controlled, commanded and received notifications via application on the smart phone anytime and anywhere. The devices consist of a sensor to detect intrusion as well as opening-closing of doors and windows, and IP Camera which can record video and sound;
- Using Q.Health system to control and balance the climate in the house, which helps reducing stuffiness and circulating the air in the house. Therefore, breathing is fresh and comfortable which positively affects sleep quality and overall health;
- Due to the COVID-19 pandemic which has caused many workers and students to work or study from homes, house design guidelines have included an area or a corner for “Work From Home” for proportionality and efficiency.

3.4 Social Performance

- **Respect for human rights**

Currently, the problems of human rights have become more severe and have impacts on the society and on the freedom of occupation and business operations. The Company has had the policy to counter any violations of human rights in conformity with the legal state society. That is, people shall have rights and freedom under the provisions of law. The Company’s guidelines in this regard are as follows:

1. The Company shall not neglect human rights, but shall respect the dignity of individual human. The Company shall not discriminate people due to difference in terms of gender, race, religion, personal standing, economic or social status. In addition, the Company shall apply the aforementioned criteria to its employment, job assignments, promotion, giving of work-related rewards, including the employment conditions;
2. The Company shall fight against human trafficking, the use of child labor aged lower than the criteria prescribed by the labor law and shall not do any business with the producers of products or services who are involved in such conducts;
3. The Company shall support, respect and protect human rights by auditing and preventing the Company's business operation with the third parties from any violation of human rights and from any action which may violate employees' rights as protected by the law.

- **Fair treatment towards employees**

The Company has prescribed the guideline of fair treatment towards employees in accordance with the international standards as follows:

- Providing appropriate compensation in accordance with each employee's knowledge, ability, responsibility and performance;
- Encouraging, developing and enhancing knowledge and ability of employees;
- Supporting participation of the employees in determining the directions in working and problem solving in the Company;
- Taking care of work environment for life and properties safety and good health for the life of the employees;
- The reward and punishment for employees must be based on righteousness;
- Adhering to the laws and other regulations regarding legal laws and employees' welfare;
- Treating the employees based on the dignity of human beings and respect their individual human rights and duties.

- **Responsibilities towards Consumers**

The Company's guidelines are shown as follows:

Hotel business

- A series of campaigns have been strategically established to discourage retail outlets upon hotel premises from selling all kinds of alcohol beverage for the purpose of health and safety of the customers;
- There are facilities provided for people (guests) with disability, including accommodations, designated parking space, lavatories and wheelchair ramps;
- Guest speakers were/are invited to provide fire extinguisher training, as well as knowledge of fire escape and first aids for employees and customers;
- New employees have been provided with advance-level fire extinguisher training course on annual basis; in addition, fire drills have been held on monthly basis upon the premise so as to gain customers' confidence in light of the building's fire prevention system.

Business of real estate development for sales

- Call center '1388' has been established with the objectives to serve customers through a pneumatic contact number, as well as providing basic information for them, including promotional packages available at the time, project locations, details of projects (house, condominium and townhouse) to be given at an initial stage to help them making subsequent buying decisions; in addition, the call center also serves as a strategic place towards which complaint and feedbacks may be directed as well;
- In regard to high-end home projects, the design will focus on maximum privacy for customers, such as by using Double Security system so as to prevent any of the external party's intrusions;
- Strict security system at the entrance of the project is being in use: visitors are to be checked thoroughly and they are also required to exchange ID cards for the rights to enter the project. Visitor's card must be properly stamped every time prior to exiting the project, which helps increase customers' confidence in the project's security system;
- Training sessions for after-sales service staffs regarding roles and responsibilities with the customers in order to improve the quality of service for customers in all aspects;
- The building designs for condominium projects are in compliance with environmental standards and laws. Both the designs and reports on environmental impacts of the projects are submitted in order to obtain permissions. In addition, the Environmental Impact Analysis (EIA) reports are prepared as specified by the law. Other rules and regulations are also strictly observed;
- Energy-saving and environment-friendly building equipment is to be used, including water-saving sanitary ware, LED lights instead of incandescent lights, number 5 air conditioners and water pump, solar-cell, etc. to reduce excessive energy consumption;
- The public park and clubhouse of high-end home projects has been designed with consideration for the disabled and senior citizen, such as creating the path for wheelchair so as to enter the public park of the project, as well as the slope for the wheelchair, including the toilets where wheelchair can access.

4. Management Discussion and Analysis

4.1 Analysis of Performance and Financial Position

4.1.1 Analysis of Performance

(A) Overview of Past Performance

For the performance of 2021, the Company and its subsidiaries had total revenue from core businesses of Baht 8,119 million, a decrease of Baht 1,018 million or 11% from 2020. Meanwhile, total cost of sale was Baht 5,702 million, a decrease of Baht 616 million or 10% from 2020. Net profits for 2021 and 2020 were Baht 1,670 million and Baht 2,123 million with gross profit margin of 29.8% and 30.9% for 2021 and 2020, respectively.

(B) Performance by Business Group

The Company's and its subsidiaries' results of operation are based on the country's economic situation and can be categorized by types of businesses as follows:

(1) Revenue from Sales and Services

- Real Estate for Sales Business

The Company and its subsidiaries recognizes the sales of real estate as revenue in the statement of comprehensive income once construction is completed under the contract and ownership have been transferred to the buyer after all payment have been received from the buyer (Completion Method).

In 2021, the Company and its subsidiaries had a revenue from sales of real estate of Baht 7,502 million, a decrease of Baht 1,001 million or 12% from 2020. This was due to a decrease in revenue from housing projects by Baht 690 million or 9% decrease compared to 2020. Meanwhile, revenue from condominium projects also decreased by Baht 311 million or 38% decrease compared to 2020 since the COVID-19 pandemic has caused Thailand's economic slowdown, which resulted in a decrease in demand for real estate.

In 2021, the Company and its subsidiaries launched 2 new housing projects with total project value of Baht 2,565 million and closed 7 sold-out housing projects.

- Hotel Business

In 2021, revenue from hotel business decreased by Baht 16 million or 5% decrease compared to 2020. This was mainly due to impacts of the COVID-19 pandemic.

- Office Building for Rent Business

In 2021, revenue from rental office building business decreased by Baht 2 million or 1% decrease compared to 2020.

(2) Sharing of Profit from Investments in Associates

The Company's share of profit from investments in associates under equity method decreased by Baht 148 million or 10% compared to 2020 with details as follows:

(Unit : Million Baht)

Company / Fund	2020	2021	Increase (Decrease)
Home Products Center Public Company Limited	1,020	1,081	61
LH Financial Group Public Company Limited	311	170	(141)
Quality Houses Leasehold Property Fund	167	148	(19)
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	32	(17)	(49)
Total	1,530	1,382	(148)

(3) Cost of Sales, Selling and Administrative Expenses and Financial Costs**A Cost of Sales**

Total cost of sales in 2021 decreased from the same period of 2020 by Baht 616 million or 10%, which varied with a decrease in revenue in each business segment. Details of cost of sales proportion by business segment are as follows:

(Unit : %)

Proportion of cost of sales	2019	2020	2021
Real estate for sales business	87	91	92
Hotel Business	11	7	6
Office Building for Rent Business	2	2	2

B Selling Expenses

In 2021, selling expenses decreased by Baht 36 million or 8% decrease compared to the same period of 2020. This was mainly due to a decrease in specific business tax and transfer fees which varied with a decrease in transfer of real estate compared to the same period of 2020.

C Administrative Expenses

In 2021, administrative expenses increased by Baht 61 million or 4% increase compared to the same period of 2020. This was mainly due to a provision for loss arising from litigation of Baht 53 million.

D Finance Cost

In 2021, finance cost decreased by Baht 62 million or 16% decrease compared to the same period of 2020.

E Income Tax Expenses

In 2021, income tax expenses for the year ended 2021 decreased by Baht 64 million or 23% decrease compared to the same period of 2020. These expenses varied with a decrease in the Company's operating profit (excluding share of profit from investments in associates).

(4) Gross Profit Margin

The gross profit margin from real estate for sales business, hotel business and office building for rent business are detailed below;

(Unit : %)

Gross Profit Margin	2019	2020	2021
Real estate for sales business	33.5	32.1	30.3
Hotel Business	27.6	(29.8)	(17.4)
Office Building for Rent Business	57.8	62.3	64.6

(5) Operating Results

In 2021, the Company and its subsidiaries recorded a net profit of Baht 1,670 million, decreasing by Baht 453 million or 21% compared to the same period of 2020. This was mainly due to a decrease in gross profit from sales of real estate by Baht 452 million, a decrease in share of profit from investments in associates by Baht 148 million, a decrease in interest income by Baht 3 million and Administrative expenses increased by Baht 61 million. Meanwhile, gross profit margin from hotel business increased by Baht 43 million and gross profit margin from office building for rent business increased by Baht 6 million. Selling expenses decreased by Baht 36 million, financial expenses decreased by Baht 62 million and income tax expenses decreased by Baht 64 million.

(6) Return on Equity

The Annual General Meeting of Shareholders No.1/2019 held on April 18, 2019 approved a dividend payment from the operations in 2018 as cash dividend at the rate of Baht 0.14 per share, totaling Baht 1,500 million. On August 13, 2019, the Board of Directors approved an interim dividend from the operation result of first six months ending June 30, 2019 and/or retained earnings of Baht 0.07 per share, totaling Baht 750 million.

The Board of Directors' Meeting held on April 20, 2020 approved an interim dividend payment from the operation result of last six months of 2019 as cash dividend at the rate of Baht 0.13 per share, totaling Baht 1,393 million. And the 2020 Annual General Meeting of Shareholders held on June 29, 2020 resolved to omit the dividend payment for the operating result of 2019 and acknowledge the interim dividend payment for the operating result of 2019. In addition, The Board of Directors' Meeting held on August 10, 2020 approved an dividend payment from the operation result of six months ended June 30, 2020 at the rate of Baht 0.04 per share, totaling Baht 429 million.

The 2021 Annual General Meeting of Shareholders held on April 22, 2021 approved a dividend payment from the operations in 2020 as cash dividend at the rate of Baht 0.12 per share, totaling Baht 1,286 million. On August 9, 2021, the Board of Directors approved an interim dividend from the operation result of first six months ending June 30, 2021 at the rate of Baht 0.03 per share, totaling Baht 321 million.

4.1.2 Financial Position

Financial Position as at December 31, 2020 and 2021

(1) Assets

As of December 31, 2020 and 2021, the Company and its subsidiaries had total assets of Baht 47,667 million and Baht 46,236 million, respectively. As of the end of 2021, the Company and its subsidiaries' total assets decreased by Baht 1,431 million or 3% from 2020. Details of important assets are as follow:

- **Cash and Cash Equivalent**

The Company and its subsidiaries have a policy to hold cash as needed. As of the end of 2020 and 2021, the Company and its subsidiaries had cash and cash equivalent of Baht 2,509 million and Baht 3,206 million, respectively. As of the end of 2021, the Company and its subsidiaries' cash and cash equivalent increased by Baht 697 million or 28% from 2020.

- **Trade Account Receivables and Other Receivables**

As of the end of 2020 and 2021, the Company and its subsidiaries had trade account receivables and other receivables of Baht 37 million and Baht 26 million respectively, decreasing by Baht 11 million or 29%.

The Company and its subsidiaries have a policy to provide 30-day credit terms to their customers, with a specific unit to monitor customers' payment pattern so that the receivables are not overdue for more than one month. Most account receivables are overdue for not more than three months.

- **Land and construction in progress/land and project development costs**

Land and construction in progress/land and project development costs as of the end of 2020 and 2021 were Baht 29,706 million and Baht 27,461 million, respectively. As of the end of 2021, land and construction in progress/land and project development costs decreased by Baht 2,245 million or 8% compared to 2020. Land and construction in progress/land and project development costs accounted for 62% and 59% of total assets in 2020 and 2021, respectively.

As of the end of 2020 and 2021, the Company and its subsidiaries had land and construction in progress accounted for current assets of Baht 22,545 million and Baht 19,987 million, respectively. Land and construction in progress is able to generate revenue for the Company and its subsidiaries in a period of 1 to 3 years, depending on the type and size of the project. Land and construction in progress accounted for 89% and 86% of current assets in 2020 and 2021, respectively.

As of the end of 2020 and 2021, the Company and its subsidiaries had land and project development cost accounted as non-current assets of Baht 7,161 million and Baht 7,474 million, respectively. Most of them were projects under development for sales and the rest were vacant land awaiting for development. Therefore, they were not the revenue generating assets under this entry. These assets would take 1 to 2 years of development prior to generating revenue depending on time taken for required land allocation and construction permits, type and size of the project.

- **Investment in Associate Companies**

As of the end of 2020 and 2021, investment in associate companies under the cost method was unchanged at Baht 6,680 million. Meanwhile, under equity method, the investments were Baht 11,425 million and Baht 11,524 million in 2020 and 2021, respectively. Details are as follow:

(Unit : Million Baht)

Investment in Associate Companies	Dec 31, 2020		Dec 31, 2021		Increase (Decrease)	
	Cost Method	Equity Method	Cost Method	Equity Method	Cost Method	Equity Method
Home Product Center Public Company Limited	760	4,501	760	4,764	-	263
LH Financial Group Public Company Limited	2,850	5,374	2,850	5,248	-	(126)
Quality Houses Leasehold Property Fund	2,017	1,202	2,017	1,181	-	(21)
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	1,053	348	1,053	331	-	(17)
Total	6,680	11,425	6,680	11,524	-	99

- **Investment in Subsidiaries**

Investment in Subsidiaries for the Company's separate financial statements under cost method as of the end of 2020 and 2021 was unchanged at Baht 3,124 million. Meanwhile, under equity method, the investments were Baht 7,953 million and Baht 7,772 million in 2020 and 2021, respectively.

- **Other Long Term Investments**

Q.H. International (BVI) Co.,Ltd., a subsidiary of the Company, invested in Harbour View Corporation in the proportion of 14.15% (more details in section 2 "Risk Management", topic 2.2.1 Financial risk - risk from investment, lending and guarantees made to the related companies Harbour View Corporation).

- **Real Estate for Investment**

The Company records real estate for investment net of accumulated depreciation and impairment allowance. As of the end of 2020 and 2021, real estate for investment were Baht 585 million and Baht 527 million, respectively. As of the end of 2021, real estate for investment decreased by Baht 58 million or 10%. Details are as follow:

(Unit : Thousand Baht)

	Consolidated and Separate financial statements	
	2020	2021
Net book value at beginning of year	457,935	585,825
Adjustments of right-of-use assets due to TFRS 16 adoption	36,306	-
Transfer from leasehold rights	144,243	-
Transfer from deposit for lease of land and building	5,715	-
Disposals during the period - net book value at disposal date	(3)	-
Depreciation charged	(58,371)	(58,342)
Net book value at end of year	585,825	527,483

- **Land, Building and Equipment**

Land, building and equipment at the end of 2020 and 2021 were at Baht 1,645 million and Baht 1,546 million, respectively. At the end of 2021, land, building and equipment decreased by Baht 99 million or 6% compared to 2020. This was mainly due to additional purchase during the year by Baht 31 million and depreciation write-off during the year by Baht 130 million.

- **Right-of-use assets**

At the end of 2021, right-of-use assets increased by Baht 157 million or 19% increase compared to 2020. Details are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		
	Land and land improvement	Buildings and building improvement	Total
Net book value as at 31 December 2020	574,775	240,333	815,108
Adjustments of right-of-use assets due to amending contract	343,810	-	343,810
Depreciation for the year	(159,422)	(27,467)	(186,889)
Net book value as at 31 December 2021	759,163	212,866	972,029

As of the end of 2020 and 2021, the total value of land and construction in progress/land and project development costs/land, building and equipment/leasehold rights were Baht 32,752 million and Baht 30,507 million, respectively, which accounted for 69% and 66% of total assets of the Company and its subsidiaries in 2020 and 2021, respectively. They are short-term and long-term revenue generating assets of the Company and its subsidiaries and are recognized as net cost after being deducted by the provision for loss from project revaluation amounting to Baht 810 million and Baht 809 million, respectively.

In order to the setting of the provision for loss from project revaluation, the Company and its subsidiaries uses the book value to compare with the appraised value by independent appraisers. In the case that the book value is higher than the appraised value, the higher difference would be recorded as an expense provision for loss from project revaluation in the financial statement under the account “administrative expenses”.

(2) Liquidity

Cash flows from activities in the past is shown as follows:

(Unit : Million Baht)

Cash flows	2019	2020	2021
Net cash flows from operating activities	2,149	5,180	3,044
Net cash flows from investing activities	1,497	1,092	1,186
Net cash flows from financing activities	(5,255)	(5,973)	(3,533)

In 2020, the Company and its subsidiaries had net cash flows from operating activities of Baht 5,180 million since the Company and its subsidiaries had delayed investment in land purchase. In 2019, the Company and its subsidiaries had net cash flows from operating activities of Baht 2,149 million.

In 2020, the Company and its subsidiaries had net cash flows from investing activities of Baht 1,092 million, mainly due to dividend received from associates of Baht 1,162 million and interest income of Baht 7 million. Moreover, the Company and its subsidiaries had an investment in property, plant and equipment with an increase of Baht 77 million from previous year. In 2019, the Company and its subsidiaries had net cash flows from investing activities of Baht 1,497 million, mainly due to dividend received from associates of Baht 1,452 million, a decrease in restricted deposits at financial institutions by Baht 108 million and interest income of Baht 15 million. Moreover, the Company and its subsidiaries had an investment in property, plant and equipment with an increase of Baht 78 million.

In 2020, the Company and its subsidiaries had net cash flows used in financing activities of Baht 5,973 million since the Company and its subsidiaries received cash from long-term loans of Baht 4,000 million and repaid long-term loans of Baht 56 million, redeemed matured debentures of Baht 8,000 million, short-term loans increased by Baht 500 million, paying total dividend of Baht 1,821 million, paying interest of Baht 527 million and paying lease liabilities of Baht 69. In 2019, the Company and its subsidiaries had net cash flows used in financing activities of Baht 5,255 million since the Company and its subsidiaries issued Baht 7,500 million of debentures and redeemed matured debentures of Baht 9,100 million. Meanwhile, short-term loans decreased by Baht 800 million, paying total dividend of Baht 2,250 million, paying interest of Baht 596 million and paying financial fees of Baht 9 million.

In 2021, the Company and its subsidiaries had net cash flows from operating activities of Baht 3,044 million since the Company and its subsidiaries had less profit from operation and invested more in land. In 2020, the Company and its subsidiaries had net cash flows from operating activities of Baht 5,180 million.

In 2021, the Company and its subsidiaries had net cash flows from investing activities of Baht 1,186 million, mainly due to dividend received from associates of Baht 1,208 million and interest income of Baht 4 million and a decrease in restricted deposits at financial institutions by Baht 5 million. Moreover, the Company and its subsidiaries had an investment in property, plant and equipment with an increase of Baht 31 million from previous year. In 2020, the Company and its subsidiaries had net cash flows from investing activities of Baht 1,092 million, mainly due to dividend received from associates of Baht 1,162 million and interest income of Baht 7 million. Moreover, the Company and its subsidiaries had an investment in property, plant and equipment with an increase of Baht 77 million from previous year.

In 2021, the Company and its subsidiaries had net cash flows used in financing activities of Baht 3,533 million since the Company and its subsidiaries issued Baht 4,500 million of debentures and redeemed matured debentures of Baht 4,600 million and repaid long-term loans of Baht 800 million, decrease in short-term at financial institutions by Baht 1,000 million, paying total dividend of Baht 1,179 million, paying interest of Baht 408 million, paying financial fees of Baht 5 million and paying lease liabilities of Baht 41 million. In 2020, the Company and its subsidiaries had net cash flows used in financing activities of Baht 5,973 million since the Company and its subsidiaries received cash from long-term loans of Baht 4,000 million and repaid long-term loans of Baht 56 million as well as redeemed matured debentures of Baht 8,000 million. Meanwhile, short-term loans increased by Baht 500 million, paying total dividend of Baht 1,821 million, paying interest of Baht 527 million and paying lease liabilities of Baht 69 million.

(3) Source of Funds

Suitability of Capital Structure

As the Company and its subsidiaries operate the business of real estate for sales and rent, the appropriateness of the capital structure must consider the source of funding, the proportion of funds from loans and shareholders' equity, as well as the management of the level of assets, liabilities and shareholders' equity.

Most of the Company's and its subsidiaries' total assets are short-term and medium-term revenue generating assets of 1 to 3 years. Therefore, the Company and its subsidiaries would manage its source of funds, namely, long-term investments will use long-term loan sources, while short-term investments will use short-term loan sources, for an appropriate capital structure.

The Company and its subsidiaries has a policy to utilize long-term loan sources which is mostly by issuing debentures to financial institutions and individuals with a maturity date of 3 to 5 years. As of the end of the year 2018, the proportion of debentures to total loans was 94% and another 6% was from short-term promissory notes with low interest rate in order to manage cost of interest at a low average rate. As of the end of the year 2019, the proportion of debentures to total loans was 98% and another 2% was from short-term loan from financial institutions. In addition, as of the end of the year 2020, the proportion of debentures to total loans was 71%, another 23% was from long-term loan and the remaining 6% was from short-term loan from financial institutions. As of the end of the year 2021, the proportion of debentures to total loans was 79% and another 21% was from long-term loan. The details of loans are described in topic (4) Liabilities.

As of the end of 2019, 2020 and 2021, the Company and its subsidiaries had proportion of short-term to long-term loans and that of short-term to long-term liabilities as follows:

(Unit : %)

Proportion of Loans	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Short-term loans	41	38	60
Long-term loans	59	62	40
Total	100	100	100

(Unit : %)

Proportion of Liabilities	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Short-term liabilities	45	41	59
Long-term liabilities	55	59	41
Total	100	100	100

As of the end of 2019, 2020 and 2021, the Company and its subsidiaries had total liabilities to shareholders' equity ratio of 0.89x, 0.79x and 0.71x, respectively. The ratio decreased since the Company and its subsidiaries had less borrowing.

According to the terms and conditions of debenture issuance, the Company must maintain the ratio of liabilities to shareholders' equity in the consolidated financial statements of the Company not more than 2:1 as of the end of the accounting period of each quarter. In this regard, liabilities means total liabilities as disclosed in the Borrower's audited or reviewed financial statement liabilities deducted by cash and cash equivalent reported in financial statement, but liabilities do not include the advanced receipt, rental income received in advance, deposit from customers, and liabilities guarantees by the Company with third parties and its subsidiaries, of which the liabilities are presented in their financial statements. Therefore, as of the end of 2019, 2020 and 2021, the Company and its subsidiaries had total liabilities to shareholders' equity in accordance with the terms and conditions of debenture issuance at 0.79x, 0.68x and 0.57x, respectively.

(4) Liabilities

As of the end 2019, 2020 and 2021, the Company and its subsidiaries had total debts mostly consisting of short-term loans from financial institutions / short-term loans / long-term loans and unsecured debentures at total amount of Baht 20,588 million, Baht 17,037 million, Baht 15,138 million, respectively accounting for 86%, 81% and 79% of total liabilities. Details are as follows:

(Unit : Million Baht)

Loans	Dec 31, 2019	Increase in Loans	Repayment	Dec 31, 2020	Increase in Loans	Repayment	Dec 31, 2021
Short-term loans from financial institutions/ short-term loans	500	3,200	(2,702)	998	3,000	(3,998)	-
Long-term loans	-	4,000	(56)	3,944	-	(800)	3,144
Unsecured debentures	20,088	-	(7,993)	12,095	4,500	(4,601)	11,994
Total	20,588	7,200	(10,751)	17,037	7,500	(9,399)	15,138

The Company has pledged the land and buildings with net book value of Baht 2,820 million as of December 31, 2021 (2020 : Baht 2,872 million) to secure the loans received from financial institutions.

As of the end of 2019, 2020 and 2021, the Company and its subsidiaries had total liabilities of Baht 24,039 million, Baht 21,099 million and Baht 19,251 million, respectively. In particular, at the end of 2021, current liabilities was at Baht 11,322 million and non-current liabilities was at Baht 7,929 million.

(5) Shareholders' Equity

As of December 31, 2021, total shareholders' equity of the Company increased by Baht 417 million or 2% increase from the end of 2020 (as of December 31, 2020), whereas other comprehensive income decreased by Baht 74 million mainly due to a loss from share of other comprehensive income of associates-net of income tax. Meanwhile, the Company recorded a net profit of Baht 1,670 million for the year 2021 and paid the dividend of Baht 857 million in May 2021 in accordance with the resolution of the Annual General Meeting of 2021 held on 22 April 2021. In addition, in September 2021 the Company paid an interim dividend of Baht 322 million in accordance with the resolution of the Board of Directors' Meeting No.6/2021 dated 9 August 2021.

(6) Commitments

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities as detailed below:

(Unit : Million Baht)

Item	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Contracts for construction projects	741	566	580
Contracts to purchase land for future projects	48	-	431

The Company and its subsidiaries had outstanding commitments with respect to contracts to purchase lands and to develop future projects as follows:

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company and its

(Unit : Million Baht)

Payable (within)	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Within 1 year	25	12	8
Over 1 and up to 5 years	28	-	-

subsidiaries had a required minimum lease payment in the future under the operating lease contracts (Rent of cars and equipment) as detailed below:

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company and its subsidiaries had commitments in respect of various service agreements in the amount of Baht 45 million, Baht 20 million and Baht 35 million, respectively.

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company and its subsidiaries had servitude land in total amount of 53 rais, 50 rais and 50 rais, respectively. The mentioned amount of land in projects with servitude land was already included in project costs.

4.2 Major Factors and Influences on Future Financial Position or Performance

- None -

4.3 Disclose information from the financial statement and significant financial ratios

4.3.1 Financial Statement

A) Statement of Financial Position

Assets	December 31, 2019		December 31, 2020		December 31, 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	2,212	4	2,509	5	3,206	7
Trade and other receivables	98	0	37	0	26	0
Land and construction in progress	25,040	49	22,545	47	19,987	43
Other current assets	157	1	136	1	146	1
Total current assets	27,507	54	25,227	53	23,365	51
Restricted deposits at financial institutions	5	0	5	0	-	-
Investments in associates	11,647	23	11,425	24	11,524	25
Investment properties	458	1	585	1	527	1
Property, plant and equipment	1,610	3	1,645	3	1,546	3
Leasehold rights	302	1	-	-	-	-
Right-of-use assets	-	-	816	2	972	2
Land and project development costs	8,601	17	7,161	15	7,474	16
Other non-current assets	772	1	803	2	828	2
Total non-current assets	23,395	46	22,440	47	22,871	49
Total assets	50,902	100	47,667	100	46,236	100

Liabilities and shareholders' equity	December 31, 2019		December 31, 2020		December 31, 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Short-term loans from financial institutions	500	1	998	2	-	-
Trade and other payables	631	1	503	1	556	1
Current portion of unsecured debentures	8,000	16	4,600	10	7,500	17
Other current liabilities	1,730	3	2,562	5	3,266	7
Total current liabilities	10,861	21	8,663	18	11,322	25
Unsecured debentures, net of current portion	12,088	24	7,495	16	4,494	10
Other liabilities	1,090	2	4,941	10	3,435	7
Total non-current liabilities	13,178	26	12,436	26	7,929	17
Total liabilities	24,039	47	21,099	44	19,251	42
Issued and fully paid-up	10,714	21	10,714	23	10,714	23
Share premium	379	1	379	1	379	1
Other components of shareholders' equity	(87)	(0)	(557)	(1)	(595)	(1)
Retained earnings - Appropriated statutory reserve	1,072	2	1,072	2	1,072	2
Retained earnings - Unappropriated	14,785	29	14,960	31	15,415	33
Total shareholders' equity	26,863	53	26,568	56	26,985	58
Total liabilities and shareholders' equity	50,902	100	47,667	100	46,236	100

Remarks : 1) Other current assets, including Advance for construction work, Advance for construction material, Assets recognised in respect of cost to obtain contracts with customers and Other current assets.

2) Other non-current assets, including Other non-current financial assets, Deposits for lease of land and building, Deposits for purchase of land, Deferred tax assets and Other non-current assets.

3) Other current liabilities, including Current portion of long-term loan, Current portion of lease liabilities, Income tax payable, Short-term provisions, Advance received from customers, Deposits for rental and service, Retention guarantees, Current portion of rental income received in advance and Other current liabilities.

4) Other liabilities, including Long-term loan, net of current portion, Lease liabilities, net of current portion, Provision for long-term employee benefits, Long-term provisions, Rental income received in advance, net of current portion, Deferred tax liabilities and Deferred compensatory damage income.

B) Statement of Comprehensive Income

Profit or loss	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of real estate	9,291	85	8,503	91	7,502	90
Revenue from hotel operations	1,052	10	330	4	314	4
Revenue from office rental operations	337	3	305	3	303	3
Other income	254	2	232	2	233	3
Total revenues	10,934	100	9,370	100	8,352	100
Cost of real estate sold	6,180	56	5,774	62	5,226	63
Cost of hotel operations	761	7	428	5	369	4
Cost of office rental operations	142	1	115	1	107	1
Selling expenses	585	5	427	4	391	5
Administrative expenses	1,671	16	1,364	14	1,425	17
Total expenses	9,339	85	8,108	86	7,518	90
Profit from operating activities	1,595	15	1,262	14	834	10
Share of profit from investments in associates	1,927	18	1,530	16	1,382	17
Interest income	15	0	7	0	4	0
Finance cost	(390)	(4)	(392)	(4)	(330)	(4)
Profit before income tax expenses	3,148	29	2,407	26	1,890	23
Income tax expenses	(294)	(3)	(284)	(3)	(220)	(3)
Profit for the year	2,854	26	2,123	23	1,670	20

C) Statement of Cash Flows

(Unit : Million Baht)

Cash flows	2019	2020	2021
Net cash flows from operating activities	2,149	5,180	3,044
Net cash flows from investing activities	1,497	1,092	1,186
Net cash flows used in financing activities	(5,255)	(5,973)	(3,533)
Net increase (decrease) in cash and cash equivalents	(1,609)	298	697
Cash and cash equivalents at beginning of year	3,821	2,212	2,509
Cash and cash equivalents at end of year	2,212	2,510	3,206

D) Significant Financial Ratios

Financial Ratios	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
Liquidity Ratios			
Current Ratio (Time)	2.53	2.91	2.06
Quick Ratio (Time)	0.21	0.29	0.29
Current Ratio - Cash basis (Time)	0.17	0.53	0.30
Receivable Turnover (Time)	313.00	369.63	774.98
Avg Collection Period (Day)	1	1	0.5
Inventory Turnover (Time)	0.24	0.24	0.25
Inventory Day (Day)	1,481	1,483	1,465
Payable Turnover (Time)	8.24	12.79	12.58
Payable Day (Day)	44	28	29
Cash Cycle (Day)	1,438	1,456	1,437
Profitability Ratios			
Gross Profit Margin (%)	33.68	30.86	29.78
Operation Profit Margin (%)	12.56	11.27	7.41
Net Profit (%)	26.10	22.66	19.99
Return on Equity (%)	10.74	7.95	6.24
Efficiency Ratios			
Return on Asset (%)	5.43	4.31	3.56
Return on Fixed Asset (%)	26.68	23.74	19.73
Asset Turnover (Time)	0.21	0.19	0.18
Financial Policy Ratios			
Debts to Equity Ratio (Time)	0.89	0.79	0.71
Interest Coverage Ratio (Time)	4.57	10.42	8.17
Debt Service Coverage (Cash basis) (Time)	0.10	0.41	0.29
Dividend Payout Ratio (%)	75.08	60.55	n.a.

Remarks : 1) The Annual General Meeting of Shareholders No.1/2018 approved a dividend payment from the operations in 2017 at the rate of Baht 0.13 per share. And the Board of Directors' Meeting approved an interim dividend from the operation result of first six months ending June 30, 2018 and/or retained earnings of Baht 0.08 per share.

2) The Annual General Meeting of Shareholders No.1/2019 approved a dividend payment from the operations in 2018 at the rate of Baht 0.14 per share. And the Board of Directors' Meeting approved an interim dividend from the operation result of first six months ending June 30, 2019 and/or retained earnings of Baht 0.07 per share.

3) The Board of Directors' Meeting held on April 20, 2020 approved an interim dividend payment from the operation result of last six months of 2019 as cash dividend at the rate of Baht 0.13 per share. And the 2020 Annual General Meeting of Shareholders held on June 29, 2020 resolved to omit the dividend payment for the operating result of 2019 and acknowledge the interim dividend payment for the operating result of 2019. In addition, The Board of Directors' Meeting held on August 10, 2020 approved an dividend payment from the operation result of six months ended June 30, 2020 at the rate of Baht 0.04 per share

4) The 2021 Annual General Meeting of Shareholders approved a dividend payment from the operations in 2020 at the rate of Baht 0.12 per share. The Board of Directors' Meeting approved an interim dividend from the operation result of first six months ending June 30, 2021 at the rate of Baht 0.03 per share.

5. General Information and Other Material Facts

5.1 General information

- 1) The Securities Registrar :** **Thailand Securities Depository Company Limited**
 No. 93, Stock Exchange of Thailand Building,
 Ratchadaphisek Road, Dindaeng Sub-District, Dindaeng District,
 Bangkok 10400
 Tel : 0-2009-2900 Fax : 0-2009-9991
- 2) The Auditor :** **Ms. Pimjai Manitkajohnkit**
 Certified Public Accountant (Thailand) No. 4521
 EY Office Limited
 No. 193/136-137, 33rd Floor, Lake Rajada Office Complex,
 New Rajadapisek Road, Bangkok 10110
 Tel : 0-2264-0777 Fax : 0-2264-0789-90
- 3) Legal Advisor :** **Sinthurungsri Law Office**
 2/264 Moo 1, Soi Santhanu 5, Bang Muangmai, Samutprakan 10270
 Tel : 081-804-3874
- 4) Regularly Contacted Financial Institutions :** **Land and Houses Bank Public Company Limited**
Head Office
 1 Q.House Lumpini Building, South Sathon Rd., Thungmahamek,
 Sathon, Bangkok 10120
 Tel : 0-2677-7111 Fax : 0-2677-7220
- : Siam Commercial Bank Public Company Limited**
Head Office
 9 Ratchadaphisek Road, Chatuchak, Bangkok 10900
 Tel : 0-2544-1000 Fax : 0-2937-7783
- : Krungthai Bank Public Company Limited.**
Head Office
 35 Sukhumvit Road, Klong Toei Nuea, Watthana, Bangkok 10110
 Tel : 0-2255-2222 Fax : 0-2255-9391-3
- : United Overseas Bank (Thai) Public Company Limited**
Head Office
 191 South Sathon Road, Yan Nawa, Bangkok 10120
 Tel : 0-2343-3000 Fax : 0-2287-2973-4
- : Bank of Ayudhya Public Company Limited**
Head Office
 1222 Rama III Rd., Bang Phongphang, Yan Nawa, Bangkok 10120
 Tel : 0-229-6200

: **CIMB THAI BANK PUBLIC COMPANY LIMITED**

Head Office

44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330

Tel : 0-2626-7503-4 Fax : 0-2626-7104

: **Sumitomo Mitsui Banking Corporation**

Bangkok branch

1 Q House Lumpini Building, South Sathorn, Thung mahamek,
Sathon, Bangkok 10120

Tel : 0-2353-8000 Fax : 0-2353-8282

5) Fund Management

: **Land And Houses Fund Management Company Limited.**

11 Q House Sathorn Building, South Sathorn, Thung mahamek,
Sathon, Bangkok 10120

Tel : 0-2286-3484 และ 0-2679-2155

Fax : 0-2286-3585

6) Appraisal Company

: **Grand Asset Advisory Co.,Ltd.**

1350/279 -283 Thairong Tower, 16th Floor,

Pattanakarn Road, Suan Luang, Bangkok 10250

Tel : 0-2719-4500 Fax : 0-2719-5070-71

5.2 Legal disputes

As of December 31, 2021, the Company and its subsidiaries have no legal disputes in cases that may have a negative impact on the assets of the Company and its subsidiaries that amount to more than 5 percent of shareholders' equity.

5.3 Secondary market

- None -

5.4 Financial institution with regular contact (only in case of debt securities offeror)

Bank of Ayudhya Public Company Limited : Head Office

1222 Rama III Rd., Bang Phongphang, Yan Nawa,
Bangkok 10120

Tel : 0-2296-2000

CIMB THAI BANK PUBLIC COMPANY LIMITED : Head Office

44 Langsuan Road, Lumpini, Pathum Wan,
Bangkok 10330

Tel : 0-2626-7503-4

Fax : 0-2626-7104

Section 2

Corporate Governance

6. Corporate Governance Policy
7. Corporate Governance Structure and Significant Information Related to the Board of Directors, Sub-Committees, Executives, Employees and Others
8. Report on Key Operating Results Related to Corporate Governance
9. Internal Control and Related Party Transactions

6. Corporate Governance Policy

6.1 Overview on CG Policy and Guidelines

The Company has always aimed to develop its business based on the principle of good corporate governance, ethics and morality. Being well aware of how important they are and the preponderance of the roles and responsibilities assumed by the directors, executives and employees in light of business management, the Company therefore is not only committed to creating sustainable, added value to its shareholders, but focuses upon fair treatment to all stakeholders, as well.

The Board of Directors has set up a framework for conducting business based on the principles of good corporate governance with a resolution to establish a written “corporate governance policy” in 2003, and has continuously reviewed the policy annually.

The Company has stipulated that all directors, executives and employees must be informed of, understand and strictly adhere to the prescribed policies and code of conducts. The corporate governance policy and business ethics is presented on the Company’s website, “www.qh.co.th”, to provide additional channels of information for all executives and employees to learn more about the instructions, rules and regulations so that they be able to take actions and eventually achieve the business goals for the benefits of all stakeholders.

6.1.1 Policy and Guidelines for the Board

(1) Independence of the Board from the management

The Board of Directors has created a corporate governance policy as a reference for the directors with clear duty. In addition, the Board of Directors has assigned duty to the management as follows:

Management duties

1. Management comprises of the CEO and selected executives who are responsible for the company’s business direction and important decision making for the success of the company.
2. Management is responsible for providing business strategy and important policies as well as asking for the Board of Directors’ approval.
3. The CEO is the leader with highest responsibility on the company’s performance, preserving the good CG Code and attractive working environment. The CEO has an authority to follow the policy without intervention from the Board of Directors.
4. Management has a duty on the Board of Directors and shareholders. In particular, management has to report to related parties on a regular basis such as report to the Board of Directors for approval and other reports.

(2) Director Nomination Policy

The Board of Directors has assigned the Nomination and Remuneration Committee to consider the criteria and procedures for nominating qualified persons to serve as directors, as well as allow shareholders to propose the list of qualified candidates through the Nomination and Remuneration Committee. The Committee will consider the qualifications before presenting to the shareholders’ meeting for further appointment resolution.

Qualifications of Directors

1. The Director must have qualifications and must not have prohibited characteristics as specified by law on Public Limited Companies Limited Companies Act, Securities and Exchange Act, and other related laws.
2. Independent director and audit committee member must be fully qualified as specified in the Capital Market Supervisory Board Announcement, requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.
3. The Director must possess knowledge, capabilities and experience in at least one of the areas that is important to the Board of Directors (i.e. finance, accounting, marketing, law, real estate management, etc.) and have high level of professional expertise.
4. The Director must have business ethics as well as other appropriate personal qualifications.
5. The Director must be able to exercise honest discretion independently from management.
6. The Director must be able to dedicate sufficient time to the company and pay attention to the operations within his/her responsibilities.
7. The nomination and appointment of directors is based on competence and the use of selection criteria with consideration to the diversity of gender, age, education history and professional experience as part of the decision.

Determination of the number of positions to be held in any of its other Board of Directors; nor has it done so pertaining to the positions to be held in other companies.

The Company has not prescribed the number of positions to be held in any of its other Board of Directors; nor has it done so pertaining to the positions to be held in other companies, because the Company is confident in each of the selected members of the Board of Directors and trusts that he/she must have carefully taken into account the matter of time constraints and the likes prior to making such important decision, and that his/her work experience, knowledge, skills and competency in various disciplines must by all means be of use in terms of establishing the Company's business policy and in terms of providing solutions to problems which may arise, while simultaneously being in compliance with the corporate standards.

(3) Director Development Policy

The Board of Directors supervises each Director to understand the roles and responsibilities, nature of business, and laws related to business operations, as well as supports all Directors to received trainings that enhance their skills and knowledge vital to their roles on a regular basis.

(4) Evaluation of Director Performance Policy

The Board of Directors holds an annual performance evaluation of the Board of Directors and Sub-Committees as follows:

1. The Board of Directors will conduct annual self-evaluations, both on a group and individual basis.
2. Each Sub-Committee will conduct an annual self-evaluation on a group basis.
3. The result of the Board of Directors' evaluation will be used to determine the suitability of the Board's composition.

(5) The Board of Directors Meeting Policy

- 5.1 The Board of Directors must meet at least 6 times per year with the date and venue set in advance to ensure that the Board of Directors' meeting has as many directors attending as possible.
- 5.2 The Chairman of the Board of Directors, or the person assigned by the Chairman has the authority to call the Board of Directors meeting, or if two or more directors request a meeting of the Board of Directors, the Chairman of the Board of Directors or the person assigned by the Chairman must call the meeting within 14 days from the date of request.
- 5.3 The Chairman of the Board of Directors may organize a Board of Directors meeting via electronic media which must comply with relevant laws.
- 5.4 Procedures for the Board of Directors meetings are as follows:
- 5.4.1 The Board of Directors holds meetings regularly with results and resolutions of the meeting clearly recorded for reference.
- 5.4.2 At the Board of Directors meetings, no less than half the total number of directors must be present to constitute a quorum. If the Chairman is not present at the meeting or unable to perform his duties, the vice chairman is to chair the meeting. If the Vice Chairman is not present, or unable to perform his duties, the directors who attend the meeting shall elect one among themselves to chair the meeting.
- 5.4.3 The Chairman of the Board of Directors act as the chair of the meeting, overseeing the scope, priority and time spent on each agenda, as well as setting the meeting agenda so that all important issues can be taken into full consideration. The Board of Directors focuses on reviewing and approving the strategies presented by the management as well as monitoring that the strategy has been implemented in accordance with the established guidelines and is under supervision of the Board.
- 5.4.4 The Chairman of the Board of Directors is responsible for allowing all directors to brainstorm ideas with each director having the same right to express opinion. The Chairman will process the opinions and sum up the best ideas from the meeting.
- 5.4.5 While the Board of Directors votes at the meeting, no less than two-thirds of the total number of directors must be present, and the directors who are stakeholders in that agenda must not be in the meeting room and have no right to vote on that agenda.

(6) Director Remuneration Policy

The Board of Directors, with the approval of the Nomination and Remuneration Committee, sets and formulates compensation policies. The remuneration process is transparent, fits the responsibilities, and equals to the standards of the same business. The remuneration rate of the Board of Directors and Sub-Committees must be approved by the Shareholders' Meeting.

(7) Subsidiaries Supervision Policy

The Board of Directors shall oversee the framework and mechanism for overseeing the policies and operations of subsidiaries and other entities in which the Company has significant investment, at the appropriate level for each business, as well as overseeing subsidiaries and other entities that the Company invests in to have the same understanding, including:

1. To have the internal control system of the subsidiaries that is appropriate and sufficiently concise, and have various transactions that are according to the laws and relevant guidelines.
2. To disclose the information on financial position, performance of transactions with related parties, acquisition or disposition of assets, other important transactions, capital increase, capital reduction, dissolution of subsidiaries, etc.

6.1.2 Policy and guidelines related to shareholders and stakeholders

(1) Shareholders' rights

The Board of Directors has a policy to encourage shareholders' participation in the Company's important decision making.

1. Support of the shareholders' participation in the Company's important decision making

- 1.1 The rights to attend and cast votes in a shareholders' meeting so as in association with making important decisions on the topic of the Company's policy change and as an exercise of their rights to make approval (or not), for which the Board of Directors are required to request prior to giving resolutions;
- 1.2 The rights to elect and remove any of the directors from the position and to give approval in regard to the matter of the appointment of independent auditors;
- 1.3 The rights to receive share of profit;
- 1.4 The rights to take into account the topics of the approval of directors' remuneration and dividend payment;
- 1.5 The rights to propose issues under concern to be additionally included as part of the agenda during the Annual General Meeting of Shareholders in accordance with the Company's rules and regulations;
- 1.6 The rights to nominate a list of qualified candidates for the election of directors in accordance with the Company's rules and regulations;
- 1.7 The rights to submit their enquiries in advance prior to the appointed date of the Shareholders' Meeting by doing so in accordance with the Company's rules and regulations;
- 1.8 The rights to receive a sufficient amount of information in its suitable format and in timely manner for their consideration and decision making upon the critical matters to the Company and the shareholders;
- 1.9 All other rights as prescribed by law.

2. Rights to attend Shareholders' Meeting

The Company has implemented the policy to facilitate the participation of all shareholders including, both major and minor, as well as institutional shareholders, in the Company's shareholders' meeting.

In 2021, the Company held 1 Annual General Meeting of Shareholders on Thursday, April 22, 2021 at 10.30 a.m. and assigned Thailand Securities Depository Co., Ltd. as a sender of invitation letter for the meeting to the shareholders on April 7, 2021. In addition, the Company also published an invitation letter for the meeting and details accompanying each agenda (both Thai and English) on the Company's website "www.qh.co.th" on March 19, 2021 in order for the shareholders to have time to study the information in advance of the meeting date.

This Annual General Meeting of Shareholders is an electronic meeting (e-AGM) to avoid the gathering of large numbers of people with high risk of spread of COVID-19 and provide convenience for shareholders to join the AGM via electronic meeting system without travelling to the meeting. Broadcast location: No.1 Q House Lumpini Building, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

The proposal of agendas for the Annual General Meeting of Shareholders, nomination of directors by minority shareholders and submission of advanced questions.

The Company has placed importance upon all shareholders so that they were provided with the opportunity to participate in the 2021 Annual General Meeting of Shareholders as follows:

- Proposing issues to be included as part of the agenda of the 2021 Annual General Meeting of Shareholders.
- Nominating a list of qualified candidates for the election of directors in the 2021 Annual General Meeting of Shareholders.
- Submitting enquiries prior to the 2021 Annual General Meeting of Shareholders.

The criteria for the aforementioned, therefore, had also been published and disseminated on the Company's website since September 29, 2020, whereby the duration of time for the additional agenda, the list of qualified candidates and the enquiries, was to be designated as from October 1, 2020 to December 31, 2020. However, there existed no information thereof having been directed towards the Company whatsoever.

Preparation of the invitation letter

The Company has prepared the invitation letter to the shareholders' meeting, in both Thai and English, in which the objectives, reasons, as well as the Board of Directors' professional opinions, were strategically included in supporting the deliberation of each of the meeting agenda in clear and the documents to the shareholders who participate in the event, in both cases of which the shareholders were to be present by themselves and which their proxies with the power of attorney were to make appearance during their absence, both cases also covering the shareholders categories of retail shareholder, juristic person and institutional shareholder.

Implementation of the Meeting

Before the meeting started, the Chairman of the meeting welcomed and opened the meeting, announcing the number and proportion of the shareholders and representatives. Before any agendas got started, the Chairman of the meeting announced the voting and score counting methods as well as the number of persons with no voting right due to relevant interests.

Rights to express opinions

This Meeting is an electronic meeting, if any shareholders have questions or opinions, they can process in 2 methods which are:

First method Sending questions via the DAP e-Shareholder Meeting system that you have registered. Shareholders can ask questions or express opinions by typing a message in the question box on the screen of the DAP e-Shareholder Meeting system and the Directors will answer the questions at the end of each agenda before entering into the voting.

Second method If shareholders wish to ask the questions by themselves, after the Directors have already answered the questions received via the DAP e-Shareholder Meeting system, they will notify the shareholders to ask questions by themselves through Webex Program with a function to raise hand. When the shareholders press the raise hand button, the staff will turn on the microphone for the shareholders to ask questions after informing their name-surname of shareholders. If shareholders have opinions and other inquiries about the company that is not on the agenda, the Company would like to ask the shareholders to propose opinions or inquiries in other agendas.

The 2021 Annual General Meeting of Shareholders proceeded with order in accordance with the regulations of the Company by agenda specified in the meeting invitation letter without adding or switching any agendas. In addition, there was no shareholder disputing the vote counting.

The company used the reliable agent to count the voting and record the score for future inspection.

Disclosure of the meeting resolution and report on the shareholders' meeting

The Company has disclosed the resolution and voting from the shareholders' meeting through the Stock Exchange of Thailand's news system on April 22, 2021.

The meeting minute has recorded the names of all Directors who attended the meeting and precise resolution with voting score in every section, indicating the number of voting for Approve, Not Approve and Non-Voting. Shareholders with no voting right due to related personal interests with the issues would be recorded as well as the shareholders and representatives' questions and the Directors and Executives' answers.

In addition, the Company has sent a copy of report on the shareholders' meeting to the Stock Exchange of Thailand and uploaded on the company's website "www.qh.co.th" on May 6, 2021 with a notification through the Stock Exchange of Thailand's news system.

(2) Equitable treatment for the shareholders

At the 2021 Annual General Meeting of Shareholders, there were 11 out of 11 Directors, consisting of 4 Independent Directors, 3 Executive Directors and 4 Non-Executive Directors. In addition, certified public accountants of the Company and law firms were invited to attend the meeting as independent representatives and intermediaries in the counting of votes. All shareholders attending the meeting had equal rights in all respects.

During the meeting, each of the agenda was properly provided with a suitable amount of time strategically allocated so as to allow for the smooth operation throughout. Not any of the additional agenda was added to the list other than the ones having initially been delivered to the shareholders in the invitation letter. The Company also encouraged shareholders to express opinions and ask questions concerned with the relevant topics. Depending upon their shareholdings, the shareholders had the rights to cast one vote per share at the meeting. Vote counting was conducted through the implementation of DAP e-Shareholder Meeting system, the summary of which was prepared with transparency and accuracy; the result was displayed on a monitor. In addition, when voting was being carried out in light of the issue of the director appointment, it was implemented on a one-at-a-time basis.

In addition, the Company has provided supports for the shareholders in regard to their exercising of the rights to vote by means of the following facilitations:

- 1) Submitting to the shareholders the proxy form B and the invitation letter to the meeting with an attachment of Power of Attorney form, including the clear instructions and steps to take in regard to the matter. As for the proxy form A and C, the Company had provided them on the Company's website "www.qh.co.th";
- 2) The Power of Attorney form earlier mentioned would also allow for the directions to be planned and made in advance by the shareholders as to the manner by which their proxies would give consent or not or simply abstain accordingly;
- 3) Proposing that two independent directors were to serve with the power of attorney on behalf of the absent shareholders who might find it inconvenient to appoint their own proxies, thus whereby the details of the aforementioned independent directors would be specified in the Power of Attorney form.

(3) Roles of stakeholders

The Board of Directors has supervised the company's operation with ethic as well as social and environment responsibility, taking into account other related parties and non-infringement. The Board of Directors has supervised policy regarding operation and responsibility to related parties under the Corporate Governance Policy. In addition, the Company has operated with responsibility to related parties as follows:

- **Employees**

The Company recognizes the significance of employees and that they are one of the key factors to the Company's continual success and development. Therefore, the Company has taken the policy to treat and responsible for the employees as following:

- 1) To provide appropriate short term employee benefits in accordance with each employee's knowledge, responsibilities, performance and corporates' profitability;
- 2) To support and promote, as well as enhance knowledge and skill sets of the employees for career growth and stability;
- 3) To support the participation of the employees in the Company's work direction and problem resolution;

- 4) To create work environment with safety for health, hygiene, bodies and properties of employees;
- 5) To reward and punish the employees based on the righteousness, justice and honesty;
- 6) To operate in accordance to laws and regulations relating to labor laws and employee welfare;
- 7) To manage employees without unfair and wrong acts, which impact the career growth and stability of employees;
- 8) To treat employees on the basis of the human rights as well as individual rights.

Furthermore, the Company has allowed communication channels to provide information on these benefits for employees, and that on the Company's rules and regulations, all details of which may be reached via the Company's Intranet. The Company has also provided e-mail addresses for each employee so that online correspondence become another option for both internal and external communication.

In addition, in order to learn more about challenges and problems that the employees are facing in day-to-day operations, the Company has managed to set up a suggestion box via which written statements, factual information, suggestions and complaints, etc., regarding business-related matters, may be obtained from the staff members. All information and suggestions obtained are to be taken into account by the management committee so that proper resolutions be determined at best for the benefits of all involved.

Employee welfare

- The Company has established the workplace welfare committee to improve the quality of life of the employees. The committee was assigned from employee representatives in each department of the Company to discuss and exchange information regarding employee welfare to improve employee welfare and enhance the working atmosphere;
- To provide uniforms for receptionists and sales representatives on housing projects, office building for rent projects, hotels and serviced apartment projects;
- To provide welfare of medical expense reimbursement in the case of outpatients;
- To provide life insurances, group accident insurances and group health insurances (in case of in-patients);
- To establish a provident fund as morale in return for the employees' dedication to their works;
- To place importance upon the matter of employees' welfare and health, thus providing for nursing rooms in which with professional nurses are available for consultancy and giving first-aid advice to its employees, as well as conducting annual physical checkups;
- To provide for other elements of its employee welfare system, some of which cover the benefits for their family members, such as funeral service allowances in case of the employees and family members (spouses and children); welfare of scholarships for employees' children, etc.;

- To monitor the work environments, in order to provide good hygiene for the employees during operation, such as checking the cleanliness of the drinking water station in the office space;
- In 2021, the Company and subsidiaries had no employees injured due to accident from work resulting in absence of work.

Personnel development training

In accordance with the Company's policy on personnel development in response to its ongoing business expansion and sustainable development on long-term basis, the Company has established a series of training sessions and operational plan pertaining to human resources development for both of its executive officers and staff members. Corporate guidelines have been strategically established so as to help develop proper knowledge, skill sets and competency among employees in each level while a number of campaigns are in incessant development so as to encourage the Company's executives and employees to realize and learn how to make effective use of resources and to indirectly conserve the environment.

In 2021, the Company has established a number of training courses, not only the core courses, but also special courses to be provided for employees in various levels in accordance with the Company's policy as follows:

Data Processing of Sales System/ Importance of PDPA and Work Precautions : The aim of the course is for salespeople to learn and use information from sales systems that had been improved for the maximum benefit, as well as to be able to present information in a report format for executives to make decisions correctly, accurately, and quickly. It also ensures that salespeople are aware of the importance of operating in accordance with the Personal Data Protection Act B.E. 2562 (2019).

Growth Mindset : The aim of the course is to change the mindset of employees to understand that everyone can learn and improve if they try to improve themselves, to have patience and not giving up easily, to focus on learning over failure, to take risks on new challenges and believing that no matter the outcome, it always lead to development, to see failure as a challenge resulting in the determination to overcome obstacles, to not give up, to grow and learn every day, and to have fresh creativity. It can be said that people with Growth Mindset have a set of ideas that allow them to progress and have a chance of success.

Indian Tourism Market Update : Today, customers from the Indian market segment play an important role in the trading and tourism world, and is likely to increase in the future due to contributing factors such as the expansion of flight routes, medical and health segments, as well as the convenience in food, culture, and religion, etc. Thailand is one of the top destinations for travel and medical care. Therefore, to keep up with the ever-changing market situation, we must prepare to support the growth of this tourist market to create a good impression, which is the heart of the hospitality business.

Reading and Analyzing Income and Cash Flow Statements : The aim of the course is to build knowledge and understanding of financial statement preparation techniques and financial statement analysis techniques, and to train the participants to analyze financial statements to help with the planning and business decision making for success.

Active Listening : The aim of the course is for employees to train to concentrate on listening : to not only know what the message is, but also understand the issues of what they are hearing. It is about listening to things that cannot be heard. The basic principle is to concentrate and to be mindful, not being distracted by the surrounding environment and atmosphere. Therefore, when listening to something, repeat what is heard at a regular interval to keep you focus on the story, as well as to make the conversation partner aware that you are listening intently, all of which require serious listening practice.

The Psychology of Communication for Success in Work (DISC) : The aim of the course is for employees to understand and know themselves and others, which will result in better communication and relationships, and to be able to collaborate effectively with good teamwork. This allows the participants to have techniques to behave and work together with their individual style in accordance with their individual characteristics.

Data Marketing 101 : Data Marketing is data-driven marketing by analyzing customer data to make marketing more effective. This type of marketing is based on data or reality, providing information on customer insights and behavior, which makes it possible to plan strategies that match the target audience.

Guest Journey : The aim of the course is for employees to learn the process of designing customer experience journeys through hands-on activities. The goal is to be able to apply the techniques that have been developed to the actual work and visualize the importance of designing the customer experience journeys based on the principles of Design Thinking.

Advertising Law : The aim of the course is to provide marketing employees with knowledge and understanding of relevant laws so that marketing planning or advertising is in accordance with the law.

Procedures for the Construction of Utilities : The aim of the course is to provide construction workers with knowledge and understanding of the amended procedures for land filling, road building, and dividing fences building.

Construction & Quality Control : The aim of the course is for construction workers to have knowledge and understanding of work and how to work according to the specified standards.

Personnel development and work environment campaigns

The Company has established personnel development and work environment campaigns pertaining to proper hygiene and sanitation at workplace, as well as a number of projects whereby the executives and employees are to be provided the opportunity to learn from third-party organizations and institutes, thus enhancing their skills and making good use of their new knowledge to the daily operations as follows:

Training courses provided by external institutes : The Company has a policy to provide the opportunity for its employees to train and develop various skill sets and knowledge from external institutes and organizations in order that the employees become more visionary and more knowledgeable, thus being able to adapt and make use of newfound knowledge at work and to enhance work efficiency (effectiveness) on continual basis.

Awarding Master's Degree scholarships to Executives : To promote and support learning and self-development to the maximum potential.

Internal news circulation project : The project has been established to be a channel for communication between the Company and Human Resources Department to the management and employees so as to acknowledge internal news and changes from time to time. It will also be a channel for the Human Resources Department to communicate about the Company's policies, rules, regulations and charters for all management and employees to abide by. Communication is done via e-mail and intranet.

Employees' loyalty project : The project has been established towards the employees who have been working with the Company for 10 years, 20 years and 30 years, respectively. The Company is delighted to present to the aforementioned loyal personnel souvenirs for their professional dedication and efforts at work. This project will boost morale at workplace and sustain a series of ongoing assiduous efforts for all involved.

Table illustrating the number of hours spent in training by employee position

Level	Average time spent in training (Hour: Person: Year)	Objectives of personnel development
Employee	3	To provide knowledge and various skill sets relating to business operations in practice, as well as better understanding in their roles, duties and robust corporate culture, while making best efforts at work.
Middle Management	6	To provide knowledge and various skill sets integral to team management and strategic planning, as well as allowing for systemic and effective implementation so as in accordance with the Company's policies.
Executive	21	To enable the executives to manage both operations and workforce under command in compliance with the Company's policies. The executives should also be able to become more visionary in terms of business administration and ready for the continual growth and expansion in the future.

- **Customers**

The Company has prescribed its guidelines for treatment of customers in the Company's Code of Conduct, which is available at www.qh.co.th, and the Company has a policy to treat and responsible for customers as following:

- 1) To cater customers/consumer needs with quality of products and excellent services.
- 2) To completely disseminate information of products and services with righteousness and truthfulness.
- 3) To provide insurance for products and service under reasonable terms.
- 4) Not to deliver product and service to customer, while being aware that such products and services has defects, and damages which can harm the customers.
- 5) To provide customers service mechanism not only to be convenient for the customers for any complaints but also to be fast in responding to the customers.
- 6) To increase value-added to customer benefits continuously.
- 7) To notify customers in advance in case of agreement for customer terms cannot be made, in order to consider altogether for resolution and damage control.

For housing projects and condominium projects, customers who have any complaints may make a telephone contact to number 1388 during the working hours.

For the office building project or the residential building project for rent, customers are able to directly contact the building manager or responsible persons upon premises.

- **Business partners**

The Company and its subsidiaries believe in treating business partners with honesty, transparency and equality on the basis of fair competition for the highest collective benefits. At the same time, business partners must not act to damage the Company's reputations and must not breach laws, good morals and traditions. The purchase of products and operational procedures must be transparent and can be audited, and the business partner agreements must strictly be complied. The Company has used the Supply Chain system when ordering products to reduce steps, time and documents in the transaction allowing partners time to prepare and deliver products within agreed time frame.

- **Competitors**

Even in the competition, the Company and its subsidiaries remain adhered to the principle of transparency, fairness and equality upon the fair competition basis to create utmost benefits as follows:

- 1) Competing under fair business practice;
- 2) Avoiding illegal channels to get the inside information of competitor;
- 3) Not damaging competitors' reputation without truth.

- **Banks, financial institutions, holders of debentures and loan creditors**

The Company believes in acting to banks, financial institutions, debenture holders and loan creditors with honesty, and it always repays principal and interest on a timely basis. The Company also strictly follows the terms and conditions and covenants that are specified in the lending contract.

In addition, the Company also adheres to the rules of good corporate governance, for instance:

- Adhering to the terms and conditions in the agreements with business partners and lenders;
- In the case that such agreement cannot be adhered to, the Company will consult with the counter parties and lenders at the earliest possible timeline in order to find solutions and damage prevention strategies;
- Providing accurate and complete financial information;
- Not demanding, accepting, or offering any dishonest advantages when contacting with the lenders;
- Ensuring that the money obtained from the lenders shall not be used against the loan objectives.

In the past 3 years, the Company has never made any late payment.

In order to take responsibilities for all groups of stakeholders, the Company is ready to receive any complaints and/or opinions of all groups of stakeholders through the following channels:

1. Contact by phone to the company's call center (1388)
2. E-mail directly to the members of the Audit Committee (e-mail addresses can be found in the Company's website)
3. The Company's website: "www.qh.co.th" (for after sale services, recommendations/ complaints)
4. Submission of matters directly by hand or by post to the Corporate Secretary at the address shown below:

Quality Houses Plc.

No. 1, Q. House Lumpini Building, 7th Floor,

Thungmahamek Sub-district, Sathorn District, Bangkok 10120

- **Relationship with Investors**

The Company recognizes the importance of disclosure of information with transparency, including the Company's performance as well as significant information possibly affecting the prices of the Company's shares, by disseminating data and information through Set Community Portal or Setlink system of the Stock Exchange of Thailand and other channels to investors, analysts and related parties. In addition, the Company has disseminated the Company's information not only through its website "www.qh.co.th" but also via the telephone number 0-2677-7000.

Due to the COVID-19 pandemic, in 2021 the Company has followed the government's policy of social distancing by presenting the Company's data to analysts, investors and fund managers through Virtual Roadshow with details as follows:

- International Virtual Roadshow to foreign investors and fund managers totaling 1 time
- Roadshow to analysts and local fund managers as follows:
 - Virtual Analyst Meeting Annually and Quarterly totaling 4 times.
 - Virtual Analyst Meeting Business Plan 2021 totaling 1 time

(4) Supervision on the use of internal information

The Company has set a clear written policy to oversee the use of the Company's internal data for personal benefit as follows:

1. No use of the Company's internal information for personal benefit or providing any damages to the Company with intention. No distribution of the Company's internal information to customers, suppliers, service providers, competitors and outsiders, except general or public information.
2. No use of the Company's internal information for stock trading.
3. Directors and Executives have to report information regarding the Company's stock trading and holding according to the rules and regulations in the Board of Directors Meeting.
4. The Company has a policy to prohibit the Company's Directors and Executives from trading the Company's stocks 1 month ahead of a public release of the Company's financial statement in order to prevent the use of Company's internal information for personal benefit.

(5) Conflict of interest

The company has disclosed all related transactions according to the rules and treated the transactions as transactions with outsiders to avoid conflict of interest.

(6) Anti-corruption Policy

The Company has an anti-corruption policy which requires Company's personnel to strictly comply with anti-corruption laws, policies and practices, as well as Company's anti-corruption rules, regulations, and codes of conduct to build confidence in the stakeholders that the Company will conduct business with honesty, integrity, and transparency, and support anti-corruption activities.

(7) Measures against person that do not comply with policies and guidelines.

Anti-corruption policies and guidelines are part of the work discipline. Directors, executives, and employees who fail to comply will be subject to investigation and disciplinary actions in accordance with the Company's regulations, Charter, and related laws, which may include termination of employment.

6.2 Codes of Conduct

In order for the Company to conduct business with integrity and ethics, the Board of Directors has established the requirements regarding the Codes of Conduct in writing which was announced to the Directors, executives and employees for compliance in 2002. The Board of Directors Meeting No. 6/2018 held on September 25, 2018 approved the latest revision of the Company's Code of Conduct which has been disclosed on the company's website (www.qh.co.th) and regular follow-ups on the implementation of such guidelines were conducted.

6.3 Major changes and developments in policies, guidelines, and corporate governance systems in the past year

The Company has established a framework for conducting its business operations based on the principles of good corporate governance with a resolution of the Board of Directors' Meeting No. 3/2003 on March 5, 2003 to establish a written "corporate governance policy" in 2003, and designated as the duties and responsibilities of the directors, executives and all employees to be aware, understand and strictly follow the established policies and rules.

In 2018, at the Board of Directors' Meeting No. 6/2018 on September 25, 2018, the Board of Directors resolved to further update the policy in accordance with the 2017's good corporate governance principles for Listed Companies (CG Code 2017) of the Securities and Exchange Commission. This policy will emphasize on the principles for the Board of Directors, which are the leaders or the ultimate responsible persons of the organization, to apply on their business supervision in order to ensure long term performance as well as to create a sustainable value for the business.

The Board of Directors will review the CG Code 2017 annually. In 2021, the policy was reviewed at the Board of Directors' Meeting No. 9/2021 on 22 December, 2021. Overall, the Board of Directors has largely implemented the majority of the policy, and for those that has not yet been implemented, the Company has recorded it as part of the resolutions of the Board of Directors' meeting.

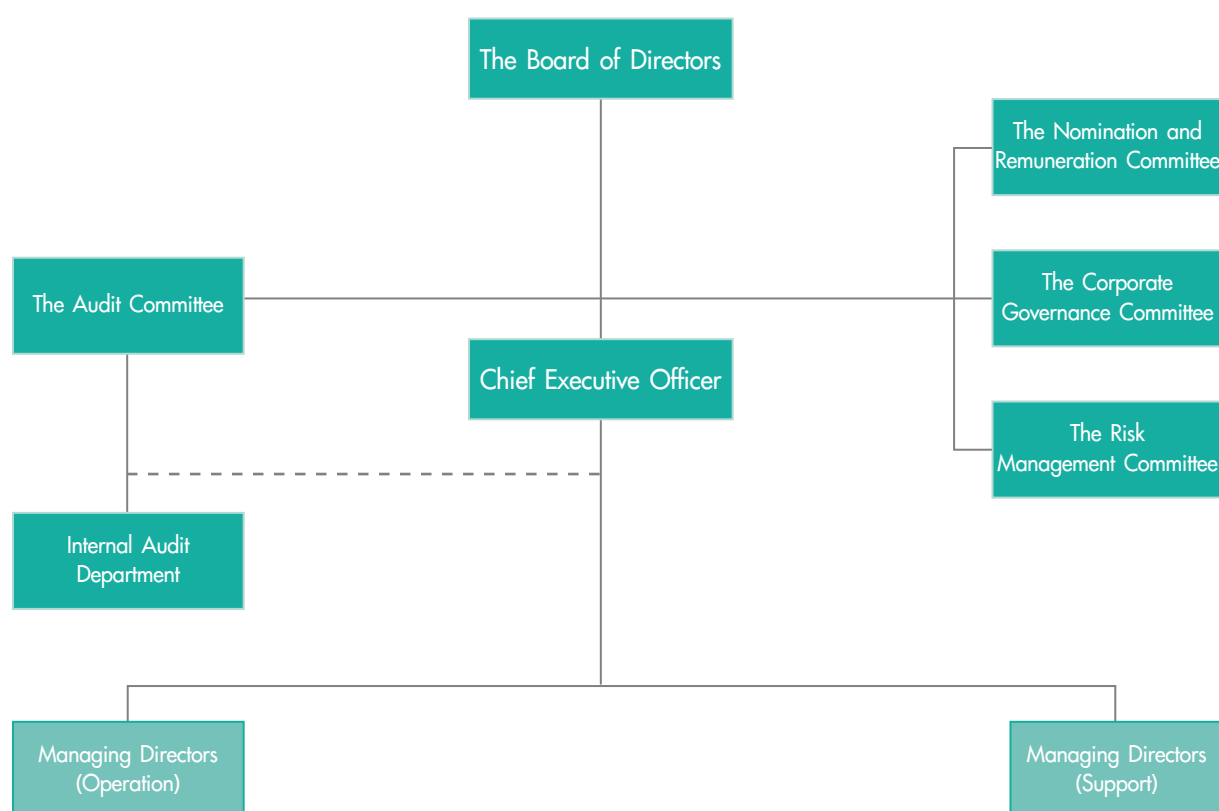
7. Corporate Governance Structure and Significant Information Related to the Board of Directors, Sub-Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

The Company's management structure as follows:

1. The Board of Directors
2. 4 Sub-committees
 - 2.1 The Audit Committee
 - 2.2 The Nomination and Remuneration Committee
 - 2.3 The Corporate Governance Committee
 - 2.4 The Risk Management Committee

Management structure chart as of December 31, 2021



The name list and position of the directors in the Board of Directors and Sub-committees:

Name	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Corporate Governance Committee	The Risk Management Committee
1. Mr. Boonsom Lerdhirunwong	x				
2. Mr. Rachai Wattanakasaem	/	x	/	/	
3. Mr. Suri Buakhom	/	/		x	
4. Mr. Adul Vinaiphat	/	/	x		
5. Mr. Naporn Sunthornchitcharoen	//				
6. Mr. Adisorn Thananan-narapool	//		//		
7. Mrs. Suwanna Bhuddhaprasart	//			//	//
8. Mr. Achawin Asavabhokin	//				
9. Mr. Chalerm Kiettitannabumroong	///				x
10. Mr. Pravitt Choatewattanaphun	///				///
11. Ms. Apinya Jarutrakulchai	///			///	///

Remark : x = Chairman / = Independent Director // = Director /// = Executive Director

7.2 Information on the Board of Directors

7.2.1 The composition of the Boards of Directors

In accordance of the Company's Articles of Association. The Company's Board of Directors shall consist of not less than 5 directors but not exceeding 15 directors while at least half of the directors must have their domiciles in the Kingdom of Thailand. In addition, all members of the Board of Directors must possess legitimately suitable qualifications in compliance with the law.

In general practice, each director shall remain in the position for the term of 3 years each. According to the Company's Memorandum of Association, 1 in 3 of the total number of directors on the Board of Directors is to be retired at every Annual General Meeting. If the total number of directors cannot be wholly divided into three, the number of director closest to one-third, shall be retired.

In addition to the expiry of the general term of office, the directors shall vacate the position upon the following reasons:

- (1) Death;
- (2) Resignation;
- (3) Disqualification or having any characteristics as prohibited by law;
- (4) Termination by the shareholders' meeting resolution;
- (5) Termination by the Court's order.

As of December 31, 2021, the Company's Board of Directors is comprised of 11 members as follows:

Executive Directors	3 persons
Non-executive Directors	4 persons
Independent Directors	4 persons equivalent to 36.36% of the total number of directors

7.2.2 The information on each director

The Board of Directors as of December 31, 2021, are as follows:

	Name	Position	Date of Appointment
1.	Mr. Boonsom Lerdhirunwong	Chairman and Independent Director	September 21, 2015
2.	Mr. Rachai Wattanakasaem	Independent Director	August 10, 2005
3.	Mr. Suri Buakhom	Independent Director	April 20, 2010
4.	Mr. Adul Vinaiphat	Independent Director	March 30, 2018
5.	Mr. Naporn Sunthornchitcharoen	Director	June 27, 2017
6.	Mr. Adisorn Thananan-narapool	Director	May 9, 2003
7.	Mrs. Suwanna Bhuddhaprasart	Director *	June 27, 2000
8.	Mr. Achawin Asavabhokin	Director	December 26, 2017
9.	Mr. Chalerm Kiettitanabumroong	Director *	February 26, 2019
10.	Mr. Pravit Choatewattanaphun	Director *	April 20, 2010
11.	Ms. Apinya Jarutrakulchai	Director *	August 10, 2018

Remark * The authorized directors of the Company

Authorized directors

As of December 31, 2021, the authorized directors of the Company are Mr. Chalerm Kiettitanabumroong, or Mrs. Suwanna Bhuddhaprasart, or Mr. Pravit Choatewattanaphun, or Ms. Apinya Jarutrakulchai. To validate a document, two out of the four shall have signatories on behalf of the company together and affix the Company seal.

7.2.3 Authorities, duties and responsibilities of the Board of Directors

1. The Board of Directors has abided by law, objective, company's rule and resolution from the shareholders' meeting with honesty and caution for the best of company's benefit.
2. The Board of Directors has specified the policy, objective, target, strategy and business direction of the company as well as allocated important resources as well as monitored and supervised management to comply with the policy. The Board of Directors has reconsidered the policy annually in order to maximize economic value and shareholders' wealth.
3. The Board of Directors has abided by code of honesty and integrity.
4. The Board of Directors has accountability to shareholders, working for the best of shareholders' benefit with transparent and reliable data distributing to investors.
5. The Board of Directors comprises of directors who have knowledge and experience relevant to the business and are enthusiastic with the company's business.
6. The Board of Directors intends to continuously operate the business.

Objective and target of the business for sustainable growth

In order to preserve sustainable growth as an objective and target of the company and to create value to the company, customers, related parties and society as well as the company's unity, the Board of Directors has set the standard as follows:

1. To set vision, mission and core value for precise company's objectives, using to create business model and communicate within the company for unity with an annual revision.
2. To set business model, creating value to the company, related parties and society taking into account:
 - Changing environment and other factors as well as encouraging employees to develop innovation and technology with appropriate application.
 - Interest of customers and related parties.
 - Readiness, expertise and competitiveness of the company.

The Board of Directors has affirmed that the company's objective and target as well as middle-term strategy and annual strategy are consistent with the company's main target, using appropriate innovation and technology as follows:

1. To supervise and revise business strategy and annual business plan with regard to the company's main objective and target, taking into account current environment, opportunity and acceptable risk. To supervise and revise the company's objective, target and strategy for the next 3-5 years for longer-term analysis with reasonable accuracy.
2. To supervise annual strategy and business plan with analysis on environment, other factors and risks affecting related parties along the value chain and the company's main target.
3. To supervise strategy, supporting new innovation and technology to increase competitiveness and meet the need of related parties on the back of responsibility to society and environment. Details of an application of innovation and technology have been released under the topic "Social Responsibility".
4. To supervise target, complying with business environment and potential by supervising both monetary and non-monetary target. To acknowledge the risk of supervising the target that could lead to unethical conduct.
5. To supervise communication of the company's objective and target through strategy and business plan within the company.
6. To supervise resource allocation and business operation as well as monitor the performance based on the company's strategy and annual business plan with a possibility of assigning a department to be responsible for monitoring the performance.

Authority of the Board of Directors

The Company's Board of Directors has authority to approve any duties in all business affairs of the Company, in compliance with the Company's business objectives, with the exception of topics defined by law that require an approval from the shareholders.

Separation of responsibility between Chairman and Chief Executive Officer

The Chairman of the Board of Directors is an independent director with different person as a CEO in order to precisely separate responsibility between supervision and regular management.

Roles and duties of Chairman and Chief Executive Officer

1. The Company's Chairman is responsible as leader of the Board of Directors, serving as Chairman of the Board of Directors' Meeting and that of the Shareholders' Meeting.
2. The Chairman, elected by the Board of Directors, presides over the meeting and ensures that various issues under concern be properly taken into consideration, and that the Board of Directors be properly focusing on the right ones in regard to the revision and approval of the strategies earlier proposed by the management team, as well as ensuring that the aforementioned strategies be implemented.
3. The CEO, appointed by the Board of Directors, serves as leader of his or her management team in ensuring the implementation of the strategies already approved while ably regulating the actions within the framework stipulated by the Board of Directors.
4. The Chairman shall visualize the Company's overview of how the directors are operating in addition, Chairman shall inspire confidence in the Company's business operation by which the Board of Directors and/or the Committees, who are comprised of personnel of high caliber, are able to effectively work as a group; while also ensuring that all directors, executive or non-executive, be eagerly supported in their implementations both in terms of business administration and supervision.
5. The CEO is one of the executives who knows the company the best with leadership and outstanding vision, organizing the Company as a whole.
6. The Company clearly separates the roles of the CEO and the Chairman with collaborative work to support each's other responsibilities.

7.3 Information on the Sub-committees

7.3.1 Sub-committees Structure

As of December 31, 2021, the Company has 4 Sub-committees to take into account its business-related matters, including:

- 1) The Audit Committee;
- 2) The Nomination and Remuneration Committee ;
- 3) The Corporate Governance Committee;
- 4) The Risk Management Committee.

7.3.2 Sub-Committee

(1) The Audit Committee

The Audit Committee is comprised of 3 independent directors as of December 31, 2021 are as follow:

	Name	Position in the Audit Committee	Date of Appointment
1.	Mr. Rachai Wattanakasaem	Chairman	September 24, 2019
2.	Mr. Suri Buakhom	Member	May 26, 2014
3.	Mr. Adul Vinaiphath	Member	March 30, 2018

Remarks : - Mr. Rachai Wattanakasaem is a member of audit committee with knowledge and professional experience in accounting or finance;
 - Audit Committee Secretary : Mrs. Suneerat Puntarikpan

- **Scope of authorities and duties of the Audit Committee**

1. To review and comment on adequacy and effectiveness of internal control on both business and information technology as well as compliance with other relevant laws, rules and regulations such as Securities and Exchange Law, Stock Exchange's Requirements and Laws relating to the Company's business;
2. To review and ensure that the Company's financial reports have been prepared accurately and adequately;
3. To review and ensure that the Company has appropriate and effective internal control system and internal audit system with access to relevant information and allow various parties to cooperate in clarifying the information. To consider the independence of the internal audit department and approve the appointment, transfer and termination of the head of the internal audit department or any departments responsible for the internal audit;
4. To give advice to the Company on improvements, compliance with laws, rules, other relevant regulations and internal control, including risk and internal control on information technology to be efficient and effective, useful and consistent with the principles of good corporate governance and sustainable development;
5. To consider, select nominate and terminate an independent professional to act as the Company's auditor and to propose the remuneration for the position and to attend meetings with the auditor for at least twice a year with no presence of the management team;
6. To consider the matter of the compliance with laws and with the Stock Exchange of Thailand's regulations in light of connected transactions or those which may incur conflicts of interest so as to ensure that those activities were reasonably performed for utmost benefits to the Company;
7. To prepare and disclose the Audit Committee report and have it revealed as part of the Company's annual report. The Audit Committee report, which is to be signed by the Chairman of the Audit Committee, must be comprised of the following items:
 - (A) Comments about the accuracy, completeness and reliability of the Company's financial statements;
 - (B) Comments about the adequacy of the internal control system in the Company;
 - (C) Comments about the Company's compliance with the applicable law and regulations i.e.: the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and other laws that relate to the Company's business;
 - (D) Comments about the suitability of the Company's auditors;
 - (E) Comments on transactions which might incur conflict of interest;
 - (F) Number of the Audit Committee meetings and the attendances of each committee member;
 - (G) Comments or observations in general that the Audit Committee derived during their performing of duties under "The Charter of the Audit Committee";
 - (H) Other transactions which the committee considered that the Company's shareholders and public investors should be acknowledged within the boundaries of their duties and responsibilities assigned by the Board of Directors.
8. To perform other duties assigned by the Board of Directors with the consent of the Audit Committee;
9. To arrange the Audit Committee Meeting in order to accomplish the performance of the Audit Committee according to the objectives or when there is a need for a special meeting;
10. To report the performance of the Audit Committee to the Board of Directors at least 4 times a year;

11. To review and give opinions on the performance of the internal audit department and coordinate with the auditors;
12. To consider and evaluate the annual performance of the vice president of the internal audit department;
13. To give approval on the work plan, budget and manpower of the internal audit department;
14. In performing duties under the scope of authority, the Audit Committee shall have the power to invite management, executives or employees of the Company involved to give opinions, attend the meeting or send documents as deemed relevant and necessary;
15. To have authority to hire a consultant or a third party according to the Company's regulations in order to give opinions or advices if necessary;
16. To conduct an audit on matters notified by the Company's auditors when suspicious circumstances are found that a director, executive or person responsible for the operation of the Company has committed an offense as stated in the Securities and Exchange Act and to report the results of the preliminary investigation to the Securities and Exchange Commission and the auditor within thirty days from the date of receiving the notification from the auditor.

- **Composition of the Audit Committee**

The composition of the Audit Committee is as follows:

1. A member of the Audit Committee must be independent directors with the qualifications as stipulated by the SET;
2. A member of the Audit Committee must be appointed by the Company's Board of Directors or the shareholders;
3. The Audit Committee must consist of not less than 3 members with at least 1 member having knowledge or experience about accounting;
4. The Company's Board of Director is to select and appoint 1 Audit Committee member as the Chairman;
5. The vice president of the internal audit department shall be the Audit Committee's secretary by position;
6. The Audit Committee must receive information in accordance with the framework of duties and responsibilities of the Audit Committee and review the performance of the Company, including technical guidelines, knowledge or new developments in internal auditing for the continuous development of the Audit Committee's knowledge so that the performance of the Audit Committee shall be effective.

(2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of 3 independent directors as of December 31, 2021 are as follow:

Name		Position in the Nomination and Remuneration Committee	Date of Appointment
1.	Mr. Adul Vinaiphat	Chairman	September 24, 2019
2.	Mr. Rachai Wattanakasaem	Member	June 23, 2008
3.	Mr. Adisorn Thananan-narapool	Member	March 30, 2018

- Authorities, duties and responsibilities of the Nomination and Remuneration Committee as prescribed in the Charter

1. To determine procedures and criteria in nominating the Company's directors or the top management of the Company from the Managing Director position up, in alignment with the Good Corporate Governance policy;
2. To make selection of the qualified candidates for the position of new director or search for the top management of the Company from Managing Director position up, whose names are to be proposed for the Board of Directors' executive decision;
3. To determine procedures and criteria for fair and reasonable payments of remuneration and other fringe benefits to the Board of Directors and to other committees, the latter having been appointed by the Board of Directors, and propose the aforementioned remuneration scheme for approval during the Shareholders' meeting;
4. To consider, recommend and determine the remuneration and other fringe benefits based upon the duties and responsibilities of the top management of the Company from the position of Managing Director up and to take into account the criteria for performance appraisal in order to determine appropriate annual compensation;
5. To consider and review the structure and criteria relating to compensation under No. 3) and No. 4) so as to ensure that they be appropriate for the responsibilities required and the operating results of the Company, thus, in accordance with the market condition;
6. To consider budgets for pay raises, annual bonuses, and other benefits for the Company's employees;
7. To perform any other duties as assigned by the Board of Directors.

(3) Corporate Governance Committee

The Corporate Governance Committee is comprised of 4 independent directors as of December 31, 2021 are as follow:

Name			Position in the Corporate Governance Committee	Date of Appointment
1.	Mr. Suri	Buakhom	Chairman	December 21, 2010
2.	Mr. Rachai	Wattanakasaem	Member	December 20, 2016
3.	Mrs. Suwanna	Bhuddhapasart	Member	February 28, 2011
4.	Ms. Apinya	Jarutrakulchai	Member	November 24, 2015

- Authorities and duties of the Corporate Governance Committee

1. To determine and review the policies, requirements and work procedures to be in accordance with the principle of good corporate governance;
2. To determine policies and plans relating to the corporate social responsibilities activities of the Company;
3. To monitor the progress of the corporate governance and the social responsibilities work plans and to give recommendations and necessary supports to related work teams in order to achieve the objectives of each plan;
4. To carry out the internal evaluation under the corporate governance criteria in order to determine areas for improvement;

5. To represent the Company in communication and execution of corporate governance activities with the executives, employees and external units;
6. To perform any other duties as assigned by the Board of Directors with consent from the Corporate Governance Committee.

(4) Risk Management Committee

The Risk Management Committee is comprised of 4 independent directors as of December 31, 2021 are as follow:

Name		Position in the Risk Management Committee	Date of Appointment
1.	Mr. Chalerm Kiettitanabumroong	Chairman	February 26, 2019
2.	Mrs. Suwanna Bhuddhaprasart	Member	February 28, 2011
3.	Mr. Pravit Choatewattanaphun	Member	July 1, 2016
4.	Ms. Apinya Jarutrakulchai	Member	November 24, 2015

Remark : Mr. Sommart Promkunakorn has ended from the position of member of Risk Management Committee effective from March 22, 2021 onwards.

- Authorities and Duties of the Risk Management Committee

1. Define the scope, policies, and guidelines for managing risk that may arise in the Company's business operations.
2. Define risk types, make assessment, and manage risks to be at acceptable levels.
3. Monitor and evaluate risk management performance and report the results to the Board of Directors and the Audit Committee, as well as provide recommendations as appropriate.
4. Represent the Company in communicating and conducting risk management activities with various executives, including employees and external agencies.
5. Perform any other operations assigned by the Board of Directors with the approval of the Risk Management Committee.

7.4 Information on the Executive

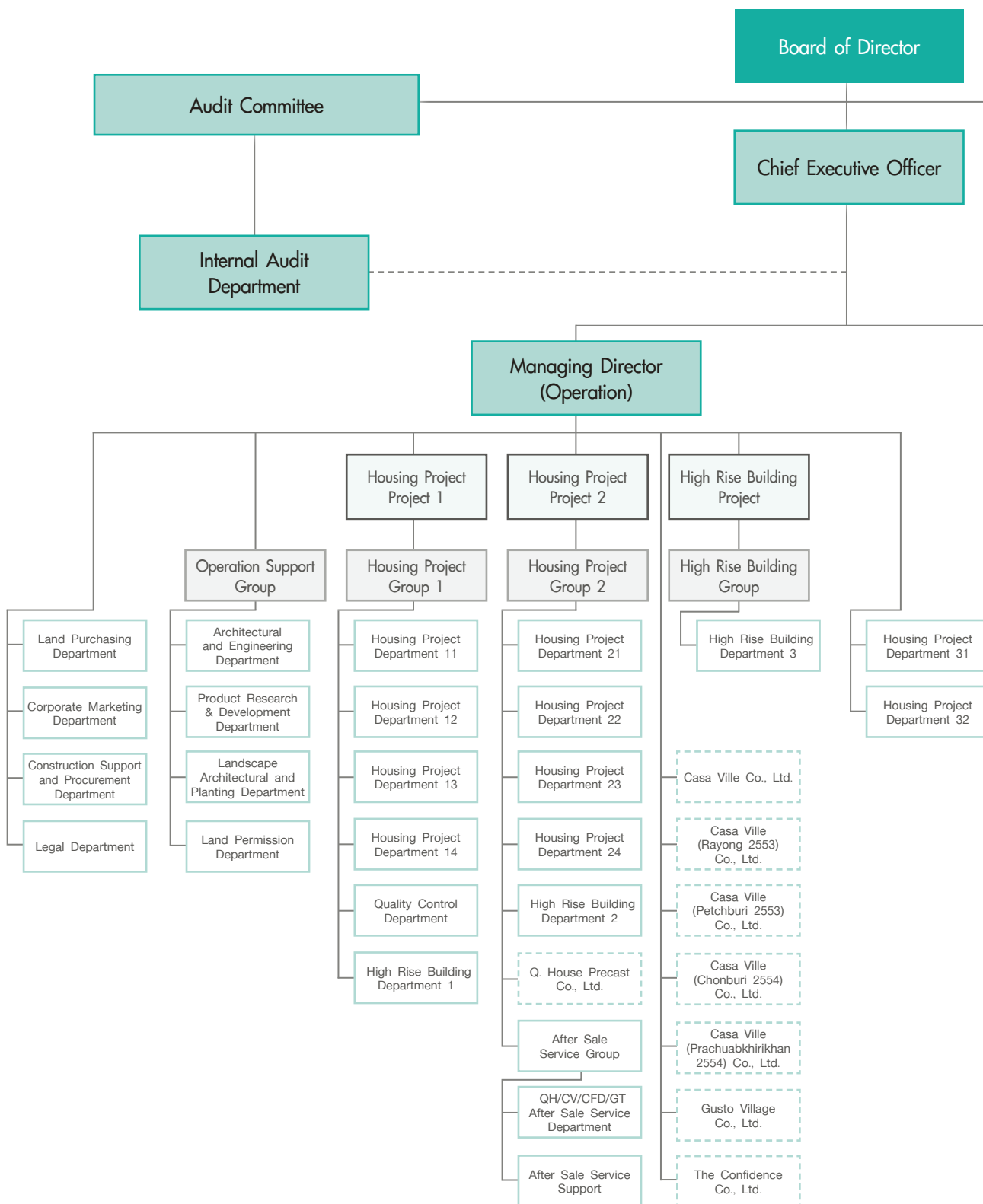
7.4.1 Name and position of the Executive

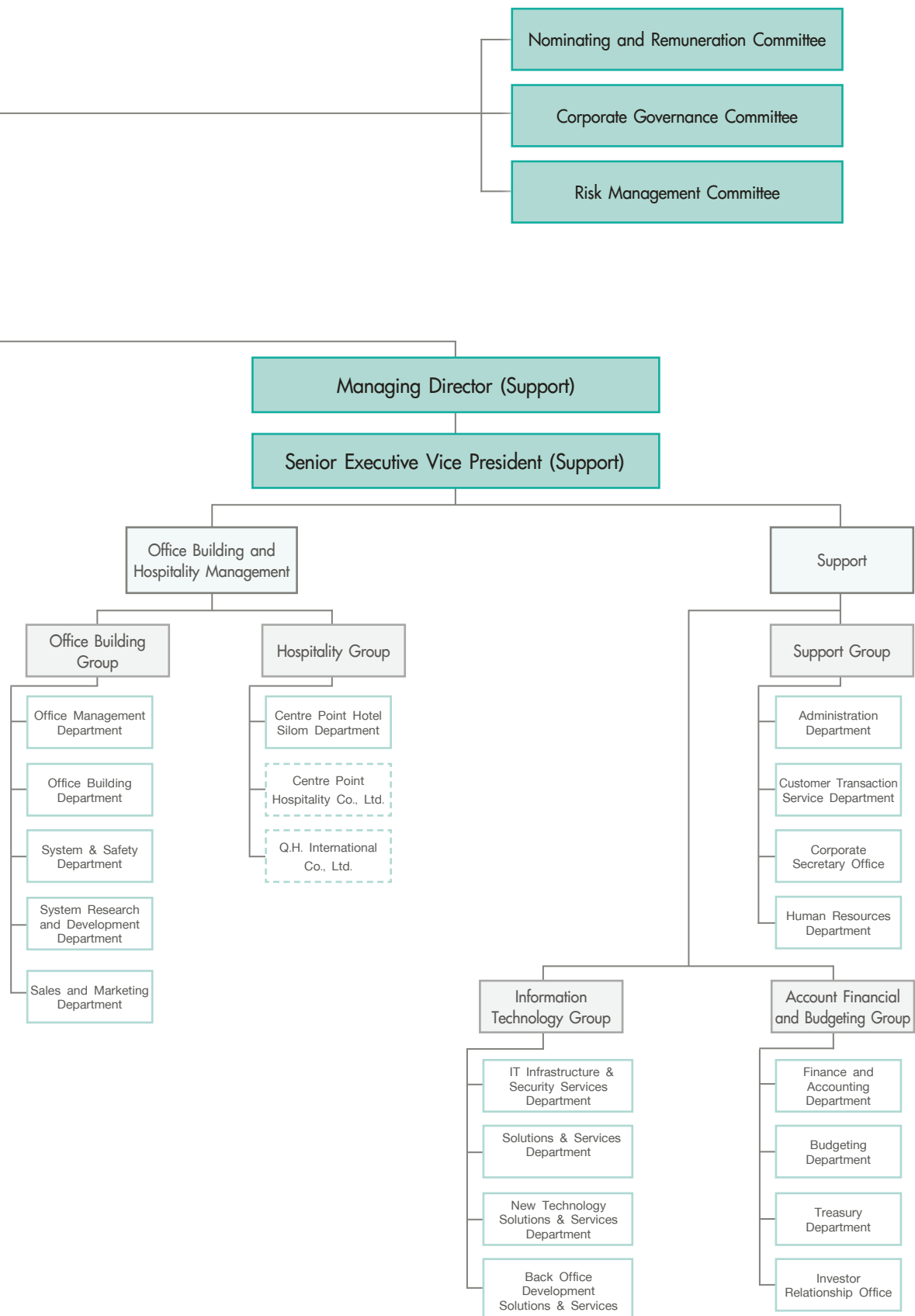
The Company's Executives as of December 31, 2021 are as follows:

Name		Position
1.	Mr. Chalerm Kiettitanabumroong	Chief Executive Officer
2.	Mr. Pravit Choatewattanaphun	Managing Director
3.	Ms. Apinya Jarutrakulchai	Senior Executive Vice President
4.	Mr. Sommart Promkunakorn	Executive Vice President
5.	Mr. Adisak Srisook	Executive Vice President
6.	Ms. Orathai Luengpaitoon	Vice President, Financial and Accounting Department

Remarks : "Executive" is based on the definition from an announcement of the Securities and Exchange Commission

Organization Chart As of December 31, 2021





7.4.2 Executive Remuneration Policy

The Board of Directors oversees the establishment of an appropriate structure and remuneration as follows :

- (1) The Board of Directors will consider the criteria for the evaluation of the performance of senior executives from the position of managing director and above on an annual basis. The evaluation criteria will be consistent with the interests of the Company.
- (2) The Nomination and Remuneration Committee will evaluate the performance of senior executives from the position of managing director and above, and determine the remuneration in connection with the executive's performance and the performance of the Company, and propose to the Board of Directors for further approval. The compensation will be at the same level as other businesses in the same industry.

7.4.3 Remuneration of Executives

From 2019 to 2021, the total remuneration : salary, bonus and provident fund : of the Chief Executive Officer and the next top 4 executives and that for any person holding equivalent position as the fourth executives, including those at the level of Executive Vice President upward was Baht 55.0 million, Baht 46.7 million and Baht 46.3 million, respectively.

7.5 Information on the employees

7.5.1 Number of employees

- (1) As of the end of 2019 to 2021, the Company and its Subsidiaries had 1,083 persons, 1,002 persons and 938 persons, respectively, as detailed below;

(Unit : person)

Business Line	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021
1. Operation	958	879	819
2. Supports	125	123	119
Total	1,083	1,002	938

- (2) Labor disputes in the past 3 years (Jan 1, 2019 - Dec 31, 2021)

- None -

7.5.2 Remuneration

The Company and its subsidiaries provide remuneration for employees in a fair manner according to their duties, responsibilities and annual performance appraisal. Payments include salary, annual bonus, and provident fund. and other types of remuneration include training expenses, medical expenses, health & life insurance premiums and other benefits. The remuneration in 2019 to 2021 was Baht 750.0 million, Baht 648.2 million and Baht 611.1 million, respectively.

7.5.3 Provident Fund

The Company and its subsidiaries has established the Provident Fund for employees whereby each employee voluntarily contributes 2-15% of his/her salary to the fund. The Company and its subsidiaries will also match the same contributes 3-6% with the Provident Fund. The Provident Fund is registered to be managed by a licensed fund management company in compliance with the Provident Fund Act No. 4 B.E. 2558 (2015)

7.6 Other significant information

7.6.1 Corporate Secretary, Assigned person directly responsible for overseeing accounting and head of Internal Audit

(1) Corporate Secretary

The Company's Board of Directors' meeting No. 4/2016 on May 31, 2016, has resolved to appoint Ms. Apinya Jarutrakulchai as the Corporate Secretary, who has responsibility to ensure that activities performed by the Board of Directors be in compliance with relevant legislations, regulations and orders relating to the new version of Securities and Exchange Act. Details of profile and training history information appears in Attachment 1

Duties and responsibilities of the Corporate Secretary

- 1) To provide basic consultancy and advice for directors in regard to legal issues and legislations, rules and regulations of the Company, including significant changes therein, so that the Board of Directors shall be able to operate smoothly with sufficient information whereby to take into account and make decisions with great care and honesty with responsibilities;
- 2) To prepare and compile the following documents
 - List of Directors Registration
 - The Board of Directors' Meeting: Invitation to Meeting, Minutes of the Board of Directors Meeting and Annual Reports of the Company
 - Shareholders' Meeting: Invitation to Meeting and Minutes of the Shareholders' Meeting
- 3) To supervise the disclosure of information and informational reports under the responsibilities of the supervisory units in light of corporate governance and ensure that they be in compliance with governmental rules and regulations;
- 4) To maintain reports on the interest of the directors or executives and to submit copies of the aforementioned reports to the Chairman and the Chairman of the Audit Committee for their examination within 7 days commencing from the date upon which the Company has received the documents;
- 5) To provide a system for keeping documents and related pieces of evidence in an accurate and verifiable manner;
- 6) To make business contacts and communicate with the shareholders in regard to their rights and the company-related news.

(2) The person assigned to take direct responsible for accounting supervision

The person assigned to be directly responsible for overseeing the Company's accounting is the Director of Accounting and Finance, currently Ms. Orathai Luengpaitoon, who is an accountant with qualifications and meet the requirements for accounting in accordance with the criteria set out in the announcement of the Department of Business Development. The training history information appears in attachment 1.

(3) Head of Internal Audit

The person assigned to be responsible for the Company's internal audit supervisor is currently Mrs. Suneerat Puntarikphan. The training history information appears in Attachment 3.

7.6.2 The Office of Investor Relations

The Company designates the Office of Investor Relations as the office responsible for disseminating important information that affects the price of the Company's securities, as well as other important information. Investors can contact the Office of Investor Relations at "www.gh.co.th" in the section "Investor Relations", sub-section "Information Inquiry" under the item "IR Contact" or by email ir@gh.co.th.

7.6.3 Remuneration for the Auditor

- **Audit Fee**

The Company and its subsidiaries paid an audit fee to the auditor of Baht 6,540,000 in 2019 Baht 6,070,000 in 2020 and Baht 6,070,000 in 2021 respectively. The Company has not other expenses relating to the reviewing of financial statements in 2019 - 2021.

- **Non-Audit Fee**

- None -

8. Report on Key Operating Results Related to Corporate Governance

8.1 Summary of duty performance of the Board of Directors in the past year

8.1.1 Selection development and evaluation of duty performance of the Board of Directors

(1) Independent Directors

Qualifications of Independent Directors

The independent directors have important roles in enhancing investors' confidence, imposing a balance on major shareholders' power and promoting the good corporate governance under the principle of international standard. The Company therefore defines the following requirements for its "independent directors", which is in accordance with the minimum regulations prescribed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Below shown are the requirements:

- (A) An independent director must hold no more than 1% of shares with voting rights in the Company, parent company, subsidiaries, associated companies or parties with possible conflict of interest including the shareholding of related individuals of that independent director.
- (B) An independent director must not be or had not been the Company's executive directors, nor served as permanent employees, advisors on regular payroll, and authorized persons of the Company, parent company, subsidiaries, associated companies and same level subsidiaries of the parent company except when the previous association has been terminated at least for more than two years prior to the submission to request for permission from SEC.
- (C) Independent directors must not be a "blood relative" or by legal registration in the nature of father, mother, husband, wife, sibling, child, son or daughter-in-law of the management, major shareholders, authorized persons, or individuals who are about to be nominated as the management or authorized persons who have control over the Company or its subsidiaries.
- (D) Independent directors must not or have not had business relationship with the Company, parent company, subsidiaries, associated companies or parties with possible conflicts of interest in a way that will prevent independent judgment. Furthermore, independent directors must not be or had been major shareholders, directors that were not independent directors, or the management of any party who has a business relationship with the Company, parent company, subsidiaries, associated companies or parties with possible conflicts of interest except when the previous association has been terminated at least for more than two years prior to the submission to request for permission from SEC.

The business relationship earlier mentioned in Clause I includes transactions of normal trading business of rental or real estate for rent, transactions relating to assets or services or the giving or receiving of financial assistance in terms of loans, guarantees, using assets as loan collateral including other similar practices that can result in permit seeker or contractual partner having to take liability that must be repaid to the other party of more than 3% of net tangible asset of the permit seeker or more than Baht 20 million, whichever amount is lower. For the calculation of that loan, it is granted to use the method of calculating value of related transactions according to the Notification of the Stock Exchange of Thailand (SET) under the topic : Disclosure of Information and Other

Acts of Listed Companies Concerning the Connected Transaction. However, in light of summing up the liability, it must take in all liabilities that occurred during one year prior to the starting date of the business relationship with the same individual.

- (E) Independent directors must not be or had not been auditors of the Company, parent company, subsidiaries, associated companies or parties with possible conflict of interest. Independent directors must not be or had not been major shareholders, directors that are not independent directors, the management, or managing partners of auditors' company in which auditors of the Company, parent company, subsidiaries, associated companies or parties with possible conflict of interest, belong to, except when the previous association has been terminated for at least for more than two years prior to submission to request for permission from SEC.
- (F) Independent directors must not be or have been servicing professionals including legal advisors and financial advisors, receiving more than Baht 2 million per annum in remuneration for the service from the Company, parent company, subsidiaries, associated companies or parties with possible conflicts of interest. If the servicing professional is a legal entity, it must include major shareholders, directors that are not independent directors, the management, or managing partners of those servicing professionals, except when the previous association was terminated for at least for more than two years prior to submission to request for permission from SEC.
- (G) Independent directors must not be directors who are representative of directors of the Company, major shareholders, or shareholders that are related to major shareholders of the Company.
- (H) Independent Directors do not engage in a business of the same nature as and which is significantly competitive to that of the Company, or a Subsidiary. An Independent Director is not a significant partner to a partnership or a director with involvement in the management, employees, staff, consultant with monthly salary, or, who holds more than 1% of all shares with voting rights of another company which is engaged in a business of the same nature as and which is significantly competitive to that of the Company or a Subsidiary.
- (I) Independent directors must not have other characteristics prohibiting independent judgment on the Company's operation

After being appointed as independent directors whose characteristics meet the requirements earlier mentioned in the (A) through (I) clauses, independent directors will be assigned by the Board of Directors to make collective decisions together on business operation of the Company, parent company, subsidiaries, associated companies or same level subsidiaries of the parent company or parties with possible conflict of interest.

(2) Nomination of Directors and Top Executive

(2.1) Nomination of Directors

The Nomination and Remuneration Committee will consider the nomination of directors in accordance with the nomination policy and the qualifications of directors as presented in

item 6.1.1 Policy and Guidelines for the Board (2) Director Nomination Policy and propose to the Board of Directors for consideration. The list of such directors will then be proposed to the Shareholders' Meeting for further consideration and approval.

In 2021, 3 of the Company's directors must leave their positions after completing their terms are as follow:

- | | | | |
|----|-------------|-------------------|----------|
| 1. | Mr. Adisorn | Thananan-narapool | Director |
| 2. | Mr. Achawin | Asavabhokin | Director |
| 3. | Ms. Apinya | Jarutrakulchai | Director |

The Company had made an announcement on its website allowing shareholders to propose a list of qualified persons to be nominated for the director positions from October 1, 2020 to December 31, 2020, however, none of the shareholders proposed a list of candidate for the director positions.

The Nomination and Remuneration Committee considered that all three directors who are to leave their positions in 2021 have all the qualifications under the Public Limited Companies Act B.E. 2535 (1992), and have great knowledge, competence and experience in businesses related to the Company's operations. Therefore, the Committee deemed it appropriate to propose the reappointment of the 3 directors who have to leave their positions to be reinstated as directors of the Company. However, the appointment of directors must be voted on by the majority of shareholders attending the meeting and casting vote.

(2.2) Nomination of Top Executive / Succession Plan

Nomination and Appointment of Top Executive

The Nomination and Remuneration Committee will determine the qualifications of the person who will hold the position of the Company's top executive in accordance with the principles of good governance, and in accordance with the scope of authority and duties of the Nomination and Remuneration Committee as defined in the Charter with details in item 7.3 on the information of Sub-Committees, under the section (2) the Nomination and Remuneration Committee, and propose to the Board of Directors for further consideration.

Succession plan of Chief Executive Officer, Managing Director and Senior Executive Vice President

The Company has prepared a succession plan of Chief Executive Officer, Managing Director and Senior Executive Vice President in the case that they are unable to perform their duties or has come to the end of their terms in order to reduce the risk or impact from the lack of continuity of management. Therefore, the Nomination and remuneration Committee will select and recruit qualified persons, which outsiders or insiders can be selected for this position, to suit the situation of the Company at a particular time and propose to the Board of Directors for further approval of the appointment.

(3) Directors and Executives development

- Training Courses for Directors and Executives**

The Company has implemented a policy whereby the directors and executives are encouraged to undergo training courses so as to enhance their work-related knowledge on continual basis such as the ones awarded by the Thai Institute of Directors (IOD) and other renowned institutes.

Below shown is the list of directors and executives who have undergone training courses in 2021:

Name of directors and executives	Training course
Ms. Apinya Jarutrakulchai	TLCA CFO Professional Development Program 2021 <ul style="list-style-type: none"> • No 4 / 2021 “How finance leaders are adapting within the new normal” • No 6 / 2021 “ESG Integration in Sustainable Investing” • No 8 / 2021 “The modern CFO : Driving Digital Transformation of the Finance and Accounting”

- Directors Orientation**

The Committee has assigned the Corporate Secretary to organize the orientation session for all new committee members in which the following documents are to be provided as well:

- 1) Major legislations and regulations issued by authorities;
- 2) Certificates, objectives and, rules and regulations of the Company;
- 3) Good corporate governance policy;
- 4) Director’s handbook;
- 5) Organization chart and the Company’s business;
- 6) Other necessary documents.

(4) Performance evaluation of the Board of Directors

The Board of Directors conducts self-assessment both on a group basis and individual basis at least once a year to review work performance, issues and obstacles during the past year as well as enhance the effectiveness of the work of the Board of Directors.

The Board of Directors has collectively assessed the performance of the year 2021, using 2 assessment forms, “the Board of Directors’ Group Self-Assessment Form” and “the Board of Directors’ Individual Self-Assessment Form”. These 2 forms were prepared by the Company under the principle of corporate governance and the SET guidelines. The topics in each assessment form are listed as follows:

1. The Board of Directors’ Group Self-Assessment Form comprises of following 6 main areas:
 - 1) Structure and qualifications of Directors
 - 2) Roles, duties and responsibilities of the Board of Directors
 - 3) Board of Directors’ Meetings
 - 4) Performance of the Board of Directors
 - 5) Relationship with the Management
 - 6) Self-development of directors and development of executives

2. The Board of Directors' Individual Self-Assessment Form comprises of following 3 main areas
 - 1) Structure and qualifications of Directors
 - 2) Board of Directors' Meetings
 - 3) Roles, duties and responsibilities of the Board of Directors

Process of performance evaluation of the Board of Directors as a group and an individual

The Company Secretary Department will submit the 2 forms of performance evaluation of the Board of Directors to all directors to evaluate the annual performance. After the assessment was completed, the form is returned to the Secretary of the Corporate Governance Committee, who collects the evaluation score of each member, and concludes the Board of Directors' assessment results, then reports to the Corporate Governance Committee for acknowledgement, so that the Chairman of the Corporate Governance will report the evaluation results to the Board of Directors. The criteria of performance evaluation grade are as follows:

Greater than	85% =	Excellent
Greater than	75% =	Very Good
Greater than	65% =	Good
Greater than	50% =	Fair
Equal or Lower than	50% =	Need Improvement

(5) Performance evaluation of the Sub-committees

(5.1) Self - Assessment of the Audit Committee

The Audit Committee has collectively conducted self-assessment as a group for the year 2021, using the "Audit Committee's Self-Assessment Form" prepared by the company under the principle of corporate governance and the SET guidelines. There were 5 main areas having been taken into account as follows:

- Composition of Audit Committee;
- Training and human resources;
- Meeting;
- Audit Committee's activities;
- Relationship with the Internal Audit Director, auditor and the management.

The self-assessment result has revealed that the Audit Committee performed their duties well and met all requirements under the Audit Committee's charter in accordance.

(5.2) Self-assessment of the Nomination and Remuneration Committee as a group

The Nomination and Remuneration Committee has evaluated self-performance as a group in 2021, based on "The Nomination and Remuneration Committee Self-Assessment Form" prepared by the company under the principle of good corporate governance and the SET guidelines. There were 4 main areas having been taken into account as follows:

1. Structure and qualifications of the Nomination and Remuneration Committee
2. The Nomination and Remuneration Committee's meetings
3. Roles, duties and responsibilities of the Nomination and Remuneration Committee
4. Others

(5.3) Self-assessment of the Corporate Governance Committee as a group

The Corporate Governance Committee has evaluated self-performance as a group in 2021, based on “The Corporate Governance Committee Self-Assessment Form” prepared by the company under the principle of corporate governance and the SET guidelines. There were 3 main areas having been taken into account as follows:

1. Structure and qualifications of the Corporate Governance Committee
2. Roles, duties and responsibilities of the Corporate Governance Committee
3. The Corporate Governance Committee’s meetings

(5.4) Self-assessment of the Risk Management Committee as a group

The Risk Management Committee has evaluated self-performance as a group in 2021, based on “The Risk Management Committee Self-Assessment Form” prepared by the company under the principle of good corporate governance and the SET guidelines. There were 3 main areas having been taken into account as follows:

1. Structure and qualifications of the Risk Management Committee
2. Roles, duties and responsibilities of the Risk Management Committee
3. The Risk Management Committee’s meetings

Process of performance evaluation of the Sub-committee

Each sub-committee’s secretary shall submit the performance evaluation form of the committee to individual committee member for annual performance evaluation assessment. After the assessment is completed, the form shall be returned to the secretary of each sub-committee, who collects the evaluation score of each committee member, and concludes the committee’s assessment results, then reports to each sub-committee for acknowledgement. Afterwards, the Corporate Governance Committee secretary shall gather the evaluation score of each sub-committee, summarize and report to the Corporate Governance Committee. Therefore, the Chairman of the Corporate Governance Committee shall report the performance evaluation results in the next Board of Directors’ Meeting.

Performance evaluation for the Chief Executive Officer

The Nomination and Remuneration Committee shall conduct performance evaluation for the Chief Executive Officer, as well as taking into account the matter of remuneration, and then have the instrument submitted to the Board of Directors for the latter’s approval once a year based upon the following key issues:

1. Finance
2. Customer
3. Internal business operation of the company
4. Learning and human resources development

8.1.2 Meeting attendance and remuneration payment to the Board of Directors

(1) Board of Directors' Meeting

The Company has convened the Board of Directors' meeting so as to approve the vision, strategies, goals, policies, business plans and budgets of the Company, as well as to follow up on the management team's administrative operations and ensure that the Company's goals and business plans are incessantly achieved. The Board of Directors held 9 meetings in 2021. The corporate secretary will dispatch an invitation letter to the meeting together with meeting agendas and all relevant documents to the directors 7 days in advance, in order that the directors had enough time to study the data/information prior to participating in the meeting, whereupon all directors would be able to independently express their professional opinions while not being subject to any person's will or that of a group of persons. Minutes of each of those meetings, including directors' opinions, will be recorded clearly in writing. And held 1 Annual General Meeting of Shareholders on April 22, 2021. (e-AGM).

The detail of the Board of Directors' Meeting on 2021 are as follows:

Name	Position	Meeting attendance / Total number of attendances			
		Board of Directors' Meeting		Annual General Meeting of Shareholders	
		Times	%	Times	%
1. Mr. Boonsom Lerdhirunwong	Chairman and Independent Director	9/9	100	1/1	100
2. Mr. Rachai Wattanakasaem	Independent Director	9/9	100	1/1	100
3. Mr. Suri Buakhom	Independent Director	9/9	100	1/1	100
4. Mr. Adul Vinaiphat	Independent Director	9/9	100	1/1	100
5. Mr. Naporn Sunthornchitcharoen	Director	9/9	100	1/1	100
6. Mr. Adisorn Thananan-narapool	Director	9/9	100	1/1	100
7. Mrs. Suwanna Bhuddhaprasart	Director	9/9	100	1/1	100
8. Mr. Achawin Asavabhokin	Director	9/9	100	1/1	100
9. Mr. Chalerm Kiettitanabumroong	Director	9/9	100	1/1	100
10. Mr. Pravit Choatewattanaphun	Director	9/9	100	1/1	100
11. Ms. Apinya Jarutrakulchai	Director	9/9	100	1/1	100

Internal meeting of non-executive directors

Non-executive directors convene internal meetings to discuss certain issues in which they took interest in but with no presence of the management team. In 2021, there was 1 meeting on November 10, 2021. (In 2020, there was 1 meeting on November 19, 2020).

(2) Remuneration of the Board of Directors

The Nomination and Remuneration Committee shall take into account the remuneration scheme for directors based upon their responsibilities and performance, the Company's business type and the size of the business, market situations including competition, by ensuring that it be established at a suitable level and the incentives be good enough to attract and retain the talent pool of superior quality.

The Nomination and Remuneration Committee shall prescribe how the remuneration scheme should be and the type, the method of payment, and the suitable amount of such payment, all of which then shall be proposed to the Board of Directors for their consideration and approval, and to the shareholders during the Annual General Shareholders' Meeting for their approval. The package shall be disclosed to the public as well.

1. Monthly Remuneration and Meeting Allowance

• Monthly Remuneration

This type of payment is made payable to the Company's directors on monthly basis whether or not there be directors' meeting.

• Meeting Allowance

This type of payment is made payable to non-executive directors for each of the meetings they attend; note that payment shall be made to those who participate in the meeting only in order to reward those who take part in meetings on regular basis.

During the 2021 Annual General Meeting of Shareholders held on April 22, 2021 a resolution has approved the Remuneration and Meeting Allowance effective from May 2021 onwards, in the amount of not exceeding Baht 12 million the details are as follows :

Position	Monthly Compensation Board of Directors (Per Month)	Meeting Allowance (Per Meeting)			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee
Chairman	50,000	38,000	38,000	38,000	38,000
Directors	40,000	30,000	30,000	30,000	30,000
Executive director	40,000	-	-	-	-

Remark : In any case, the executive directors of the Company shall not receive the Meeting fee.

In 2021, the Company paid the directors' monthly remuneration and meeting allowance in total amount of Baht 8.9 million.

2 Directors' bonus

The 2021 Annual General Meeting of Shareholders held on April 22, 2021 had a resolution to approve the directors' bonus for the year 2020 to all directors in total amount not exceeding Baht 12.5 million.

Details of remuneration categories are shown as follows:

(Unit : Thousand Baht)

Name	Position	Monthly Remuneration Board of Directors	Meeting Allowance				Total	Bonus ⁽¹⁾	Other
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee			
1. Mr. Boonsom Lerthirunwong	Chairman and Independent Director	600.0	342.0	-	-	-	942.0	1,388.9	-
2. Mr. Rachai Wattanakasaem	Independent Director, Chairman of Audit Committee, Member of Nomination and Remuneration Committee and Member of Corporate Governance Committee	480.0	270.0	228.0	90.0	120.0	1,188.0	1,111.1	-
3. Mr. Suri Buakhom	Independent Director, Chairman of Corporate Governance Committee, and Member of Audit Committee	480.0	270.0	180.0	-	152.0	1,082.0	1,111.1	-
4. Mr. Abdul Vhaiphath	Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit Committee	480.0	270.0	180.0	114.0	-	1,044.0	1,111.1	-
5. Mr. Naporn Sunthornchitcharoen	Director	480.0	270.0	-	-	-	750.0	1,111.1	-
6. Mr. Adisorn Thananan-narapool	Director and Member of Nomination and Remuneration Committee	480.0	270.0	-	90.0	-	840.0	1,111.1	-
7. Mrs. Suwanna Bhuddhaprasart	Director, Member of Corporate Governance Committee and Member of Risk management Committee	480.0	270.0	-	-	120.0	870.0	1,111.1	-
8. Mr. Achawin Asavabhokin	Director	480.0	270.0	-	-	-	750.0	1,111.1	-
9. Mr. Chalerm Kiettianabumroong	Director and Chairman of Risk management Committee	480.0	-	-	-	-	480.0	1,111.1	-
10. Mr. Pravitt Choetawattianaphun	Director and Member of Risk management Committee	480.0	-	-	-	-	480.0	1,111.1	-
11. Ms. Apinya Jarutrakulchai	Director, Member of Corporate Governance Committee and Member of Risk management Committee	480.0	-	-	-	-	480.0	1,111.1	-
Total		5,400.0	2,232.0	588.0	294.0	392.0	8,906.0	12,500.0	-

Remark: ⁽¹⁾ Bonus according to the information was the compensation paid in the previous year as approved by the Annual General Meeting of Shareholders.

8.1.3 Governance of Subsidiaries

The Company's directors shall approve the establishment of vision, strategies, policies, business plan and budget of the Company to be used as frameworks or goals of the management for operation to achieve the result prescribed by the Company's Board of Directors. All of the approvals by the Company's Board of Directors include the subsidiaries and associated companies as appropriate in management. The detail of the Corporate Governance Policy of Subsidiaries presented on Section 6.1.1 Policy and Guidelines for the Board (7) Subsidiaries Supervision Policy.

8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

(1) Prevention of conflicts of interest

The Audit Committee regularly reviews connected or related transactions to ensure that the conditions for the transactions serve the best interest of the Company by treating them as though they were ones being conducted with outsiders on an "arm's length basis". The Audit Committee also supervises the Company and ensures that the latter proceed and disclose relevant information of these related transactions completely and in compliance with official regulations prescribed by the authorities.

In addition, the Company has ensured that the shareholding structures among the Company, subsidiaries, associated and related companies will not pose any conflict of interest. The Company also announces the acquisition / disposal of assets and of connected transactions for all employees in order for them to be aware of the guidelines to comply with the official regulations prescribed by the authorities as per details shown in Connected Transactions section.

(2) Use of inside information to seek benefits

The Company has the policy to control the use of the Company's internal data for personal benefits by prohibiting the directors and/or executives to use the Company's data for personal benefits. Disclosed details of the use of internal information policy in Topic 6.1.2 Policy and guidelines related to shareholders and stakeholders (4) Supervision on the use of internal information.

In case directors and/or executives has breached the law and caused damage to the Company and the third parties, the Company shall cooperate and coordinate with the regulatory authorities to take legal actions.

(3) Anti-corruption action

The Board of Directors approved "the Anti-Bribery and Corruption Policy and Measures", was specified as the duties and responsibilities of the directors, executives and all employees which should be acknowledged, understood and strictly conformed to the policy and code of practice.

The Anti-Bribery and Corruption Policy

- **Resolutions and policies of the Board of Directors regarding business operations not related to corruption corruption and scope of operation**

According to the Board of Directors' Meeting No.1/2015 held on February 24, 2015, the Board of Directors approved the Anti-Bribery and Corruption Policy by including in "the Corporate Governance Policy" and "Business Ethics" of the Company.

The Board of Directors meeting No.1/2016 held on February 26, 2016 approved "the Anti-Bribery and Corruption Policy and Measures" separately from "the Corporate Governance Policy" and "Business Ethics" of the Company. The Company presented this policy and code of practice including "the Corporate Governance Policy" and "Business Ethics" on the Company's website. This shall increase the channels for the executives and employees to acknowledge the code of practice and implement effectively. All stakeholders are also to know the intention and determination of the Company in developing the Company and the nation to be free from corruption onwards.

In addition, the Board of Director has approved the "Anti-Corruption Policy" with latest update according to the resolution from the Board of Director Meeting No. 8/2018 on December 24, 2018.

The measures and guidelines on Anti-Bribery and Corruption cover the following operation of the Company:

1. The Company has conducted bribery and corruption risk assessment and set out the measures that match the risks and comply with internal control system;
2. The Company has defined the operational process that is adequate for implementation according to the policy which can prevent bribery and corruption in business operation;
3. The Company has provided orientation and training to the personnel in order to let them realize and understand the policies, measures and procedures on anti-bribery and corruption;
4. The Company has established an internal control system in order to ensure the efficiency and effectiveness of the Anti-Bribery and Corruption Policy that covers the process of financial and accounting data collection, as well as other processes involving the Company's operation;
5. The Company has conducted the reporting, monitoring and reviewing of the Anti-Bribery and Corruption Policy compliance, with a proper process to ensure that the policy is complete, adequate and up-to-date;
6. The Company has provided secure communication channels for its employees and all stakeholders, in order to request for suggestion, report the suspected behaviors, recommend or file complaints about bribery and corruption, with the right protection measure for aforementioned people;
7. The Company has provided the communication of the Anti-Bribery and Corruption Policy both internally and externally, in order to let all stakeholders learn more about the policy, including the notification to subsidiaries, associates and other companies under the Company's control, as well as the business representatives, to adopt the Anti-Bribery and corruption policy of the Company;

- **Participation in Thai Private Sector Collective Action Coalition Against Corruption**

The Company has emphasized and promoted honest and transparent business operation, as well as strict compliance with the law. In addition, the Company realizes that apart from negative impacts on business operation, reputation and image of the Company, bribes and corruptions are also the obstacles for sustainable growth of the Company.

The Board of Directors of the Company resolved that the Company must show its intention to participate in Thailand's Private Sector Collective Action Coalition Against Corruption and the Chairman of the committee of Thailand's Private Sector Collective Action Coalition Against Corruption acknowledged our participation in the project on December 26, 2014.

To be in accordance with and meet the Company's anti-corruption objective, the Company established an Anti-Corruption Working Group comprising of representatives from all departments with the Chief Executive Officer as the chairman. On December 8, 2016, the Company completed and submitted the "Self-Evaluation Tool for Countering Bribery" form to be certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption.

On March 9, 2017 the council of Thailand's Private Sector Collective Action Coalition Against Corruption's resolved that "Quality Houses Public Company Limited" is a certified member. The certification has a validity period of 3 years from the date of certification resolution.

On November 4, 2019 the Company has been renewed the "Certification of Membership of the Private Sector Collective Action Coalition Against Corruption" for 3 years.

Implementation

- **Business Risk Assessment**

The Company shall assess the risks in various transactions of the Company that may contain procedures or processes that constitute corruption by reviewing the Company's corruption risk management policy at least once a year, as well as reviewing the existing risk management measures in order to be appropriate to prevent or reduce the risk to an acceptable level.

- **Guidelines for Anti-Bribery and Corruption**

The Company has the following guidelines for anti-bribery and corruption:

1. Political Aid

- 1.1 The Company remains in its politically neutral state, with no supports for any political party in particular ;
- 1.2 In the event that the Company may have an intent to provide political support in the name of democracy, such action shall not fail to comply with the laws related to the issue; nor shall the Company be doing so in expectation of being provided with special treatment. Company procedures in light of the matter must be strictly observed ;

1.3 Employees are free to participate in political activities under the Thai Constitutional laws, the Company's property or anything including tools, equipment, etc., belonging to the Company, shall not be cited to strategically produce satisfactorily political results or benefits; in addition, good care must be taken to ensure that no miscomprehension be made in regard to the Company's non-partisan, good principle.

2. Donation for Charity

- 2.1 The Company has a policy on donation for charity both in terms of financial support and others such as donation of goods, participating in various activities, etc., so as in remaining adhered to its ethical framework of social responsibility;
- 2.2 Employees must take precautions and ensure that donations for charity not be directed towards corruptive behaviors such as bribery and the likes, and that their good deeds be done with transparency and in compliance with the laws;
- 2.3 The Company's money or property must be spent or used in light of donation for charity 'only' in the Company's name, typically for the good of such establishments as foundation, public charity organization, temple, hospital or other social benefit organizations, all of which must also be in possession of official certificate and verifiable in entity; implementations are to be made according to the Company's rules and regulations.

3. Monetary Support

- 3.1 Being a sponsor may be a public relations instruments rightfully adopted by the Company;
- 3.2 Employee must ensure with good care that, in case of donation, it be made strictly for charity purpose in order that the Company's sponsorship shall not be misused as another means of avoiding being labeled as giving bribes, and so that actions have been taken with transparency in accordance with the laws;
- 3.3 Employee must ensure with good care that the Company's money or property spent or used in providing supports for certain projects be credited to the Company's name only, and that the aforementioned actions must have been taken strictly for the benefits of the Company's reputation and positive brand image, etc.

4. Gifts/presents, service fees and other expenses

- 4.1 Directors, Executives and Employees shall not accept or ask for gifts or other benefits from trading partners, contractors, advisors and other related parties in all situations that could lead to unfair decision making or conflict of interests.
- 4.2 Directors, Executives and Employees shall avoid giving or accepting gifts or benefits from trading partners and related parties, except gifts for traditional festivals with reasonable prices unrelated to bonding or decision making. In addition, giving or accepting gifts with transparency and formal are acceptable.
- 4.3 Directors, Executives and Employees shall avoid giving or accepting unusual reception from related parties.

- **Employees' Communication and Training**

1. Provide orientation and training on anti-corruption policies and measures to directors, employees, and executives at least once a year.
2. Encourage directors and executives to be involved in educating employees to set a good example of operating in compliance with anti-corruption policies and measures.

On 21 July, 2021, the company has sent internal audit officers to participate in the Road to Certify course with THAI CAC, a course on anti-corruption policies and practices organized by the Thai Institute of Directors Association (IOD).

- **Monitoring and Evaluation**

To ensure that anti-corruption policies and measures are implemented thoroughly throughout the organization and have clear oversight, the Company has set out the responsibilities of the management as follows :

- Provide internal control mechanisms and systems that support the implementation of anti-corruption policies and measures.
- Present urgent issues regarding corruption (if any) to the Audit Committee and the Board of Directors.
- Regularly report the results of the audit in accordance with anti-corruption policies and measures to the Audit Committee and the Board of Directors .
- Encourage subordinates at all levels to recognize the importance of complying with anti-corruption policies and measures.

- **Operating process after receiving clues / complaints**

1. The Audit Committee sends the clues / complaints to an Internal Audit Department for preliminary inspection. Any intimidate activities leading to damages would be a disciplinary offense.
2. If the clues / complaints in No.1 are real, an Internal Audit Department will direct the clues / complaints to related departments, and the process will be monitored by an Internal Audit Department and presented to the Audit Committee for consideration.

- **Protection of whistleblower or complainant**

Whistleblower or complainant, including the company's employees, customers and sub-contractors or other related parties, shall be protected by law or the company's regulation.

(4) Whistleblowing

The Company has instated that superiors in each and every level within the organization take actions on ensuring that their subordinates be informed, understand and comply with the Company's business ethics, rules and regulations stipulated in the articles of association, the corporate governance, as well as a series of legislations and legal codes. In addition, employees must not ignore any corruption-related activities. Any intimidate activities leading to damages would be a disciplinary offense. The Company has established guidelines for deliberation and interrogation with transparency and verifiability in light of complaints and such.

In order for all stakeholders are to be treated equally and in fairness, the Company has established a series of channels through which petitions and complaints, as well as suggestions and feedbacks, may be directed in the event that - from the Company's business operations or to its employees' possible misconducts related with suspicious behaviors deemed bribery and corruption.

The petitioners can submit the clues and complaints including related evidences by following channel :

Mr. Rachai Wattanakasaem Chairman of Audit Committee E-mail : rachai.w@qh.co.th

Mr. Suri Buakhom Member of Audit Committee E-mail : suri@qh.co.th

Mr. Adul Vinaiphat Member of Audit Committee E-mail : adul.v@qh.co.th

Such emails could be found on the Company's website.

(5) Report of stake holding of directors

At the Board of Directors' Meeting No.6/2009 convened on June 25, 2009, the Board of Directors has approved the criteria and procedures of reporting interest with respect to its directors and executives, whereby they are required to disclose all information relating to their interests (stakeholding), those belonging to their Connected Transactions, and then have it all submitted to the Company, as shown below:

- 1) Directors and executives must report their stake holding and/or that of their Connected Transactions, to the Company by utilizing the form of reporting as prescribed by the Company;
- 2) Directors and executives must report under 1) as follows:
 - Within 30 days after the date of appointment;
 - Within 30 days upon change of data in the latest report;
- 3) The person who is required to report under 1) must submit a written report to the Corporate Secretary within 3 working days from the date of report preparation;
- 4) The Corporate Secretary shall submit a copy of the report of stake holding under 3) to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the date the Company has received the document.

Report of Changes in Shareholding of the Directors/Executives as of December 31, 2021

Name	Position	Dec 31, 2020		Change in 2021		Dec 31, 2021	
		Number of shares	Portion (%)	Acquired (shares)	Disposed (shares)	Number of shares	Portion (%)
1. Mr. Boonsom Lerdhirunwong	Chairman and Independent Director	-	-	-	-	-	-
2. Mr. Rachai Wattanakasaem	Independent Director, Chairman of Audit Committee, Member of Nomination and Remuneration Committee and Member of Corporate Governance Committee	-	-	-	-	-	-

Name	Position	Dec 31, 2020		Change in 2021		Dec 31, 2021	
		Number of shares	Portion (%)	Acquired (shares)	Disposed (shares)	Number of shares	Portion (%)
3. Mr. Suri Buakhom	Independent Director, Member of Audit Committee and Chairman of Corporate Governance Committee	-	-	-	-	-	-
4. Mr. Adul Vinaiphat	Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit Committee	-	-	-	-	-	-
5. Mr. Naporn Sunthornchitcharoen	Director	100,000	0.00093	-	-	100,000	0.00093
6. Mr. Adisorn Thananan-narapool	Director and Member of Nomination and Remuneration Committee	1,101	0.00001	-	-	1,101	0.00001
7. Mrs. Suwanna Bhuddhaprasart	Director, Member of Corporate Governance Committee and Member of Risk Management Committee	7,013,754	0.06546	-	-	7,013,754	0.06546
8. Mr. Achawin Asavabhokin	Director	-	-	-	-	-	-
9. Mr. Chalem Kiettitanabumroong	Director, Chief Executive Officer and Chairman of Risk Management Committee	136,500	0.00127	-	-	136,500	0.00127
Mrs. Wipha Kiettitanabumroong	Spouse						
10. Mr. Pravitt Choatewattanaphun	Director, Managing Director and Member of Risk Management Committee	-	-	-	-	-	-
11. Ms. Apinya Jarutrakulchai	Director, Senior Executive Vice President, Member of Corporate Governance Committee and Member of Risk Management Committee	-	-	-	-	-	-
12. Mr. Adisak Srisook	Executive Vice President	33	0.00000	-	-	33	0.00000
13. Mr. Sommart Promkunakorn	Executive Vice President	-	-	-	-	-	-

8.2 Report on the results of duty performance of the Audit Committee

8.2.1 Number of the Audit Committee's meetings and the attendance of each member

Number of meeting attendances of each committee member in years 2021 are shown as follows:

Name	Position	Meeting attendance / total number of meetings (times)
1. Mr. Rachai Wattanakasaem	Chairman of Audit Committee	6/6
2. Mr. Suri Buakhom	Member of Audit Committee	6/6
3. Mr. Adul Vinaiphat	Member of Audit Committee	6/6

The Audit Committee has convened 6 meetings in 2021 with the Company's auditors without the presence of the Company's management team.

8.2.2 Describe the results of duty performance of the Audit Committee

Details of the results of duty performance of the Audit Committee are reported in page 6

8.3 Report on the results of duty performance of the other Sub-committee

8.3.1 Number of the Sub-committee's meetings and the attendance of each sub-committee member

Number of meeting attendances of each Sub-committee member in years 2021 are shown as follows:

Name		Meeting attendance (times)		
		Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee
1. Mr. Adul	Vinaiphat	3/3		
2. Mr. Adisorn	Thananan-narapool	3/3		
3. Mr. Rachai	Wattanakasaem	3/3	4/4	
4. Mr. Suri	Buakhom		4/4	
5. Mrs. Suwanna	Bhuddhaprasart		4/4	2/2
6. Ms. Apinya	Jarutrakulchai		4/4	2/2
7. Mr. Chalerm	Kiettitanabumroong			2/2
8. Mr. Pravit	Choatewattanaphun			2/2

8.3.2 Describe the results of duty performance of the Sub-committee

Details of the results of duty performance of the Nomination and Remuneration Committee are reported in page 9

Details of the results of duty performance of the Corporate Governance Committee are reported in page 10

9. Internal Control and Related Party Transactions

9.1 Internal Control

During the Board of Directors' Meeting No.1/2022 held on February 23, 2022, which was attended by all 3 Audit Committee Members, the Board of Directors evaluated the internal control system using "Internal Control Adequacy Assessment Form", accessible from SEC website. They jointly considered and inquired certain information and intelligence from management to evaluate the Company's internal control system in 5 disciplines, including;

1. Internal Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

According to the Board of Directors' evaluation, the Company's internal control system has been found sufficiently and appropriately established with sufficient personnel to effectively implement the system as well as an internal control system to supervise and monitor the business operations of subsidiaries and prevent from any illegitimate utilization by the Board of Directors or management of both the Company and its subsidiaries' corporate resources and against conducting transactions with parties with potential conflicts and related parties. As for internal control in other subjects, the Board of Directors also had the opinion that there was sufficient control.

The independent directors and members of the Audit Committee had the same opinion with the Board of Directors.

The details of the 5 disciplines are summarized below;

1. Internal Control Environment

The management team and employees have proven optimistic and in possession of positive attitudes rightfully in favor of the internal control criteria. The management team have placed the importance upon business ethics and integrity; therefore, in the event that there stood a breach of the codes of conduct, thus affecting the elements of business ethics and integrity, the incidents were to be treated with fairness and transparency in response to the given circumstances and in accordance with the audit report on the case-by-case basis.

In general, the Company's internal control system has been found suitable and efficient in favor of its implementation as a whole as exemplified in the following examples:

- The Board of Directors have managed to ensure that the Company has a set of well-defined business goals, all of which are assessable and practically utilized as guidelines for performance appraisal and business conducts by both the management team and employees at operational level;
- The Board of Directors have managed to ensure that the Company prescribes the duties and responsibilities of both the committees and executive officers in compliance with the law and the charter;

- The Board of Directors have proven knowledgeable in the Company's business operations and in possession of expertise of use accordingly, or at least resourceful enough to solicit professional pieces of advice and opinions by specialists with no difficulty. In addition, the Board of Directors are comprised of independent directors of note with knowledge, competency, trustworthiness and are able to independently operate as well;
- The Company has provided for an instrument of the organizational chart which is proven of great use to the Management team/executive officers' tasks in terms of both effectiveness and efficiency;
- Duties and responsibilities have been determined and assigned properly while authority has been addressed in strictly legitimate manner, which allows for operations to have been as optimally carried out within the organization as possible, i.e. among the Board of Directors, executive officers and management team, as well as the employees at operational level;
- The Company has reviewed its operational goals to ensure that they are properly and prudently prescribed in addition to a well-defined paradigm of performance appraisal process, incentive scheme, as well as disciplinary actions upon tardiness and ineffectiveness when and where necessary, all of which are to be communicated and made known to the employees and their superiors (including executive officers and management team);
- The Company has defined and established the Code of Conduct in writing to be properly observed by both management team and employees, as well as monitored their observance accordingly. This includes prohibiting the aforementioned groups from acquitting in such manner that may cause conflicts of interest with the Company's businesses, as well as preventing from any of corruptive behaviors and misconducts, with which failure to comply shall be addressed in form of disciplinary actions;
- The Company has established a written Anti-Corruption Policy to be used as a guideline, operations process for the operational personnel's adoption to be in alignment with anti-corruption measures. It also acts as a communication tool for both inside and outside of the Company for all stakeholders to acknowledge the serious stance the Company has taken on anti-corruption.
- The Company has prescribed the rules and regulations, as well as policies, all in writing, in dealing with risk-prone transactions including financial, procurement and administrative ones, etc., in aims at preventing corruptions and damages that could have incurred;
- The Company has managed to provide the operation control and monitor systems for those in charge, including the Internal Audit Department, the latter of which retains autonomy in auditing and reporting directly to the Audit Committee, whose duties include making inspection in accordance with business risk priority, covering critical work processes within the Company and its subsidiaries.

The Audit Committee has supervised the internal audit work by giving approvals of the annual audit plans, acknowledging the audit results, providing opinions on how to implement the well-defined internal control system in order to prevent or reduce potential risks, as well as drawing up guidelines for reporting the follow-up results of revisions so that the internal audit work shall be proceeded properly and effectively. In 2021, no significant errors related to the internal control have been found.

2. Risk Assessment

The Company has placed the importance upon the issue of risk management and thus established “the Risk Management Committee” in association with the comprehensive risk categories so as to evaluate and follow up both the overview and the details of risk management plans pertaining to each individual unit within the Company on regular basis. In addition, the Company has managed to ensure that the systems of risk management report must be implemented in proper and timely manner. The Company’s executives have evaluated the situations and risks and analyzed the incidents which may have had impacts on, and caused damage to, the Company. In response, the Company has prescribed the preventive and corrective measures against those risks while assiduously monitored and followed up with the incidents attributed to the risk factors, as well as implemented the measures in aims at reducing the risks accordingly. Furthermore, the Risk Management Committee has approved and initiated communications of risk management policy with the executive officers/management team and all staff members for their acknowledgement and actions to such an extent that it will have become a part of the organization as a whole. The Risk Management Committee also reports the performance on a regular basis to the Audit Committee.

The Company has proven to be in compliance with generally certified accounting standards, which is of good use to its business operations. In regard to this matter, the Company has specified a list of essential items of financial transactions by taking into account such important factors as users of those financial transactions, transaction size and business trends.

The Company’s financial report reflects upon how its business operations and activities have been implemented in practice whereby a complete list of financial transactions are revealed, as well as the rights and obligations to be honored by the Company, all of which are accurately and completely manifested.

3. Control Activities

Managerial/executive control of operation signifies an important factor to ensure the Company and its shareholders that the guidelines stipulated by the Management must be responded and observed by all employees as follows:

- The Company has determined the scope of authority, as well as financial limits and power of attorney, to be exercised by the management team at each level in writing and well-defined manner in the form of regulations on payment approval authority;
- The Company has allocated professional duties and responsibilities into 3 areas as follows:
 - (1) Approval;
 - (2) Recording of accounting transactions and information;
 - (3) Asset management.

The objective of such allocation is intended to provide for delegation and cross examination.

- Safety control in light of IT system has been properly addressed whereby user levels are determined and categorized strictly in accordance with an employee's scope of duties and responsibilities; the rights to make use of certain programs have also been determined in compliance with the chain of command;
- In case of business transactions being carried out with the related parties, the Company has established a set of concise measures in light of monitoring and ensuring that the aforementioned activities must be performed in compliance with the processes prescribed by the authorities while being strictly treated as a case of normal transactions conducted with external parties, thus upon the so-called arm's length basis for the Company's highest benefits;
- In the event that business transactions with the related parties are to be approved in such manner that they shall become bound with the Company on a long term basis, the Company has managed to audit and monitor on regular basis as to whether or not the terms and conditions upon which both or all parties have been agreed are being strictly observed;
- In the event that the Company has made investments in subsidiaries or associated companies, the Company shall ensure that their performances must be analyzed and evaluated on a regular basis;
- The Company has established controlling measures in light of its business operations to ensure compliance with the related laws to reduce operational risks and preserve the Company's great name and reputation.

4. Information and Communication

The Company continuously develops and improves its Information Technology systems to support the expansion and operation of the Company, with the aims to increase productivity and reduce manual work and good control, as well as makes necessary adjustments according to government regulations.

The Company's IT systems support multi-company operations, and payments are controlled through budget system and approval process based on positions. All payment systems, at both receiving and paying sides, are linked from the front office to the financial accounting systems for the work to be done correctly, timely and efficiently. In addition, the Company has increased the convenience and speed of work by implementing systems such as sending automated reports to executives, related employees as well as stores, and having various warning systems to provide timely work, including self-service systems to employees.

In addition, the Company emphasizes the importance of adhering to the Personal Data Protection Act, thereby improving its system of work and working methods to ensure the security of personal data access, with consent systems to collect, use, and disclose personal data from customers and stakeholders, as well as improving IT Policy in accordance with the Act and increasing internal control systems for the access of such information such as limiting rights, hiding some information, and discontinuing certain types of data collection.

As for the data access security controls, systems are connected to the central login system, which will automatically disable the account when the employee resigns, and utilize one time password in critical work systems where the system will send SMS message to the number that was declared with the staff department, thus increasing the security of accessing to important work systems.

In regard to data/information backup system, 3 actions are to be taken, including,

1. Information on daily activities shall be 'backed up' and maintained in a separate server;
2. The backup database shall be taped, transferred and maintained to keep in a safe place outside the organization on daily basis;
3. Data and information shall be transmitted to a Data Backup Center every 30 minutes while the latest pieces of data and information are examined via automatic e-mail messages and shall be transmitted to those in charge 10 times a day.

Pertaining to a variety of applications including Executive Information System (EIS), Extranet, Intranet, as well as the organization's main applications, they are to be replicated and transferred to a Data Backup Center on daily basis. Additionally, the 'disaster recovery' backup program must be tested at Data Backup Center 1 time a year.

5. Monitoring Activities

The Company has monitored the internal control system in use and conducted an evaluation accordingly. In addition, performance appraisal has also been carried out whereby practice guidelines are prescribed while the internal control system is monitored on a continual basis. This constitutes part of the normal business operation of the management team, supervisors and those involved in the process.

Furthermore, the Company has also evaluated the result of internal audit performed by the internal audit department, which is an independent department. The results are reported to the Audit Committee directly.

In the event that there are incidents or doubts in which gross misconduct, acts against the law or any other irregularities have been committed, which could significantly affect the Company's reputation and financial status, the executives/management team would report the Board of Directors immediately, as well as properly provide corrective measures for the Board of Directors/ the Audit Committee for their further consideration.

In 2021, the Audit Committee has convened 6 meetings to take into account, follow up on the financial status and operational results on a regular basis and make significant recommendations which had impacts on the "organization and executive officers" periodically, while simultaneously monitor and ensure that the corporate goals would be attained. The internal control system would be continually reviewed and improved promptly in response to the ever-changing situations.

Furthermore, the Company's auditor, EY Office Company Limited, represented by Ms. Pimjai Manitkajohnkit, who served as the auditor for the financial statements for the year 2021, had no opinion on a note in the Auditor's Report that the Company had any defects related to the issue of internal control system.

The Audit Committee has directed the Internal Audit Department to operate independently, impartially and ethically, and approved Mrs. Suneerat Puntarikpan as acting head of the Internal Audit Department of the Company since July 16, 2021 due to her eligibility, accounting knowledge, her experience in internal audit operations, including information technology systems, and her understanding of the Company's operational activities. In addition, she also underwent anti-corruption training.

The consideration of appointment, withdrawing and transfer of the Head of Internal Audit will require an approval from the Audit Committee.

9.2 Connected Transactions

9.2.1 Connected transaction with persons with potential conflicts

The Company and its subsidiaries conducted a number of connected transactions with persons with potential conflicts in the past year (please consider with notes in the financial statement). The Company's and its subsidiaries connected transactions details are summarized below:

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 19	31 Dec 20	31 Dec 21	
1) Land and Houses Fund Management Co., Ltd.					
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74% and 21.88% of the total shares,respectively and in turn, the LHBANK is holding 99.99% shares of Land and Houses Fund Management Co., Ltd. - The joint directors are Mrs. Suwanna Bhuddhaprasart and Mr. Adul Vinaiphat	Renting the office space in Q. House Sathorn Building				The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
	- Revenue from rental and service fee	8.99	9.36	9.49	
	- Deposit from rental and service fee	1.84	1.84	1.98	
	- Account receivables	0.15	0.15	0.16	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee	
		31 Dec 19	31 Dec 20	31 Dec 21		
2) Land and Houses Bank Plc. ("LHBANK")						
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74% and 21.88% of the total shares, respectively. Meanwhile, LHFG is the shareholder of Land and Houses Bank Plc. (LHBANK), holding 99.99% of the total shares	(A) Bank transaction: - Bank deposit - Interest income - Bank charge	1,749.67 13.88 1.35	1,918.17 5.92 1.01	2,721.78 3.97 1.30	<u>Bank transaction</u> The Audit Committee expressed that the opening of each type of bank accounts, rates of interest income and normal bank charges were normal and implemented in the same manner as other persons or companies as has been generally announced.	
- The joint Directors is Mr. Naporn Sunthornchitcharoen.	(B) Leasing of space in Q House Asoke Building. - Revenue from rental and service fees. - Deposit for rental and service fees.	0.78 0.15	0.75 0.15	0.56 0.15	<u>Rental of spaces in office buildings</u> The Audit Committee expressed the rates of rentals and service fees of spaces for rent were reasonable and thus suitable for entering into transaction. In addition, the fees were found comparable to other operators with similar size of spaces, thus constituting those of fair market value as well.	
<u>Remark:</u> Below shown are the subsidiaries, with both direct and indirect vshareholdings: Q.H. Management Co. Ltd., Q.H. International Co. Ltd., The Confidence Co. Ltd., Casa Ville Co. Ltd., Q House Precast Co. Ltd., Casa Ville (Petchburi 2553) Co. Ltd., Casa Ville (Rayong 2553) Co. Ltd., Casa Ville (Chonburi 2554) Co. Ltd., Casa Ville (Prachuabkhirikhan 2554) Co. Ltd., Property Host Co. Ltd., Gusto Village Co.,Ltd. and Centre Point Hospitality Co. Ltd.	(C) Leasing of space in Q House Sathorn Building. - Revenue from rental and service fees - Receivables (rental and service fees) - Deposit for rental and service fee	29.36 0.46 5.88	31.63 0.49 6.55	30.38 0.35 6.55		
						<u>Sales promotion expenses incurred from the activities related to customers who bought properties</u>
						The Audit Committee expressed that the transactions of sales promotion expenses incurred from the activities related to customers who bought properties and had repaid principal and interest expenses, which is in accordance with the ordinary course of business as usual and also found to be in the approximate value to that of other sales promotion campaigns given to other real-estate customers. Thus, it was deemed proper and reasonable to carry out the aforementioned transaction

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 19	31 Dec 20	31 Dec 21	
3) Home Products Center Public Company Limited ("HMPRO")					
<ul style="list-style-type: none">- LH is the major joint shareholder of QH and HMPRO, holding 24.98% and 30.23% respectively.- QH is the major shareholder of HMPRO, holding 19.87%- The joint directors are Mr. Boonsom Lerdhirunwong, Mrs. Suwanna Bhuddhaprasart, Mr. Naporn Sunthornchitcharoen and Mr. Achawin Asavabhokin	Purchasing products and services.				The Audit expressed that such transaction was deemed reasonable and based on the principle of fair market value. In addition, QH and its subsidiaries are entitled to opt for products and construction materials from other companies in the event that the rivals' offers are found more reasonably priced.
	<ul style="list-style-type: none">- Value of purchased products and services.- Account payables from the purchase of products and services.	2.10	7.52	8.95	
		0.94	0.90	0.95	
4) Quality Construction Products Public Company Limited ("Q-CON")					
<ul style="list-style-type: none">- The major joint shareholder is LH, holding shares of both QH and Q-CON at the ratio of 24.98% and 21.16% respectively.- The joint director is Mr. Naporn Sunthornchitcharoe	Purchasing products.				The Audit Committee expressed that it was justifiable to enter into the aforementioned transactions since it was in accordance with the terms and conditions stipulated under the Q-CON Share Agreement. Both QH and its subsidiaries also benefited from the profit obtained from selling Q-CON shares. Meanwhile, both QH and its subsidiaries were still utilizing a larger number of light-weight bricks in construction of housing projects than contractually prescribed by the product sales agreement. In addition, the price range of the products appeared relatively similar to the fair market value at that time. Upon completion of the contractual period, QH and its subsidiary would be entitled to make purchase of the same products from other companies that might make more attractive offers in terms of pricing.
	<ul style="list-style-type: none">- Value of purchased products and services.- Account payables from the purchase of products and services.	43.02	14.88	28.93	
	<u>Remark:</u> QH and its subsidiaries (Q.H. International Co., Ltd.) held 25.78% and 1.45% of the total shares in Q-CON (as of Dec 31, 2009) respectively. On Feb 23, 2010, QH and its subsidiary had entered into business agreement upon the shares of Q-CON with SCG Construction Products Co., Ltd., the latter of whose shares were being held in total of 100% by Siam Cement Plc. The entire amount of payment was implemented and all shares were transferred on Feb 24, 2010. In addition, on Mar 2, 2010, QH had signed the Product Sales Agreement with Q-CON, with the terms of Agreement being the period of 3 years. QH also agreed to purchase light-weight bricks at the minimum quantity and for the prices as prescribed in the aforementioned instrument, the obligation being incorporated as part of the terms and conditions of the Q-CON Share Agreement.	3.49	4.20	6.23	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee												
		31 Dec 19	31 Dec 20	31 Dec 21													
5) L&H Management Company Limited ("LHM")																	
- The major joint shareholder is LH, holding shares of both QH and LH Mall & Hotel Company Limited ("LHMH") at the ratio of 24.98% and 99.99% respectively. LHMH holds 99.98% of LHM. - The joint director is Mrs. Suwanna Buddhaprasart	Advance payment. - Other training receivable	0.01	0.01	0.04	The Audit Committee expressed that it was reasonable to enter into the aforementioned transactions at justifiable market price.												
6) Quality Houses Leasehold Property Fund ("QHPF")																	
- QH is the major shareholder of QHPF, holding 25.66% of total shares.	(A) Long-term leasehold right. QH gives the leasehold right for land and building, as well as other relevant equipment of Q. House Ploenchit Project for 30 years (Dec 8, 2006 - Dec 7, 2036), for which QH received the rental fee of Baht 819 million in full. - Advance received from leasehold right - Rental revenue (B) QH and QHI (QH holding 99.99% shares) were hired to manage 3 office buildings for rent, including Q. House Lumpini, Q. House Ploenchit and Wave Place. - Management fees - Other receivables. (C) QH rented office spaces from Q.House Lumpini Building - Space rental fee - Other payables - Deposit for rental and service fees <u>Remark:</u> The estimated value of Q. House Ploenchit ("PJ") and the Q. House Lumpini ("LU") reported at that time by 2 independent appraisers were as follows: <div>Unit : Million Baht</div> <table><tr><td></td><td>PJ</td><td>LU</td><td>Total</td></tr><tr><td>CBRE</td><td>838</td><td>5,566</td><td>6,404</td></tr><tr><td>BKKAP</td><td>800</td><td>5,240</td><td>6,040</td></tr></table> - CB Richard Ellis (Thailand) Co., Ltd. ("CBRE"). - Bangkok Property Appraisal Co., Ltd. ("BKKAP")		PJ	LU	Total	CBRE	838	5,566	6,404	BKKAP	800	5,240	6,040	460.08 27.17 64.80 36.60 33.04 0.26 7.20	432.90 27.18 56.45 18.53 33.07 0.20 7.55	405.75 27.15 56.42 4.98 33.01 0.16 7.55	The Audit Committee expressed that the distribution and/or giving of the leasehold right for land, building and the related equipment of the 2 projects, namely, Q. House Ploenchit and Q. House Lumpini, to QHPF have been carried out in accordance with the resolution of the Board of Directors' Meeting No.10/2006 convened on Oct 19, 2006. The transaction was carried out at fair market value whereby the Company has already made price comparison with that being offered by each prospective buyer and thus has selected the bidder who has offered the best proposals, as well as most attractive terms and conditions, including the highest return to the Company . The Audit Committee has taken into account the reports submitted at that time by 2 independent appraisers, as well. Therefore, the Audit Committee has come to draw the conclusion that the aforementioned transaction was justifiable with the fair market value that also covered the rental fee rates and service fees payable to QHPF.
	PJ	LU	Total														
CBRE	838	5,566	6,404														
BKKAP	800	5,240	6,040														

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee														
		31 Dec 19	31 Dec 20	31 Dec 21															
7) Quality Houses Hotel and Residence Freehold and Leasehold Property Fund ("QHHR")																			
- QH had sold the assets used in the operation of the Centre Point Hotel Projects in Pratunam, Sukhumvit 10 and Chidlom ("assets"), and proceeded to enable QHHR to enter into the property lease agreement for Centre Point Hotel Chidlom. Accordingly, QH received payment in total of Baht 3,342 million as consideration. In addition, on Jul 18, 2012, the Company had made investment in QHHR for 31.33%, that is, 105.28 million units of QHHR at the unit price of Baht 10, amounting to Baht 1,053 million. The Centre Point Hospitality Co., Ltd. ("CPH") (QH holding 99.99% shares) has leased the property from QHHR for its hotel business	(A) Hotel leasing				The Audit Committee expressed that the distribution of properties together with fixture and related equipment and/or providing for leasehold right and/or transferring of leasehold right over the properties to QHHR was implemented in accordance with the resolution of the Board of Directors' Meeting No.4/2012 dated Jun. 19, 2012, thus approving the Company and its subsidiary to distribute the real estate property, fixture and the related equipment and/or to give the leasehold right and/or to transfer the leasehold right of real estate property for the following (three) hotel operated by the Company: Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10 and Centre Point Hotel Chidlom. In addition, these transactions were also collectively deemed reasonable and conducted within a fair price range due to the fact that QH had already taken into account the price comparison of quotations and the offers made by each and every one of the prospective buyers, and thus selected the bidder who offered the best proposals, terms and conditions, including the highest return to the Company. Furthermore, the appraisal reports produced at that time by 2 independent appraisers were also taken into account by QH. Consequently, the Audit Committee was of the opinion that, during such period, the transactions were deemed reasonable and conducted within a fair price range.														
	CPH has taken a lease and sublease of properties from QHHR for its hotel business, which included the Centre Point Hotel projects at Pratunam, Sukhumvit 10 and Chidlom.																		
	- Rental fees	299.88	168.00	91.93															
	- Accrued rental fees	74.21	15.96	234.18															
	- Other receivables.	-	-	5.28															
	(B) QH guaranteed the minimum rental income for QHHR from selling the assets to QHHR and CPH to make a lease agreement for such assets for the period of 3 years from the date on which QHHR invested in the asset at the amount not exceeding Baht 837 Million.																		
	On Jul 19, 2015, the aforementioned agreement of minimum guarantee for rental fees was terminated, and QH had completely paid such rental fees.																		
<div>Remark : The estimated value of the Centre Point Hotel Pratunam ("CP1"), the Centre Point Hotel Sukhumvit 10 ("CP2") and the Centre Point Hotel Chidlom ("CP3") reported at that time by the 2 independent appraisers were as follows: Unit : Million Baht</div> <table><tr><td></td><td>CP1</td><td>CP2</td><td>CP3</td><td>Total</td></tr><tr><td>GAA</td><td>1,144</td><td>1,549</td><td>725</td><td>3,418</td></tr><tr><td>TAP</td><td>1,204</td><td>1,700</td><td>724</td><td>3,628</td></tr></table> <div>- Grand Asset Advisory CO., Ltd. ("GAA"). - TAP Valuation Co., Ltd. ("TAP")</div>						CP1	CP2	CP3	Total	GAA	1,144	1,549	725	3,418	TAP	1,204	1,700	724	3,628
	CP1	CP2	CP3	Total															
GAA	1,144	1,549	725	3,418															
TAP	1,204	1,700	724	3,628															

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 19	31 Dec 20	31 Dec 21	
8) Land and Houses Freehold and Leasehold Property Fund (“LHPF”)					
Joint major shareholders are LH, holding 24.98% of QH shares and holding 26.96 % of LHPF shares .	Below shown are the detailed accounts of lease agreements and building management contract produced by QH International Co., Ltd. (“QHI”) (“QH” holding 99.99% shares): (A) Centre Point Sukhumvit-Thonglor Service Apartment Project. 1. Property management - Building management income - Building management fee - Other receivables - Other payables 2. Personnel fees - Service revenue 3. Project management and administration contract - Service revenue - Account receivables (B) Centre Point Residence Promphong Residential Building for rent. QH and its subsidiaries were hired to manage the building, to provide accounting service and to serve as an agent in locating customers, as well as allowing LHPF to use the trademark “Centre Point Resident”. - Building management income - Building management fees - Personnel service revenue - Other receivables (C) L & H Villa Sathorn House for Rent Project QH and its subsidiaries were hired to manage the building, to provide accounting service and to serve as an agent in locating customers, as well as allowing LHPF to use the trademark “Centre Point Resident”. - Building management income - Building management fees - Personnel service revenue - Other receivables	7.67 0.62 1.96 0.02 2.19 1.92 0.17 2.45 0.36 1.11 0.35 2.33 0.14 1.02 0.31	2.28 - 0.42 - 2.01 1.92 0.01 2.53 - 1.03 0.20 2.40 - 0.95 0.19	1.84 - 0.97 - 2.09 1.99 0.02 2.55 - 1.08 0.22 2.42 - 0.99 0.21	The Audit Committee expressed that it was deemed justifiable to enter into the aforementioned transactions and thus beneficial to the commerce of residential buildings for rent of QH and/or its subsidiaries as in business as usual, whereby QH and its subsidiaries would benefit from revenues generated by their services in building (project) management and brokerage in regard to all of the aforementioned projects.

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 19	31 Dec 20	31 Dec 21	
9) Harbour View Corporation “HVC”)					
- Q.H. International Co., Ltd. (“QHI”) (QH holding 99.99% shares) holds 99% shares of Q. H. International (BVI) Co. Ltd. (“QHI (BVI)”), while QHI (BVI) holds 14.15% of HVC shares.	(A) Loan provision - Loans - Accrued interest (B) Loan guarantee. QH has served as the loan guarantor for HVC in proportion with shareholding in QHI (BVI) (21%), amounting to US\$ 1.3 million from the year 1997 to present. However, due to an increment in capital by HVC for the benefits of its current shareholders whereas QHI (BVI) has not made purchase thereof, the proportion of shareholding has been decreased to the current proportion of 14.15% while burden of guarantee remains unchanged. Such burden is also subjected to fluctuation depending upon HVC’s ability to make repayment of both principal and interest accordingly. During 2017, HVC had already paid back both principal and interest owned to financial institutions and the Company withdrew such guarantees	67.90 1.29	67.65 1.29	75.31 1.43	The Audit Committee expressed that the provision and guarantee of loans for HVC was justifiable in accordance with the proportion of shareholding.
10) The Mandarin Hotel Plc.					
- Ms. Piengchai Harnpanich is the major shareholder of The Mandarin Hotel Public Company Limited, holding 34.69% shares, as well as serving in the positions of Chairman of the Board, CEO and Managing Director - Ms. Piengchai Harnpanich is the mother of Mr. Anant Asavabhokhin, who is the major shareholder of LH. Whereas, LH is a major shareholder of QH. - The joint directors is Mrs. Suwanna Bhuddhaprasart	Q.H. International Co., Ltd. (“QHI”) (QH holding 99.99% shares) has entered into building management contract. - Project management fee - Other receivables	6.27 1.27	1.99 0.54	0.37 0.20	The Audit Committee expressed that it was deemed justifiable to enter into the aforementioned transactions and thus beneficial to the Company’s operations in regard to the business as usual. The Company and its subsidiaries would benefit from income generated in light of the service charges obtained from the hotel customers. In addition, all these activities are most likely to be of use in terms of enhancing corporate brand awareness of “The Mandarin Hotel Public Company Limited”.

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 19	31 Dec 20	31 Dec 21	
11) Land and Houses Securities Public Company Limited.					
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74% and 21.88% of the total shares, respectively. In addition, LHFG is the shareholder of Land and Houses Securities Public Company Limited, holding 99.90% shares. - The joint Directors are Mr. Naporn Sunthornchitcharoen and Mr. Rachai Wattanakasaem	A) Renting the office space in Q. House Sathorn Building - Revenue from rental and service fees - Receivables from rental and service fees - Deposit for rental and service fees B) Renting the office space in Q House Convent Building - Revenue from rental and service fees	8.40 0.17 1.52 1.31	9.01 0.18 1.68 -	9.01 0.17 1.68 -	The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
12) LH Financial Group Public Company Limited					
- Both QH and LH is shareholders of LH Financial Group Public Company Limited, "LHFG", holding 13.74% and 21.88%, respectively. - The joint Directors are Mr. Naporn Sunthornchitcharoen and Mr. Adul Vinaiphat	LHFG was granted leasing right of Q. House Sathorn transferred from one company which was effective since Jan 1, 2020. - Revenue from rental and service fees - Deposit for rental and service fees - Account receivables	- - -	7.65 1.63 -	7.18 1.63 0.04	The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
13) Land and Houses Advisory Co., Ltd.					
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74% and 21.88% of the total shares, respectively. In addition, LHFG is the shareholder of Land and Houses Securities Public Company Limited, holding 99.90% shares whereas Land and Houses Securities Public Company Limited are currently holding 99.99% shares of Land and Houses Advisory Co., Ltd.	Renting the office space in Q. House Sathorn Building - Revenue from rental and service fees - Deposit for rental and service fees	0.19 0.05	0.21 0.05	0.22 0.05	The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
14) LH Mall & Hotel Co.,Ltd.(previously) "Pacific Real Estate Co., Ltd.") ("LHMH")					
The joint major shareholders are as follows: - Land and Houses Plc. ("LH") holding shares of QH and LH Mall & Hotel Co., Ltd at 24.98% and 99.99% respectively. - The joint directors and connected parties are Mr. Adisorn Thananan-narapool, Mr. Naporn Sunthornchitcharoen and Mrs. Suwanna Bhuddhaprasart	Q.H. International Co., Ltd. ("QHI") (QH holds 99.99% shares) was contracted to manage the commercial area (Q.House Lumpini - Account receivables	-	-	0.01	The Audit Committee expressed that such transaction was deemed reasonable with fair market price.

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 19	31 Dec 20	31 Dec 21	
15) Land and Houses Public Company Limited (“LH”)					
- Land and Houses Plc. (“LH”) is the major shareholder of QH, holding 24.98% of the total shares. - The joint directors are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool and Mr. Achawin Asavabhokhin	Casa Ville Co., Ltd. (“CSV”) (QH holds 99.99% shares) sold land to LH. Detail: Land with no building, Title deed no. 8064, Land no. 33, Survey page 231, Total area 1-1-50 Rai (550 Square wah) located at Bang Len Subdistrict, Bang Yai District (Talad Kwan), Nonthaburi Province - Value of land sale	11.00	-	-	The Audit Committee expressed that such transaction was deemed reasonable with fair market price.
16) Siam Retail Development Company Limited					
- Ms. Piengchai Harnpanich and Mr. Anant Asavabhokhin are the major shareholders of Siam Retail Development Company Limited, holding with total of 27.00% shares. Ms. Piengchai Harnpanich is also company’s Director. - Ms. Piengchai Harnpanich is the mother of Mr. Anant Asavabhokhin, who is the major shareholder of LH. Whereas, LH is a major shareholder of QH.	- QH services for system including system consultation, VPN and DRC system of Center Point Hotel Terminal 21 Korat by Siam Retail Development Company Limited for 3 years, Jan 1, 2021 - Dec 31, 2021 - Dec 31, 2023 - Other Revenue - Q.H. International Co., Ltd. (“QHI”) (QH holds 99.99% shares) was contracted to be an advisor to Siam Retail Development Company Limited to manage Centre Point Terminal 21 Korat for over 3 years, Jan 1, 2021 - Dec 31, 2023. - Building management fee - Other receivables - Casa Ville (CHonburi 2554 Co.,Ltd. Casa Ville Co.,Ltd. (CSV) holds 99.99% stake and QH holds 99.99% stake in CSV, services for customer provider to Center Point Prime Pattaya for 1 year, Aug 1, 2021 – July 31,2022. - Other service fees - Other payables	- <			

Opinions of the Audit Committee on Parties with Mutual Benefits and Connected Transactions

According to the Audit Committee, the structure of shareholding between the Company, its subsidiaries, associated companies and related companies does not have any conflict of interest between the Company, directors and executives of the Company; nor does the aforementioned paradigm necessarily entail any incident of nominee shares.

The Audit Committee has undergone a series of deliberation and come to conclude in favor that the connected transactions currently taking place between the Company and the parties/persons with potential conflicts as legally defined by the Announcement of the Securities and Exchange Commission (Ref: Gor. Jor.17/2008) on the Definition in the Announcement of the Issuance and Proposal of Securities dated December 15, 2008, have been conducted at fair market value. In addition, the Audit Committee and the Company shall jointly monitor and supervise the aforementioned operations (connected transactions) which may occur in the future as well as ensuring that they be carried out at fair market value while simultaneously disclosing the types and value of those connected transactions under the announcements and regulations of the Securities and Exchange Commission.

9.2.2 Measures or Procedures for Approving the Connected Transactions

Prior to entering into any connected transactions, an official procedure is to be undergone whereby petitions for approval are submitted to the Audit Committee as to whether or not they be deemed suitable and in compliance with the law governing securities and stock exchange, regulations, announcements, orders or requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee shall cite the aforementioned topic and provide its collectively professional opinion during the Board of Directors' meeting or the shareholders' meeting for their consideration and approval, provided that parties with potential conflicts of interest or stakeholders of such connected transactions be not entitled to cast their votes in order to pass the resolution accordingly.

9.2.3 Policies and Possibilities of Future Connected Transactions

The Company and its subsidiaries have a policy to continue the connected transactions as those at present and in the future depending upon the suitability and necessities for the business operations. In addition, a number of terms and conditions shall be prescribed in accordance with the nature of normal business operation which can be compared with the market prices. Alternatively, should the reference to market price be unavailable, the Company and its subsidiaries are to apply the cost prices plus the gross profits. Each and every connected transactions shall be proposed to the Audit Committee for its consideration and approval to ensure that they be in accordance with the law governing securities and stock exchange, regulations, announcements, orders or requirements of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission, as well as in compliance with the requirements on the disclosure of data of related transactions and acquisition or disposal of major assets of the Company or its subsidiaries.

In addition, should any of the connected transactions carried out by the Company or its subsidiaries with parties with conflict of interest or potential conflict of interest ever take place, the Company and its subsidiaries are to submit the aforementioned to the Audit Committee for its collectively professional opinion on the reasons, necessities and suitability of such commercial activities. In the event that the Audit Committee may be in possession of no specific expertise or knowledge of such potential transactions, the Company and its subsidiaries shall provide an independent expert or auditor of the Company and its subsidiaries accordingly so that professional opinions as well as all related data and information be presented to the Audit Committee for its consideration, whereupon the latter shall in turn make submission thereof to the Board of Directors and/or shareholders, during the Board of Directors' meeting and/or the shareholders' meeting for their consideration on case-by-case basis. The Company and its subsidiaries shall disclose the connected transaction in the Annual Report and Notes to the Financial Statements audited by the auditor of the Company and its subsidiaries.

9.2.4 Reasons that parties with potential conflict of interest hold more than 10% of the total shares in the subsidiaries or the associated companies and that the Company may have had the major shareholders who could become competitors

Quality Houses Public Company Limited has organized the structure of shareholding between the Company, its subsidiaries, associated companies and related companies to prevent any conflict of interest (between the Company, directors and executives of the Company). The Company shall not allow for the structure of shareholding or management of the group companies that include nominative-shares scheme. However, a party which might incur conflict of interest is Land and Houses Plc., the major shareholder of the Company holding 24.98% of the total shares (as of December 31, 2021) due to the following reasons:

- Land and Houses Public Company Limited operates the businesses in real estate development for sales and rent which are of the same nature of business as the Company's;
- Mr. Naporn Sunthornchitcharoen holds the position of Chairman of the Board of Directors and Chairman of the Executive Committee and Mr. Adisorn Thananan-narapool holds the position of Managing Director in Land and Houses Public Company Limited. Both are directors of Quality Houses Public Company Limited, in the capacity of a representative from Land and Houses Public Company Limited which is a major shareholder of the Company, from a total of 12 directors.
- Land and Houses Public Company Limited holds 30.23% in Home Products Center Public Company Limited (December 31, 2021) which is more than 10% and the Company holds 19.87% (December 31, 2021) in the affiliated company. The reason for holding such shares is to co-invest in the affiliated company since establishment in 1995. In the beginning, Q.H. International Company Limited (QH holding 99.99% shares) held shares in the affiliated company of 30%, then in 2001, the Company bought shares of the affiliated company from Q.H. International Company Limited which held 27%. This is to support businesses relating to construction and interior decorative and to be held as a long term investment.

In order to prevent or minimize the conflict of interest which might incur from the fact that Land and Houses Public Company Limited is the major shareholder of the Company and that the executive director and directors of Land and Houses Public Company Limited are also joint directors of the Company, the following guidelines have been set:

1. The structure of shareholders of the Company includes the group of shareholders who are institutional investors and/or funds, all of which hold a total number of shares more than that being held by Land and Houses Public Company Limited; therefore, in case of any conflict of interest or potential conflict of interest which might cause any damages to the interest of shareholders, the aforementioned group of institutional investors and/or funds shall be able to cast their votes during the General Shareholders' Meeting in aims at preventing the incidents;
2. The structure of Company's Board of Directors has a check-and-balance mechanism from independent directors. Currently, more than half of Company's Board of Directors are independent directors and executive directors from the Company,
3. Directors representing the major shareholder does not have the right to vote on transactions with potential conflict of interests with the major shareholder,
4. The Internal Audit Department reports directly to the Audit Committee and not the management; therefore, the Audit Committee has direct overseeing capabilities in transactions with potential conflict of interests,
5. The Company's executives can independently manage and make decisions on all matters. Moreover, there are no directors, executive committee members, executives or employees of Land and Houses Public Company Limited in the aforementioned group of executives; therefore, business is operated independently from each other,
6. Regarding the possibility of any connected transactions of the Company or its subsidiaries with parties with conflict of interest or potential conflict of interest to be occurring in the future, the Company and its subsidiaries shall request in advance for consideration and professional opinion from the Audit Committee, all of whose members are to be independent directors, so as to address the situation in terms of necessities and suitability of such transactions accordingly. In the event that the Audit Committee has no sufficient expertise thereof, the Company and its subsidiaries shall provide an independent expert or auditor of the Company and its subsidiaries so that professional opinions on the related data and information shall be given in turn to the Audit Committee for the latter's further consideration. This practice will also include any transactions that are critical to or have high impact on the Company's businesses.



Section 3

Financial Statements

Independent Auditor's Report

To the Shareholders of Quality Houses Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Quality Houses Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Quality Houses Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quality Houses Public Company Limited and its subsidiaries and of Quality Houses Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Recognition of revenue from sales of real estate

The Group has disclosed its accounting policy relating to recognition of revenue from sales of real estate in Note 4.1 to the financial statements. Revenue from sales of real estate is the most significant account in the statements of comprehensive income and it is a key performance indicator to which the management and the users of the financial statements pay particular attention. In addition, the Group has a number of property development projects for sale and a large number of property sales agreements. I therefore addressed the occurrence of revenue and relevance to the business of revenue recognition as a key audit matter.

I examined the recognition of revenue from sales of real estate of the Group by:

- Assessing and testing the Group's IT systems and its internal controls with respect to the cycle of revenue from sales of real estate by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select land and house sale agreements or condominium sale agreements to assess whether recognition of revenue from sales was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue from sale of real estate transactions throughout the period, particularly for accounting entries made through journal vouchers.

Provision for loss on diminution in value of land and construction in progress and land and project development costs

The Group presented details of land and construction in progress, land and project development costs and provision for loss on diminution in value of projects in Notes 9 and 18 to the financial statements. In determining the loss on diminution in value of land and construction in progress and land and project development costs, management had to exercise judgement with respect to the nature of the project, the economic situation and the competitive environment in the market. There is thus a risk with respect to the amount of provision for land and construction in progress and land and project development costs.

I gained an understanding and assessed the method and assumptions that the management used in determination of provision for diminution in value of real estate project by

- Gaining an understanding of the basis used in determining the provision for diminution in value of land and construction in progress and land and project development costs, reviewing the consistency of the use of such basis, and the rationale for the recognition of specific provisions.
- Comparing data on project holding periods and movements in real estate project unit sales and reviewing the gross profit margins of projects in which units were sold during the current year to identify projects with indicators of lower than normal unit turnover.
- Comparing cash receipts from sales transactions after the date of the financial statements with the cost of land and construction in progress and land and project development costs.
- Comparing the net book value of land and construction in progress and land and project development costs with the expected net realisable values from sales of units in the projects.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 23 February 2022

Statement of financial position

Quality Houses Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6, 7	3,206,217,160	2,509,511,465	1,258,872,654	983,487,601
Trade and other receivables	6, 8	25,874,734	36,518,480	6,668,383	9,117,370
Land and construction in progress	9	19,987,237,940	22,545,488,013	11,856,618,106	12,752,798,719
Advance for construction work		2,530,565	2,530,565	1,530,565	1,530,565
Advance for construction material		63,980,065	60,775,685	54,820,340	50,779,950
Assets recognised in respect of cost to obtain contracts with customers	10	10,522,033	11,517,132	10,522,033	11,517,132
Other current assets		68,111,313	60,899,891	6,684,411	6,164,727
Total current assets		23,364,473,810	25,227,241,231	13,195,716,492	13,815,396,064
Non-current assets					
Restricted deposits at financial institutions	11	-	5,020,516	-	-
Other non-current financial assets	12	1,998	1,998	1,998	1,998
Investments in subsidiaries	13	-	-	7,771,638,235	7,952,667,631
Investments in associates	14	11,524,072,273	11,424,592,582	11,524,072,273	11,424,592,582
Long-term loans to and interest receivables					
- related parties	6	-	-	7,839,691,806	8,225,813,995
Investment properties	15	527,482,652	585,825,087	527,482,652	585,825,087
Property, plant and equipment	16	1,545,985,178	1,644,591,868	233,736,735	262,738,481
Right-of-use assets	17	972,028,843	815,108,395	241,414,268	287,323,466
Land and project development costs	18	7,474,057,248	7,160,901,854	2,533,849,560	2,953,258,059
Deposits for lease of land and building		13,600,000	20,400,000	13,600,000	20,400,000
Deposits for purchase of land		47,837,100	-	47,837,100	-
Deferred tax assets	29	735,196,850	721,427,185	198,839,165	189,557,080
Other non-current assets	6	30,955,719	62,016,057	10,580,074	10,408,566
Total non-current assets		22,871,217,861	22,439,885,542	30,942,743,866	31,912,586,945
Total assets		46,235,691,671	47,667,126,773	44,138,460,358	45,727,983,009

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

Statement of financial position (continued)

Quality Houses Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	-	998,241,619	-	998,241,619
Trade and other payables	6, 20	556,444,106	502,343,746	384,428,033	350,657,565
Current portion of long-term loan	21	1,600,000,000	800,000,000	1,600,000,000	800,000,000
Current portion of unsecured debentures	22	7,500,000,000	4,600,000,000	7,500,000,000	4,600,000,000
Current portion of lease liabilities	6, 17	119,951,531	259,896,655	32,553,915	31,602,048
Income tax payable		76,191,859	111,842,610	65,086,209	98,101,725
Short-term provisions	24	630,311,226	615,680,679	319,560,043	282,167,314
Advance received from customers		62,868,411	88,502,309	44,772,457	68,893,147
Deposits for rental and service	6	73,210,835	71,422,042	66,517,801	64,051,016
Retention guarantees		229,819,728	328,055,838	110,849,420	195,499,851
Current portion of rental income received in advance	6	27,224,000	27,224,000	27,224,000	27,224,000
Other current liabilities	6	445,985,786	259,430,242	133,908,645	144,571,849
Total current liabilities		11,322,007,482	8,662,639,740	10,284,900,523	7,661,010,134
Non-current liabilities					
Long-term loan, net of current portion	21	1,544,141,340	3,144,141,340	1,544,141,340	3,144,141,340
Unsecured debentures, net of current portion	22	4,493,897,901	7,494,700,834	4,493,897,901	7,494,700,834
Lease liabilities, net of current portion	6, 17	878,684,350	677,489,977	209,685,986	242,239,901
Provision for long-term employee benefits	23	265,468,516	248,640,880	173,779,701	162,050,453
Long-term provisions	24	326,727,548	424,261,798	27,509,313	8,871,069
Rental income received in advance, net of current portion	6	378,530,935	405,680,442	378,530,935	405,680,442
Deferred tax liabilities	29	218,940	282,926	-	-
Deferred compensatory damage income	36	40,850,000	40,850,000	40,850,000	40,850,000
Total non-current liabilities		7,928,519,530	12,436,048,197	6,868,395,176	11,498,534,039
Total liabilities		19,250,527,012	21,098,687,937	17,153,295,699	19,159,544,173

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

Statement of financial position (continued)

Quality Houses Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered					
10,714,426,091 ordinary shares of Baht 1 each		10,714,426,091	10,714,426,091	10,714,426,091	10,714,426,091
Issued and fully paid-up					
10,714,381,645 ordinary shares of Baht 1 each		10,714,381,645	10,714,381,645	10,714,381,645	10,714,381,645
Share premium		379,246,114	379,246,114	379,246,114	379,246,114
Retained earnings					
Appropriated - statutory reserve	25	1,071,442,609	1,071,442,609	1,071,442,609	1,071,442,609
Unappropriated		15,414,637,161	14,959,724,661	15,414,637,161	14,959,724,661
Other components of shareholders' equity		(594,542,870)	(556,356,193)	(594,542,870)	(556,356,193)
Total shareholders' equity		26,985,164,659	26,568,438,836	26,985,164,659	26,568,438,836
Total liabilities and shareholders' equity		46,235,691,671	47,667,126,773	44,138,460,358	45,727,983,009

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

Statement of comprehensive income

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenue from sales of real estate	6, 26	7,502,387,299	8,503,054,775	4,660,561,674	5,024,334,429
Revenue from hotel operations	26	314,353,113	329,514,174	90,217,642	69,975,147
Revenue from office rental operations	6, 26	303,132,346	305,020,791	303,132,346	305,020,790
Other income					
Income from forfeiture of booking and down payments		1,371,552	2,104,651	670,886	891,660
Others	6	230,267,327	230,014,699	92,702,989	89,847,619
Total revenues		8,351,511,637	9,369,709,090	5,147,285,537	5,490,069,645
Expenses					
Cost of real estate sold	6	5,225,689,352	5,775,071,309	3,165,228,081	3,287,853,607
Cost of hotel operations	6	369,033,368	427,613,281	93,280,847	78,377,406
Cost of office rental operations	6	107,223,209	115,032,327	107,223,209	115,032,327
Selling expenses		390,693,441	425,859,581	237,418,788	242,940,340
Administrative expenses	6	1,425,243,388	1,364,402,541	786,351,436	755,989,718
Total expenses		7,517,882,758	8,107,979,039	4,389,502,361	4,480,193,398
Profit from operating activities		833,628,879	1,261,730,051	757,783,176	1,009,876,247
Share of loss from investments in subsidiaries	13	-	-	(181,029,396)	(47,673,543)
Share of profit from investments in associates	14	1,382,072,251	1,530,298,289	1,382,072,251	1,530,298,289
Interest income	6	4,187,622	7,052,776	202,904,771	248,662,703
Finance cost	6, 27	(329,910,504)	(391,911,430)	(323,361,300)	(394,333,957)
Profit before income tax expenses		1,889,978,248	2,407,169,686	1,838,369,502	2,346,829,739
Income tax expenses	29	(220,318,170)	(283,749,888)	(168,709,424)	(223,409,941)
Profit for the year		1,669,660,078	2,123,419,798	1,669,660,078	2,123,419,798
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income of associates					
- net of income tax	14, 29	(104,258,504)	109,265,133	(104,258,504)	109,265,133
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(104,258,504)	109,265,133	(104,258,504)	109,265,133
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Share of other comprehensive income of associates					
- net of income tax	14, 29	29,860,668	(590,780,588)	29,860,668	(590,780,588)
Actuarial losses - net of income tax	23, 29	-	(6,831,062)	-	(4,008,581)
Share of other comprehensive income of associates					
- net of income tax	13, 29	-	-	-	(2,822,481)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		29,860,668	(597,611,650)	29,860,668	(597,611,650)
Other comprehensive income for the year		(74,397,836)	(488,346,517)	(74,397,836)	(488,346,517)
Total comprehensive income for the year		1,595,262,242	1,635,073,281	1,595,262,242	1,635,073,281
Earnings per share:	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.16	0.20	0.16	0.20

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

Statement of changes in shareholders' equity

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2021

Consolidated financial statements										(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity				
				Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of financial assets	Share of other comprehensive income of associates	Total other components of shareholders' equity	Total	
Balance as at 1 January 2020										
Investment in equity instruments derecognised of associate during the year										
		-	-	-	12,413,212	-	(12,413,212)	(12,413,212)	-	-
Profit for the year										
		-	-	-	2,123,419,798	-	-	-	-	2,123,419,798
Other comprehensive income for the year										
		-	-	-	(6,831,062)	-	(481,515,455)	(481,515,455)	(488,346,517)	(488,346,517)
Total comprehensive income for the year										
		-	-	-	2,116,588,736	-	(481,515,455)	(481,515,455)	1,635,073,281	1,635,073,281
Dividend paid										
33		-	-	-	(1,821,364,357)	-	-	-	(1,821,364,357)	(1,821,364,357)
Balance as at 31 December 2020										
		10,714,381,645	379,246,114	1,071,442,609	14,959,724,661	1,294	(556,357,487)	(556,356,193)	26,568,438,836	26,568,438,836
Balance as at 1 January 2021										
Investment in equity instruments derecognised of associate during the year										
		-	-	-	(36,211,159)	-	36,211,159	36,211,159	-	-
Profit for the year										
		-	-	-	1,669,660,078	-	-	-	-	1,669,660,078
Other comprehensive income for the year										
		-	-	-	-	-	(74,397,836)	(74,397,836)	(74,397,836)	(74,397,836)
Total comprehensive income for the year										
		-	-	-	1,669,660,078	-	(74,397,836)	(74,397,836)	1,595,262,242	1,595,262,242
Dividend paid										
33		-	-	-	(1,178,536,419)	-	-	-	(1,178,536,419)	(1,178,536,419)
Balance as at 31 December 2021										
		10,714,381,645	379,246,114	1,071,442,609	15,414,637,161	1,294	(594,544,164)	(594,542,870)	26,985,164,659	26,985,164,659

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

Statement of changes in shareholders' equity (continued)

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2021

Separate financial statements										(Unit: Baht)
					Other components of equity					
					Other comprehensive income					
					Issued and paid-up share capital	Share premium	Retained earnings		Surplus on changes in value of financial assets	
Appropriated - statutory reserve	Unappropriated									
Note	10,714,381,645	379,246,114	1,071,442,609	14,852,087,070	1,294	(62,428,820)	(62,427,526)	Total	26,754,729,912	

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

Statement of cash flows

Quality Houses Public Company Limited and its subsidiaries
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	1,889,978,248	2,407,169,686	1,838,369,502	2,346,829,739
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	5,122,865,299	5,687,444,300	3,056,672,538	3,187,983,587
Depreciation	188,228,052	194,335,398	93,823,872	95,759,070
Depreciation of right-of-use assets	186,889,048	195,630,506	45,909,198	46,580,132
Allowance for expected credit losses	1,628,587	244,660	155,141	-
Unrealised exchange losses (gains)	(10,135,930)	474,127	-	-
Share of loss from investments in subsidiaries	-	-	181,029,396	47,673,543
Share of profit from investments in associates	(1,382,072,251)	(1,530,298,289)	(1,382,072,251)	(1,530,298,289)
Income from forfeiture of booking and down payments	(1,371,552)	(2,104,651)	(670,886)	(891,660)
Interest income	(4,187,622)	(7,052,776)	(202,904,771)	(248,662,703)
Gain on sales of equipment	(110,382)	(117,374)	(62,242)	(17,162)
Provision for loss arising from litigation	61,466,382	57,482,693	48,109,191	5,795,588
Reversal of provision for loss arising from litigation	(8,223,803)	(62,521,218)	-	(10,982,192)
Provision for loss on diminution in value of projects	48,895,789	-	2,948,599	-
Reversal of provision for loss on diminution in value of projects	(43,957,202)	(62,121,645)	(4,881,933)	(8,777,734)
Provision for housing repairment	62,029,454	68,931,721	38,071,331	40,849,608
Provision for long-term employee benefits	23,247,190	25,323,705	15,097,515	16,595,567
Transfer deferred financial fees to finance cost	4,702,217	6,595,394	4,702,217	6,595,394
Interest expenses	267,814,252	333,263,415	298,326,603	366,445,765
Interest expenses from lease liabilities	45,524,422	38,429,868	10,149,288	9,720,488
Income from rental fees waived	(68,400,000)	-	-	-
Profit from operating activities before changes in operating assets and liabilities	6,384,810,198	7,351,109,520	4,042,772,308	4,371,198,741
Decrease (increase) in operating assets				
Trade and other receivables	19,151,089	60,704,444	2,293,846	25,756,214
Land and construction in progress	(1,581,624,901)	(1,272,039,345)	(1,199,131,742)	(962,825,664)
Advance for construction work	-	2,701,431	-	2,701,431
Advance for construction material	(3,204,380)	8,015,930	(4,040,390)	3,227,532
Other current assets	10,968,508	20,459,238	475,415	2,335,998
Land and project development costs	(1,156,898,998)	(253,857,072)	(426,364,565)	(223,402,333)
Deposits for lease of land and building	6,800,000	6,800,000	6,800,000	6,800,000
Deposits for purchase of land	(47,837,100)	5,000,000	(47,837,100)	-
Other non-current assets	31,060,338	5,877,280	(171,508)	1,658,416

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

Statement of cash flows (continued)

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Increase (decrease) in operating liabilities				
Trade and other payables	51,740,800	(99,836,204)	31,410,908	(49,540,300)
Advance received from customers	(51,411,853)	(21,931,990)	(50,599,311)	(15,470,154)
Deposits for rental and service	1,788,793	(2,248,561)	2,466,785	389,381
Retention guarantees	(98,236,110)	(84,914,662)	(84,650,431)	(60,610,509)
Other current liabilities	(78,776,696)	(257,141,003)	(11,341,806)	(43,911,959)
Cash paid for litigation compensation	(150,776,829)	(2,486,919)	(29,470,947)	(2,486,919)
Paid for long-term employee benefits	(6,419,554)	(10,353,567)	(3,368,267)	(7,512,667)
Deferred compensatory damage income	-	40,850,000	-	40,850,000
Cash flows from operating activities	3,331,133,305	5,496,708,520	2,229,243,195	3,089,157,208
Cash paid for income tax	(286,987,403)	(317,077,427)	(211,007,025)	(192,367,517)
Net cash flows from operating activities	3,044,145,902	5,179,631,093	2,018,236,170	2,896,789,691
Cash flows from investing activities				
Decrease (increase) in restricted deposits at financial institutions	5,020,516	(50,184)	-	-
Dividends received from associates	1,208,194,724	1,162,361,220	1,208,194,724	1,162,361,220
Decrease in long-term loans to related parties	-	-	386,000,000	1,702,500,000
Interest income	4,187,622	7,052,776	203,026,960	252,230,326
Increase in property, plant and equipment - net of disposals	(31,168,545)	(77,762,445)	(6,417,449)	(7,034,307)
Net cash flows from investing activities	1,186,234,317	1,091,601,367	1,790,804,235	3,110,057,239
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(1,000,000,000)	500,000,000	(1,000,000,000)	500,000,000
Cash received from drawdown loan	-	4,000,000,000	-	4,000,000,000
Repayment of long-term loan	(800,000,000)	(55,858,660)	(800,000,000)	(55,858,660)
Cash received from issuance of debentures	4,500,000,000	-	4,500,000,000	-
Cash paid for redemption of debentures	(4,600,000,000)	(8,000,000,000)	(4,600,000,000)	(8,000,000,000)
Dividend payment	(1,178,536,419)	(1,821,364,357)	(1,178,536,419)	(1,821,364,357)
Cash paid for financial fees	(5,505,150)	-	(5,505,150)	-
Cash paid for interest expenses	(407,881,619)	(527,354,016)	(407,862,447)	(527,333,670)
Cash paid for lease liabilities	(41,751,336)	(68,655,978)	(41,751,336)	(40,655,978)
Net cash flows used in financing activities	(3,533,674,524)	(5,973,233,011)	(3,533,655,352)	(5,945,212,665)
Net increase in cash and cash equivalents	696,705,695	297,999,449	275,385,053	61,634,265
Cash and cash equivalents at beginning of year	2,509,511,465	2,211,512,016	983,487,601	921,853,336
Cash and cash equivalents at end of year (Note 7)	3,206,217,160	2,509,511,465	1,258,872,654	983,487,601

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

Statement of cash flows (continued)

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: 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	861,658,433	1,709,390,206	861,658,433	1,709,390,206
Interest expenses recorded as cost of projects	144,185,308	164,025,504	113,653,785	130,822,808
Decrease in change of brought forward of investments in associated	-	(108,687,002)	-	(108,687,002)
Actuarial losses - net of income tax	-	(6,831,061)	-	(6,831,061)
Decrease in share of other comprehensive income of associates - net of income tax	(74,397,836)	(481,515,455)	(74,397,836)	(481,515,455)
Increase in right-of-use-assets due to lease modification	343,809,496	74,797,332	-	77,618,230

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

Notes to consolidated financial statements

Quality Houses Public Company Limited and its subsidiaries
For the year ended 31 December 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 the 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.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Quality Houses Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			%	%
Casa Ville Co., Ltd.	Real estate development	Thailand	100	100
Q.H. International Co., Ltd.	Managing of building	Thailand	100	100
Property Host Co., Ltd.	Lease of land	Thailand	100	100
Centre Point Hospitality Co., Ltd.	Hotel operations	Thailand	100	100
The Confidence Co., Ltd.*	Real estate development	Thailand	-	-
Q.H. Management Co., Ltd. (19% held through The Confidence Co., Ltd.)	Managing of public utilities of real estate business and land owner	Thailand	81	81
Q.H. International (BVI) Co., Ltd.**	Holding company	British Virgin Island	-	-
Casa Ville (Rayong 2553) Co., Ltd.*	Real estate development	Thailand	-	-
Casa Ville (Petchburi 2553) Co., Ltd.*	Real estate development	Thailand	-	-
Q. House Precast Co., Ltd.*	Manufacture and distribution of precast concrete	Thailand	-	-
Gusto Village Co., Ltd.*	Real estate development	Thailand	-	-
Casa Ville (Chonburi 2554) Co., Ltd.*	Real estate development and hotel operations	Thailand	-	-
Casa Ville (Prachuapkhirikhan 2554) Co., Ltd.*	Real estate development	Thailand	-	-

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

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

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and associates under the equity method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, 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.

3.2 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.

4. Significant accounting policies

4.1 Revenue and expense recognition

(a) Revenue from sales of real estate

Revenue from sales of land and houses and residential condominium units are recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of "Advance received from customers" in the statement of financial position.

(b) Revenue from hotel operations

Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from auxiliary activities. Revenue is recognised at a point in time upon completion of the service. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.

(c) Revenue from office rental

Rental of units in office buildings are recognised on an accrual basis over the period of contracts.

(d) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

(e) Dividends

Dividends are recognised when the right to receive the dividends is established.

(f) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and are recognised on an accrual basis.

4.2 Cost of real estate sold

In determining the cost of land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses sold on the basis of the salable area and to residential condominium units sold on the basis of the salable area weighted to the selling price of the unit, and then recognised as costs in profit or loss concurrently with revenue from sales.

Development costs are stated at cost, consisting of cost of land, design fees, utilities, construction and related interest. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

The Group provided promotional items such as furniture and decoration items to customers without any charge when the customers register a transfer of a house or a condominium unit. The management of the Group has determined that these items are the Company's major commitment and considered part of a house or a condominium unit to be transferred to the customers in accordance with the contract. Therefore, the costs of these items must be recorded under cost of real estate sold.

Selling expenses associated with the project sales, such as specific business tax and ownership transfer fees, are recognised as expenses when the sale occurs.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Land and construction in progress/Land and project development cost

Land and construction in progress/Land and project development cost are stated at cost less provision for loss on diminution in value of projects. The details of cost calculation are as follows:

- | | |
|--------------------------|---|
| Land | - Cost of land using the weighted average method, calculating it separately for each project. |
| Construction in progress | - Construction in progress and project development costs consist of the cost of construction, public utility costs and interest capitalised to cost of projects by records cost of construction and public utilities based on the actual cost incurred. |

4.5 Cost to obtain a contracts with customers

The Group recognises a commission paid to obtain a customer contract as an asset and amortises it to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of the consideration that the entity expects to receive less direct costs.

4.6 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the equity method.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 15 - 60 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Land improvement	10 years
Leasehold improvement	5 - 20 years
Buildings and building improvement	5 - 60 years
Equipment and operating equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.9 Leases

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

4.9.1 The Group as a lessee

The Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

a) Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

Land	30 years
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Buildings and building improvement	3 - 30 years
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If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) *Short-term leases and leases of low-value assets*

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.9.2 The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Capitalisation rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects.

4.11 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining income.

4.12 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and, individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the investment properties, property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labour law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Provision for diminution in value of land and construction in progress and land and project development costs

The Group records provision for diminution in value of land and construction in progress and land and project development costs when there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of land and construction in progress and land and project development costs based on their net realisable value. The determination of such devaluation requires management to make subjective judgements and estimates.

Litigation

The Group has contingent liabilities as a result of litigation. The management has exercised judgement to assess of the results of the litigation and recorded certain provision as at the end of reporting period. However, actual results could differ from the estimates.

6. Related party transactions

- 6.1 During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	201	245	2.50% to 2.74% per annum (2020: 2.50% to 3.03% per annum)
Material cost	-	-	44	24	Market price
Sale of real estate	-	-	17	-	Compare to trading price in the vicinity
<u>Transactions with associates</u>					
Goods and service cost	9	8	5	3	Market price
Rental expenses	125	201	33	33	Contract value
Building management income	56	56	16	19	Contract value
Office rental income	65	67	65	67	Contract value
Interest income	4	6	2	3	0.15% to 0.40% per annum (2020: 0.15% to 1.25% per annum)
Dividend income	1,208	1,162	1,208	1,162	As declared
Bank fees	1	1	1	1	Market price
<u>Transactions with related companies</u>					
Material cost	29	15	20	14	Market price
Building management income	10	13	3	2	Contract value
Office rental income	19	19	19	19	Contract value
Other service income	4	5	-	1	Contract value

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
Deposits at financial institution (shown under cash and cash equivalents)				
Associate				
Land and Houses Bank Plc.	2,721,778	1,918,168	1,021,358	656,602
Trade and other receivables - related parties (Note 8)				
<u>Trade accounts receivable - related parties</u>				
Associates	395	493	395	493
Related companies (Common directors or common shareholders)	347	343	323	343
Total trade accounts receivable - related parties	742	836	718	836
<u>Other receivables - related parties</u>				
Subsidiaries	-	-	27	245
Associates	10,267	23,811	699	3,778
Related companies (Common directors or common shareholders)	1,872	1,366	187	-
Total other receivables - related parties	12,139	25,177	913	4,023
Total	12,881	26,013	1,631	4,859
Deposits for rental and service - related parties (shown under other non-current assets)				
Associate	7,549	7,552	7,549	7,552
Trade and other payables - related parties (Note 20)				
<u>Trade accounts payable - related parties</u>				
Subsidiaries	-	-	13,914	10,517
Related companies (Common directors or common shareholders)	6,232	4,200	4,614	3,882
Total trade accounts payables - related parties	6,232	4,200	18,528	14,399
<u>Other payables - related parties</u>				
Subsidiaries	-	-	50	83
Associates	1,112	1,103	636	650
Related companies (Common directors or common shareholders)	38	-	-	-
Total other payables - related parties	1,150	1,103	686	733
Total	7,382	5,303	19,214	15,132
Deposits 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

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accrued expenses - related parties (shown under other current liabilities)				
Subsidiaries	-	-	6	13
Associates	234,180	15,960	-	-
Total	234,180	15,960	6	13
Rental income received in advance - related party				
Associate (Note 6.3)				
Current portion	27,224	27,224	27,224	27,224
Non-current portion	378,531	405,680	378,531	405,680
Total	405,755	432,904	405,755	432,904
Lease liabilities - related parties				
<u>Associates</u>				
Lease payments	1,106,129	1,007,377	262,530	293,378
Less: Deferred interested	(124,231)	(96,721)	(37,028)	(46,266)
Total	981,898	910,656	225,502	247,112
Less: Current portion	(109,872)	(249,905)	(22,475)	(21,610)
Lease liabilities - net of current portion	872,026	660,751	203,027	225,502

(Unit: Thousand Baht)					
	Consolidated financial statements		Separate financial statements		Interest policy
	2021	2020	2021	2020	(% p.a.)
Long-term loans to and interest receivables - related parties					
<u>Subsidiary</u>					
Casa Ville Co., Ltd.	-	-	7,839,692	8,225,814	2.50% to 2.61% (2020: 2.50% to 2.74%)
<u>Related party</u>					
Harbour View Corporation	76,741	68,940	-	-	LIBOR+3.00%, 4.00% and 8.00% (2020: LIBOR+3.00%, 4.00% and 8.00%)
Total	76,741	68,940	7,839,692	8,225,814	
Less: Allowance for expected credit losses	(76,741)	(68,940)	-	-	
Net	-	-	7,839,692	8,225,814	

Loans to related parties and loans from related parties

As at 31 December 2021 and 2020, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements			
	1 January 2021	Increase	Decrease	31 December 2021
Long-term loan to and interest receivables - related party				
<u>Related party</u>				
Harbour View Corporation	68,940	7,801	-	76,741
Less: Allowance for expected credit losses	(68,940)	(7,801)	-	(76,741)
Net	-	-	-	-

	(Unit: Thousand Baht)			
	Separate financial statements			
	1 January 2021	Increase	Decrease	31 December 2021
Long-term loan to and interest receivables - related party				
<u>Subsidiary</u>				
Casa Ville Co., Ltd.	8,225,814	7,230,915	(7,617,037)	7,839,692

Directors and management's benefits

During the years ended 31 December 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	
	2021	2020
Short-term employee benefits	61	63
Post-employment benefits	1	4
Total	62	67

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

		(Unit: Million Baht)	
		Contract amount	
	Counterparty	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 year, a subsidiary was waived from rental fees totaling Baht 68 million for building and assets - Centre Point Hotel Pratunam, Sukhumvit 10 and Chidlom, for the rental period from 20 July 2021 to 31 December 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 year.

- 6.3 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.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	3,392	3,309	1,716	1,454
Bank deposits	3,202,825	2,506,202	1,257,157	982,034
Total	3,206,217	2,509,511	1,258,873	983,488

As at 31 December 2021, bank deposits in current accounts, saving accounts and fixed deposits carried interests between 0.05% and 0.40% per annum (2020: between 0.05% and 0.55% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade accounts receivable - related parties</u> (Note 6)				
Aged of receivables				
Up to 3 months	742	836	718	836
Total trade accounts receivable - related parties	742	836	718	836
<u>Trade accounts receivable - unrelated parties</u>				
Aged of receivables				
Up to 3 months	8,928	5,459	3,425	2,804
3 - 6 months	32	55	-	-
6 - 12 months	1,108	2,000	203	249
Over 12 months	2,547	1,366	59	-
Total trade accounts receivable - unrelated parties	12,615	8,880	3,687	3,053
Less: Allowance for expected credit losses	(1,873)	(245)	(155)	-
Total trade accounts receivable - unrelated parties, net	10,742	8,635	3,532	3,053
Total trade accounts receivable - net	11,484	9,471	4,250	3,889
<u>Other receivables</u>				
Other receivables - related parties				
(Note 6)	12,139	25,177	913	4,023
Other receivables - unrelated parties	2,252	1,870	1,505	1,205
Total other receivables	14,391	27,047	2,418	5,228
Total trade and other receivables - net	25,875	36,518	6,668	9,117

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Beginning balance	245	-	-	-
Provision for expected credit losses	1,628	245	155	-
Ending balance	1,873	245	155	-

9. Land and construction in progress

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Construction material	12,685	16,778	-	-
Land	8,666,652	9,686,113	5,985,623	6,390,430
Interest cost	1,210,522	1,307,868	561,862	567,892
Construction under development	10,611,408	12,043,820	5,353,233	5,840,510
Total	20,501,267	23,054,579	11,900,718	12,798,832
Less: Provision for loss on diminution in value of projects	(514,029)	(509,091)	(44,100)	(46,033)
Land and construction in progress - net	19,987,238	22,545,488	11,856,618	12,752,799

During the current year, the Group included borrowing costs of Baht 126 million as cost of “Land and construction in progress” (the Company only: Baht 98 million) (2020: Baht 149 million, the Company only: Baht 116 million). These were determined by applying a capitalisation rate of 0.9% (the Company only: 0.7%) (2020: 0.9%, the Company only: 0.7%).

The Company mortgaged certain plots of land and construction in progress of subsidiaries with net book values as at 31 December 2021 amounting to Baht 1,327 million (the Company only: Nil) (2020: Baht 1,379 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 years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	509,091	571,212	46,033	54,811
Additional provision during the year	48,895	-	2,949	-
Provision reversal according to revenue recognition during the year	(43,957)	(62,121)	(4,882)	(8,778)
Balance at end of year	514,029	509,091	44,100	46,033

During the current year, the Group arranged for an independent valuer to appraise the fair value of the Group's land and construction in progress for low turnover projects, using the market approach and/or the hypothetical development method. The Group recorded the provision for loss on diminution in value of projects amounting to Baht 49 million (The Company only: Baht 3 million).

Additional information of the Group's projects.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	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	77,145	73,831	32,611	30,118
Percentage of total estimated sales value of projects	67%	63%	57%	53%
Total value of contracts signed according to the letters reserving plots of land and structures thereon not yet recognised as income	603	500	363	437

10. Assets recognised in respect of cost to obtain contracts with customers

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statement	
	2021	2020
Balance at beginning of year	11,517	12,414
Amortise	(995)	(897)
Balance at end of year	10,522	11,517

11. Restricted deposits at financial institutions

As at 31 December 2020, these represent fixed deposits pledged with the banks to secure credit card facilities from bank.

12. Other non-current financial assets

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

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements are as follows.

Company's name	(Unit: Thousand Baht)							
	Separate financial statements						Carrying amounts based on equity method	
	Paid-up capital		Shareholding		Cost		2021	2020
	2021	2020	2021 (%)	2020 (%)	2021	2020		
Casa Ville Co., Ltd.	3,000,000	3,000,000	100	100	2,999,999	2,999,999	7,721,493	7,803,852
Q.H. International Co., Ltd.	25,000	25,000	100	100	25,000	25,000	253,303	237,520
Property Host Co., Ltd.	5,000	5,000	100	100	5,000	5,000	4,369	4,549
Centre Point Hospitality Co., Ltd.	5,000	5,000	100	100	4,999	4,999	(236,242)	(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	28,715	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.*	3,005,000	5,000	-	-	-	-	-	-
Casa Ville (Prachuapkhirkhan 2554) Co., Ltd.*	5,000	5,000	-	-	-	-	-	-
Total					3,123,633	3,123,633	7,771,638	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.

13.2 Share of comprehensive income

During the year, the Company has summarised its share of profit (loss) from investments in subsidiaries in separate financial statement as follows.

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income of subsidiaries	
	2021	2020	2021	2020
Casa Ville Co., Ltd.	(82,359)	101,565	-	(3,309)
Q.H. International Co., Ltd.	15,783	17,420	-	(692)
Property Host Co., Ltd.	(180)	8	-	-
Centre Point Hospitality Co., Ltd.	(114,216)	(167,861)	-	1,179
Q.H. Management Co., Ltd.	(58)	1,194	-	-
Total	(181,030)	(47,674)	-	(2,822)

14. Investments in associates

14.1 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	
			2021	2020	2021	2020	2021	2020
			(%)	(%)				
Quality Houses Leasehold Property Fund ⁽¹⁾	Investment in immovable properties	Thailand	26	26	2,017,695	2,017,695	1,181,189	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	330,820	347,565
Home Product Center Plc.	Trading	Thailand	20	20	759,959	759,959	4,764,372	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	5,247,691	5,374,139
Total					6,680,254	6,680,254	11,524,072	11,424,593

⁽¹⁾ Carrying amounts are based on the equity method, and presented net of unrealised gain 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.

14.2 Share of comprehensive income and dividend received

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

Company's name	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	Share of profit from investments in associates		Share of other comprehensive income of associates	
	2021	2020	2021	2020
Quality Houses Leasehold Property Fund	147,683	167,158	-	-
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	(16,745)	32,440	-	-
Home Product Center Plc.	1,081,051	1,019,794	18,419	976
LH Financial Group Plc.	170,083	310,906	(92,817)	(482,491)
Total	1,382,072	1,530,298	(74,398)	(481,515)

During the year, the Company received dividends from associates as follows.

Company's name	(Unit: Thousand Baht)	
	Dividend received during the years	
	2021	2020
Quality Houses Leasehold Property Fund	168,314	189,992
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	-	31,373
Home Product Center Plc.	836,167	810,037
LH Financial Group Plc.	203,714	130,959
Total	1,208,195	1,162,361

14.3 Fair value of investments in listed associates

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

Company's name	(Unit: Million Baht)	
	Fair values as at 31 December	
	2021	2020
Quality Houses Leasehold Property Fund	2,229	1,994
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	563	631
Home Product Center Plc.	37,889	35,537
LH Financial Group Plc.	3,900	3,056
Total	44,581	41,218

14.4 Summarised significant financial information of associates

Summarised information about financial position

(Unit: Million Baht)

	Quality Houses Leasehold Property Fund		Quality Houses Hotel and Residence Freehold and Leasehold Property Fund		Home Product Center Plc.		LH Financial Group Plc.	
	2021	2020	2021	2020	2021	2020	2021	2020
Total assets	9,933	10,438	4,651	4,808	58,586	56,091	264,688	249,312
Total liabilities	974	1,016	32	30	35,696	34,526	226,490	210,681
Net assets	8,959	9,422	4,619	4,778	22,890	21,565	38,198	38,631
Shareholding percentage (%)	26	26	31	31	20	20	14	14
Share of net assets	2,299	2,418	1,447	1,497	4,548	4,285	5,248	5,374
Unrealised gains on revaluation of investments	(64)	(209)	(322)	(381)	-	-	-	-
Unrecognised gains on sales of assets	(523)	(523)	(601)	(601)	-	-	-	-
Record depreciation and amortisation of assets	(531)	(484)	(193)	(167)	-	-	-	-
Goodwill	-	-	-	-	216	216	-	-
Carrying amounts of associates based on equity method	1,181	1,202	331	348	4,764	4,501	5,248	5,374

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December							
	Quality Houses Leasehold Property Fund		Quality Houses Hotel and Residence Freehold and Leasehold Property Fund		Home Product Center Plc.		LH Financial Group Plc.	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	1,070	1,181	93	169	63,933	61,765	10,753	11,061
Profit (loss)	192	835	(159)	103	5,440	5,155	1,384	2,057
Other comprehensive income	-	-	-	-	93	5	(676)	(3,468)
Total comprehensive income	-	-	-	-	5,533	5,160	708	(1,411)

Home Product Center Public Company Limited

On 22 February 2022, the meeting of the Board of Directors of Home Product Center Plc. passed the resolution to propose to Annual General Meeting of the shareholders for approval of dividend payment from operating results from July 2021 to December 2021. The dividend will be paid by cash at the rate of Baht 0.20 per share or in the total amount not exceeding Baht 2,630 million. The payment of cash dividend shall be made within 6 May 2022. As the meeting of the Board of Directors of Home Product Center Plc. held on 31 August 2021 has the resolution to approve interim dividend payment to the shareholders as cash dividend of Baht 0.12 per share. The interim dividend was paid on 28 September 2021. As a result, total dividend per share for the year 2021 is Baht 0.32 per share.

LH Financial Group Plc.

During the current year, 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.

15. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2021	2020
Office building for rent		
Cost	2,065,758	2,065,758
Less: Accumulated depreciation	(1,492,682)	(1,428,261)
Less: Allowance for diminution in value	(45,593)	(51,672)
Net book value - net	527,483	585,825

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

(Unit: Thousand Baht)		
Consolidated and Separate financial statements		
	2021	2020
Net book value at beginning of year	585,825	457,935
Adjustments of right-of-use assets due to TFRS 16 adoption	-	36,306
Transfer from leasehold rights	-	144,243
Transfer from deposit for lease of land and building	-	5,715
Disposals during the year - net book value at disposal date	-	(3)
Depreciation charged	(58,342)	(58,371)
Net book value at end of year	527,483	585,825

As at 31 December 2021, the net book value of rental income received in advance from lessee is Baht 406 million (2020: Baht 433 million), and the fair value of the investment properties has been determined based on valuations performed by an accredited independent valuer was Baht 991 million (2020: Baht 1,152 million). The fair value has been determined using the income approach. Key assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in rental rates which has been determined based on rental information of tenants of building.

16. Property, plant and equipment

(Unit: Thousand Baht)						
Consolidated financial statements						
	Land and land improvement	Leasehold improvement	Buildings and building improvement	Equipment and operating equipment	Motor Vehicles	Assets under installation
<u>Cost</u>						
1 January 2020	465,149	323,422	628,083	847,062	57,855	563
Additions	53,000	49	-	12,853	5,758	6,631
Transfer in (out)	-	252,363	242,608	(650)	-	(993)
Disposals/write-off	-	-	-	(9,844)	(11)	-
31 December 2020	518,149	575,834	870,691	849,421	63,602	6,201
Additions	-	319	64	11,157	-	19,891
Transfers in (out)	-	(70,264)	99,980	(5,082)	(1,279)	(23,355)
Disposals/write-off	-	-	-	(7,367)	(1,048)	-
31 December 2021	518,149	505,889	970,735	848,129	61,275	2,737

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land improvement	Leasehold improvement	Buildings and building improvement	Equipment and operating equipment	Motor Vehicles	Assets under installation	Total
<u>Accumulated depreciation</u>							
1 January 2020	6,236	60,467	28,201	485,207	49,991	-	630,102
Depreciation for the year	-	44,440	18,105	70,178	3,242	-	135,965
Depreciation for transfer in (out)	-	365,153	35,879	(219)	-	-	400,813
Depreciation on disposals/ write-off	-	-	-	(9,438)	(9)	-	(9,447)
31 December 2020	6,236	470,060	82,185	545,728	53,224	-	1,157,433
Depreciation for the year	-	26,429	36,761	63,791	2,905	-	129,886
Depreciation for transfer in (out)	-	(31,368)	37,967	(5,857)	(742)	-	-
Depreciation on disposals/ write-off	-	-	-	(7,216)	(1,047)	-	(8,263)
31 December 2021	6,236	465,121	156,913	596,446	54,340	-	1,279,056
<u>Allowance for impairment loss</u>							
1 January 2020	81,873	-	-	-	-	-	81,873
31 December 2020	81,873	-	-	-	-	-	81,873
31 December 2021	81,873	-	-	-	-	-	81,873
<u>Net book value</u>							
31 December 2020	430,040	105,774	788,506	303,693	10,378	6,201	1,644,592
31 December 2021	430,040	40,768	813,822	251,683	6,935	2,737	1,545,985
Depreciation for the year							
2020 (Baht 108 million included in cost of operations, and the balance in administrative expenses)							135,965
2021 (Baht 106 million included in cost of operations, and the balance in administrative expenses)							129,886

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Leasehold improvement	Buildings and building improvement	Equipment and operating equipment	Motor Vehicles	Assets under installation	Total
<u>Cost</u>							
1 January 2020	255,664	10,146	16,564	290,234	22,803	-	595,411
Additions	-	-	-	2,656	4,421	-	7,077
Transfer in (out)	-	483,182	11,081	(935)	-	-	493,328
Disposals/write-off	-	-	-	(3,509)	(7)	-	(3,516)
31 December 2020	255,664	493,328	27,645	288,446	27,217	-	1,092,300
Additions	-	-	-	6,573	-	-	6,573
Disposals/write-off	-	-	-	(4,655)	-	-	(4,655)
31 December 2021	255,664	493,328	27,645	290,364	27,217	-	1,094,218
<u>Accumulated depreciation</u>							
1 January 2020	4,557	10,140	10,019	269,128	19,136	-	312,980
Depreciation for the year	-	26,075	828	8,842	1,643	-	37,388
Depreciation for transfer in (out)	-	390,672	10,360	(219)	-	-	400,813
Depreciation on disposals/ write-off	-	-	-	(3,486)	(6)	-	(3,492)
31 December 2020	4,557	426,887	21,207	274,265	20,773	-	747,689
Depreciation for the year	-	26,074	876	6,704	1,828	-	35,482
Depreciation on disposals/ write-off	-	-	-	(4,563)	-	-	(4,563)
31 December 2021	4,557	452,961	22,083	276,406	22,601	-	778,608
<u>Allowance for impairment loss</u>							
1 January 2020	81,873	-	-	-	-	-	81,873
31 December 2020	81,873	-	-	-	-	-	81,873
31 December 2021	81,873	-	-	-	-	-	81,873

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Leasehold improvement	Buildings and building improvement	Equipment and operating equipment	Motor Vehicles	Assets under installation
Net book value						
31 December 2020	169,234	66,441	6,438	14,181	6,444	-
31 December 2021	169,234	40,367	5,562	13,958	4,616	-
Depreciation for the year						
2020 (Baht 29 million included in cost of operations, and the balance in administrative expenses)						37,388
2021 (Baht 28 million included in cost of operations, and the balance in administrative expenses)						35,482

As at 31 December 2021, certain plant and equipment items of the Group were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 461 million (the Company only: Baht 291 million) (2020: Baht 449 million, the Company only: Baht 286 million).

17. Lease

The Group as a lessee

The Group entered into lease contracts for various items of land, buildings, motor vehicles and equipments used in its operations. Land and buildings leases have lease terms of approximately 30 years, while motor vehicles and equipments leases have lease terms of generally between 1 and 3 years.

17.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land and land improvement	Buildings and building improvement	Total	Land and land improvement	Buildings and building improvement	Total
Net book value as at 31 December 2019	-	-	-	-	-	-
Adjustments of right-of-use assets due to						
TFRS 16 adoption	679,656	190,853	870,509	-	190,853	190,853
Transfer from leasehold rights	65,432	-	65,432	65,432	-	65,432
Adjustments of right-of-use assets due to amending contract	(2,821)	77,618	74,797	-	77,618	77,618
Depreciation for the year	(167,492)	(28,138)	(195,630)	(18,442)	(28,138)	(46,580)
31 December 2020	574,775	240,333	815,108	46,990	240,333	287,323
Adjustments of right-of-use assets due to amending contract	343,810	-	343,810	-	-	-
Depreciation for the year	(159,422)	(27,467)	(186,889)	(18,442)	(27,467)	(45,909)
31 December 2021	759,163	212,866	972,029	28,548	212,866	241,414

17.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease payments	1,123,490	1,035,642	279,890	321,642
Less: Deferred interest expense	(124,854)	(98,255)	(37,650)	(47,800)
Total	998,636	937,387	242,240	273,842
Less: Current portion	(119,952)	(259,897)	(32,554)	(31,602)
Lease liabilities - net of current portion	878,684	677,490	209,686	242,240

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	937,387	906,815	273,842	227,159
Additions	343,810	74,797	-	77,618
Accretion of interest	45,524	38,430	10,149	9,720
Repayments	(41,751)	(68,656)	(41,751)	(40,655)
Transfer to accrued expenses	(217,934)	(13,999)	-	-
Rental fee waived	(68,400)	-	-	-
Balance at end of year	998,636	937,387	242,240	273,842

17.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	186,889	195,630	45,909	46,850
Interest expense on lease liabilities	45,524	38,430	10,149	9,720
Expense relating to short-term leases	15,558	18,012	7,215	7,370
Expense relating to leases of low-value assets	399	439	61	62

17.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 54 million (the Company only: Baht 48 million) (2020: Baht 89 million, the Company only: Baht 49 million), including the cash outflow related to short-term lease, leases of low-value assets.

18. Land and project development costs

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Land	6,723,233	6,540,226	2,018,464	2,516,195
Interest cost	216,130	214,133	199,448	199,481
Construction under development	702,310	574,159	461,319	382,963
Total	7,641,673	7,328,518	2,679,231	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	7,474,057	7,160,902	2,533,850	2,953,258

During the current year, the Group included borrowing costs of Baht 18 million as cost of “Land and project development costs” (the Company only: Baht 16 million) (2020: Baht 15 million, the Company only: Baht 15 million). These were determined by applying a capitalisation rate of 0.9% (the Company only: 0.7%) (2020: 0.9%, the Company only: 0.7%).

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

19. Short-term loans from financial institutions

(Unit: Thousand Baht)				
	Interest rate		Consolidated and separate financial statements	
	2021	2020	2021	2020
	(% p.a.)	(% p.a.)		
Bill of exchange	-	1.40	-	1,000,000
Less: Deferred interest			-	(1,758)
Net			-	998,242

20. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade accounts payable - related parties (Note 6)	6,232	4,200	18,528	14,399
Trade accounts payable - unrelated parties	425,528	395,064	295,320	271,510
Other payables - related parties (Note 6)	1,150	1,103	686	733
Other payables - unrelated parties	73,044	53,847	19,404	15,885
Accrued interest	50,490	48,130	50,490	48,130
Total trade and other payables	<u>556,444</u>	<u>502,344</u>	<u>384,428</u>	<u>350,657</u>

21. Long-term loan

(Unit: Thousand Baht)			
		Consolidated and separate	
		financial statements	
Interest rate	Repayment schedule	2021	2020
(%)			
MLR - 2.25	Repayment quarterly installments	3,144,141	3,944,141
	as from March 2021 to November 2023 ^(a)		
Less: Current portion		(1,600,000)	(800,000)
Long-term loan - net of current portion		<u>1,544,141</u>	<u>3,144,141</u>

MLR : Minimum Lending Rate

a) : Also subject to mandatory prepayment in inverse order of maturity upon the ownership transfer of property sales units.

Movement of the long-term loan account during the year ended 31 December 2021 are summarised below:

(Unit: Thousand Baht)	
Consolidated and separate	
financial statements	
Balance as at 1 January 2021	3,944,141
Less: Repayment	(800,000)
Balance as at 31 December 2021	<u>3,144,141</u>

This loan is guaranteed by the pledge of part of the Land and construction in progress and Land and project development costs, as discussed in Notes 9 and 18.

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.

22. Unsecured debentures

				Consolidated and separate financial statements			
Type of debenture	Interest rate	Age	Maturity date	Number of debenture (Unit)		Amount (Thousand Baht)	
				2021	2020	2021	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				12,000,000	12,100,000	12,000,000	12,100,000
Less: Unamortised portion of deferred transaction costs						(6,102)	(5,299)
Debentures - net						11,993,898	12,094,701
Less: Current portion of debentures						(7,500,000)	(4,600,000)
Debentures - net of current portion						4,493,898	7,494,701

Movements in debentures accounts during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2021	2020
Balance at beginning of year	12,100,000	20,100,000
Add: Issuance of debentures during the year	4,500,000	-
Less: Redemption of debentures during the year	(4,600,000)	(8,000,000)
Balance at end of year	12,000,000	12,100,000

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

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, is as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	248,641	225,132	162,050	147,957
Included in profit or loss:				
Current service cost	19,639	19,360	12,750	12,716
Interest cost	3,608	5,964	2,348	3,880
Included in other comprehensive income:				
Actuarial (profit) losses arising from				
Financial assumptions changes	-	9,209	-	5,764
Experience adjustments	-	(670)	-	(754)
Benefits paid/transfer-out during the year	(6,419)	(10,354)	(3,368)	(7,513)
Provision for long-term employee benefits at end of year	<u>265,469</u>	<u>248,641</u>	<u>173,780</u>	<u>162,050</u>

As at 31 December 2021, the Group expected to pay Baht 8 million of long-term employee benefits during the next year (the Company only: Baht 7 million) (2020: Baht 6 million, the Company only: Baht 3 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit was 12 years (the Company only: 12 years) (2020: 12 years, the Company only: 12 years).

Significant actuarial assumptions are summarised below.

	Consolidated and separate financial statements	
	2021	2020
	(% p.a.)	(% p.a.)
Discount rate	1.5	1.5
Salary increase rate	5.0	5.0
Turnover rate	0 - 25.0	0 - 25.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

		As at 31 December 2021					
		Discount rate		Salary increase rate		Turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		0.5%	0.5%	0.5%	0.5%	10%	10%
Consolidated financial statements		(14,033)	15,186	15,876	(14,798)	(9,409)	10,252
Separate financial statements		(8,722)	9,423	9,883	(9,228)	(5,664)	6,159

(Unit: Thousand Baht)

		As at 31 December 2020					
		Discount rate		Salary increase rate		Turnover rate	
		Increase	Decrease	Increase	Decrease	Increase	Decrease
		0.5%	0.5%	0.5%	0.5%	10%	10%
Consolidated financial statements		(13,757)	14,925	14,336	(13,377)	(8,362)	9,081
Separate financial statements		(8,613)	9,328	8,961	(8,375)	(5,071)	5,492

24. Provisions

(Unit: Thousand Baht)

		Consolidated financial statements				
		Provision for		Compensation		
		public utility	Provision for	for Housing		
		maintenance	housing	Estate Juristic		
			maintenance	Persons	Litigation	Total
As at 1 January 2020		295,121	174,638	138,508	431,787	1,040,054
Increase during the year		37,275	68,932	19,373	57,483	183,063
Utilised		(68,253)	(30,161)	(19,190)	(2,487)	(120,091)
Reversed during the year		-	-	(562)	(62,521)	(63,083)
As at 31 December 2020		264,143	213,409	138,129	424,262	1,039,943
Increase during the year		31,305	62,029	18,127	61,466	172,927
Utilised		(45,342)	(27,011)	(24,307)	(150,777)	(247,437)
Reversed during the year		-	-	(171)	(8,223)	(8,394)
As at 31 December 2021		250,106	248,427	131,778	326,728	957,039
2021						
Current		250,106	248,427	131,778	-	630,311
Non-current		-	-	-	326,728	326,728
		250,106	248,427	131,778	326,728	957,039

(Unit: Thousand Baht)

	Consolidated financial statements				
	Provision for public utility maintenance	Provision for housing maintenance	Compensation for Housing Estate Juristic Persons	Litigation	Total
2020					
Current	264,143	213,409	138,129	-	615,681
Non-current	-	-	-	424,262	424,262
	264,143	213,409	138,129	424,262	1,039,943

(Unit: Thousand Baht)

	Separate financial statements				
	Provision for public utility maintenance	Provision for housing maintenance	Compensation for Housing Estate Juristic Persons	Litigation	Total
As at 1 January 2020	107,404	79,269	52,155	16,545	255,373
Increase during the year	22,265	40,850	10,290	5,795	79,200
Utilised	(17,911)	(12,155)	-	(2,487)	(32,553)
Reversed during the year	-	-	-	(10,982)	(10,982)
As at 31 December 2020	111,758	107,964	62,445	8,871	291,038
Increase during the year	20,217	38,071	10,702	48,109	117,099
Utilised	(9,997)	(13,636)	(7,793)	(29,471)	(60,897)
Reversed during the year	-	-	(171)	-	(171)
As at 31 December 2021	121,978	132,399	65,183	27,509	347,069
2021					
Current	121,978	132,399	65,183	-	319,560
Non-current	-	-	-	27,509	27,509
	121,978	132,399	65,183	27,509	347,069
2020					
Current	111,758	107,964	62,445	-	282,167
Non-current	-	-	-	8,871	8,871
	111,758	107,964	62,445	8,871	291,038

Provision for public utilities repairment/housing repairment

In estimating the Group's provision for public utilities repairment/housing repairment, the management considers historical data and/or currently available information about the costs of various types of repairment work.

Compensation for Housing Estate Juristic Persons

The Group estimates the compensation for Housing Estate Juristic Persons using the rate specified by the law and regulations and the budgeted of public utilities as a basis for the calculation.

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

26. Revenue from contracts with customers

26.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Type of goods or service:				
Revenue from sales of real estate	7,502,387	8,503,055	4,660,562	5,024,334
Revenue from hotel operations	314,353	329,514	90,218	69,975
Other service income	45,488	51,729	45,488	51,729
Other income	198,208	212,581	81,895	79,640
Total revenue from contracts with customers	<u>8,060,436</u>	<u>9,096,879</u>	<u>4,878,163</u>	<u>5,225,678</u>
Timing of revenue recognition:				
Recognise revenue at a point in time	7,816,740	8,832,569	4,750,780	5,094,309
Recognise revenue over time	<u>243,696</u>	<u>264,310</u>	<u>127,383</u>	<u>131,369</u>
Total revenue from contracts with customers	<u>8,060,436</u>	<u>9,096,879</u>	<u>4,878,163</u>	<u>5,225,678</u>

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 31 relating to the segment information:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenue from external customers	8,060,436	9,096,879	4,878,163	5,225,678
Inter-segment revenue	149,995	40,376	-	-
	8,210,431	9,137,255	4,878,163	5,225,678
Adjustments and eliminations	(149,995)	(40,376)	-	-
Total revenue from contracts with customers	8,060,436	9,096,879	4,878,163	5,225,678

26.2 Revenue recognised in relation to contract balances

During the current year, amounts of Baht 41 million (the Company only: Baht 29 million) (2020: Baht 37 million, the Company only: Baht 16 million) that were included in advances received from customers at the beginning of the year were recognised as revenue.

26.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, revenue totaling Baht 603 million (the Company only: Baht 363 million) (2020: Baht 500 million, the Company only: Baht 437 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 1 year.

27. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Interest expenses on borrowings	267,814	333,263	298,327	366,446
Interest expenses on lease liabilities	45,524	38,430	10,149	9,720
Other fees	16,573	20,218	14,885	18,168
Total	329,911	391,911	323,361	394,334

28. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Purchase of land and payment of construction during the year	2,878,862	1,752,044	1,741,084	1,325,829
Changes in land and construction in progress	2,557,158	2,494,949	896,181	391,248
Changes in land and project development costs	(313,155)	1,440,452	419,408	1,470,907
Salaries and wages and other employee benefits	634,333	685,705	410,040	434,875
Depreciation	375,117	389,966	139,733	142,339

29. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	234,152	337,531	177,991	241,612
Deferred tax:				
Relating to origination and reversal of temporary differences	(13,834)	(53,781)	(9,282)	(18,202)
Income tax expense reported in the statement of comprehensive income	220,318	283,750	168,709	223,410

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax on actuarial losses	-	(1,708)	-	(1,002)
Deferred tax on share of other comprehensive income of subsidiaries	-	-	-	(706)
Deferred tax on share of other comprehensive income of associates	(33,576)	(120,623)	(33,576)	(120,623)
	(33,576)	(122,331)	(33,576)	(122,331)

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accounting profit before tax	1,889,978	2,407,170	1,838,370	2,346,830
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	377,996	481,434	367,674	469,366
Effects of:				
Change in value of investments accounted for the equity method	(33,324)	(75,905)	1,419	(64,080)
Exempt income and non-deductible expenses	(123,406)	(120,238)	(200,376)	(181,040)
Additional expenses deduction allowed	(138)	(13)	(8)	(13)
Others	(810)	(1,528)	-	(823)
Total	(157,678)	(197,684)	(198,965)	(245,956)
Income tax expense reported in the statement of comprehensive income	220,318	283,750	168,709	223,410

The components of deferred tax assets (liabilities) are as follows.

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax assets (liabilities)				
Provision for loss on diminution in value of projects	167,437	171,363	66,870	70,593
Allowance for diminution in value of investment properties	9,119	10,334	9,119	10,334
Allowance for impairment of property, plant and equipment	16,374	16,374	16,374	16,374
Provision for long-term employee benefits	52,213	49,365	34,756	32,410
Provision for public utility repairment	49,933	52,829	24,396	22,352
Provision for housing repairment	49,610	42,682	26,480	21,593
Provision for contingent liabilities arising from litigation	65,346	84,852	5,502	1,774
Borrowing cost of projects	174,073	167,806	13,749	11,477
Recognition of installment income	9,417	10,229	-	-
Cost to obtain contracts with customers	(2,104)	(2,303)	(2,104)	(2,303)
Accumulated depreciation of investment properties	(6,016)	(3,698)	(6,016)	(3,698)
Income from rental of land	(219)	(283)	-	-
Unutilised tax losses	135,333	112,371	-	-
Leases	2,666	1,470	2,666	1,470
Others	11,796	7,753	7,047	7,181
Deferred tax assets - net	734,978	721,144	198,839	189,557
Reflected in the statements of financial position as follows:				
Deferred tax assets	735,197	721,427	198,839	189,557
Deferred tax liabilities	(219)	(283)	-	-
Deferred tax assets - net	734,978	721,144	198,839	189,557

As at 31 December 2021, the Group had deductible temporary differences totaling Baht 549 million (the Company only: Nil) (2020: Baht 314 million, the Company only: Nil). No deferred tax assets had been recognised on these amounts as the Group considered that the temporary differences will not be utilised in the future.

30. Earnings per share

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

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Profit for the year (Thousand Baht)	1,669,660	2,123,420	1,669,660	2,123,420
Weighted average number of ordinary shares (Thousand shares)	10,714,382	10,714,382	10,714,382	10,714,382
Basic earnings per share (Baht per share)	0.16	0.20	0.16	0.20

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group are organised into business units based on its products and services and have four reportable segments as follows.

- Real estate business segment which consists of sales of land and houses and condominium units.
- Hotel business segment relates to service of residential buildings.
- Rental business segment relates to rental of office buildings.
- Others segment which consists of providing management services for buildings and investing business.

Chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Group's income taxes are managed on a Group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2021 and 2020, respectively.

(Unit: Million Baht)

For the year ended 31 December 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			
Revenue from external customers	6,984	518	314	303	71	8,190	-	8,190
Inter-segment revenue	146	-	-	-	4	150	(150)	-
Interest income	2	-	-	-	2	4	-	4
Finance cost	(92)	(147)	(64)	(1)	(9)	(313)	-	(313)
Depreciation and amortisation	(18)	-	(267)	(86)	(4)	(375)	-	(375)
Reversal of provision for loss on diminution in value of projects	20	24	-	-	-	44	-	44
Segment profit (loss)	949	(146)	(253)	173	24	747	-	747
Other income								3
Administrative expenses								(225)
Share of profit from investments in associates								1,382
Finance cost								(17)
Income tax expenses								(220)
Profit for the year								<u>1,670</u>
Segment total assets								
Investments in associates								
accounted for the equity method	-	-	331	1,181	10,012	11,524	-	11,524
Additions to non-current assets other than financial instruments								
and deferred tax assets	1,310	-	369	-	6	1,685	-	1,685

(Unit: Million Baht)

For the year ended 31 December 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			
Revenue from external customers	7,674	829	330	305	73	9,211	-	9,211
Inter-segment revenue	35	-	-	-	5	40	(40)	-
Interest income	2	-	1	-	4	7	-	7
Finance cost	(126)	(169)	(69)	(1)	(7)	(372)	-	(372)
Depreciation and amortisation	(20)	-	(278)	(87)	(5)	(390)	-	(390)
Reversal of provision for loss on diminution in value of projects	28	34	-	-	-	62	-	62
Segment profit (loss)	1,398	(142)	(326)	164	27	1,121	-	1,121
Other income								4
Selling expenses								(1)
Administrative expenses								(229)
Share of profit from investments in associates								1,530
Finance cost								(18)
Income tax expenses								(284)
Profit for the year								2,123
Segment total assets								
Investments in associates accounted for the equity method	-	-	348	1,202	9,875	11,425	-	11,425
Additions to non-current assets other than financial instruments and deferred tax assets	278	-	744	305	1	1,328	-	1,328

The following table presents segment assets of the Group's operating segments as at 31 December 2021 and 2020.

(Unit: Million Baht)

	Real estate business					Total reportable segments	Unallocated assets	Consolidated
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business			
Segment assets								
As at 31 December 2021	18,909	11,619	2,158	592	-	33,278	12,958	46,236
As at 31 December 2020	20,515	11,938	2,011	672	-	35,136	12,531	47,667

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2021 and 2020, the Group has no major customer with revenue of 10% or more of an entity's revenues.

32. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and their employees contributed to the fund monthly at the rates of 3% - 6% of basic salary. The fund, which is managed by Land and House Fund Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 23 million (the Company only: Baht 15 million) (2020: Baht 23 million, the Company only: Baht 14 million) were recognised as expenses.

33. Dividends

Dividends declared in 2021 and 2020 consist of the following:

	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
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	
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 2020	Board of Directors' Meeting of the Company on 20 April 2020	1,392,808	0.13	18 May 2020
Total dividend paid		1,821,364	0.17	

34. Commitments and contingent liabilities

The Group has the following outstanding commitments and contingent liabilities.

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

	(Unit: Million Baht)	
	As at 31 December	
	2021	2020
Construction contracts	580	566
Agreements to purchase land for development of future projects	431	-

34.2 As at 31 December 2021, the Group has entered into several lease agreements to lease motor vehicles and equipment, with a terms of generally 1 year (2020: 1 year to 2 years).

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

		(Unit: Million Baht)	
		As at 31 December	
		2021	2020
Payable:			
in up to 1 year		8	12

34.3 As at 31 December 2021, the Group had commitments in respect of various service commitments totaling Baht 35 million (2020: Baht 20 million)

34.4 As at 31 December 2021, the Group had servitude over land of approximately 50 rai (2020: 50 rai) of which the cost is included in the cost of projects.

35. 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)	
		As at 31 December	
		2021	2020
Letters of guarantee for arrangement and maintenance of public utilities		1,863	1,926
Letters of guarantee for electricity usage		14	10
Other letters of guarantee		47	48
Total		1,924	1,984

36. Litigations

36.1 Between the years 2013 and 2021, various customers sued the Company and its subsidiaries for compensatory damages from purchase of land and houses of the projects, as at 31 December 2021, totaling Baht 1,411 million (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 298 million (2020: Baht 375 million), which the Group deemed appropriate.

36.2 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 December 2021, totaling Baht 135 million (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.

36.3 Between the years 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 31 December 2021, totaling Baht 464 million (2020: Baht 481 million). The lawsuits are currently in the judicial process. For reasons of prudence, the Company and its subsidiaries have set aside provisions of Baht 25 million (2020: Baht 45 million) for the loss arising from these litigations, which the Company and its subsidiaries deemed to be an appropriate amount.

36.4 Customers sued the Company and a subsidiary in 2011, seeking compensatory damages and to return land and houses, with aggregate claims, as at 31 December 2021, amounting to Baht 15 million (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 (2020: Baht 4 million).

37. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were disclosed at fair value using different levels of inputs as follows.

(Unit: Million Baht)				
Consolidated and separate financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investments in associates	44,581	-	-	44,581
Investment properties	-	-	991	991
Liability for which fair value are disclosed				
Unsecured debentures	-	12,113	-	12,113

(Unit: Million Baht)				
Consolidated and separate financial statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investments in associates	41,218	-	-	41,218
Investment properties	-	-	1,152	1,152
Liability for which fair value are disclosed				
Unsecured debentures	-	12,201	-	12,201

38. Financial instruments

38.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, accounts receivable, loans to, investments, deposits, accounts payable, retention guarantees, short-term loans, long-term loans, lease liabilities and debentures. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans to and deposit with banks. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade accounts receivable

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade accounts are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by product type and customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term loans, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December 2021					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
						(% p.a.)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	2,988	218	3,206	0.05 - 0.40
Trade and other receivables	-	-	-	26	26	-
Deposits of lease of land and building	-	-	-	14	14	-

(Unit: Million Baht)

As at 31 December 2021						
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1-5 years					
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	556	556	-
Long-term loan	-	-	3,144	-	3,144	MLR - 2.25
Deposits for rental and service	-	-	-	73	73	-
Retention guarantees	-	-	-	230	230	-
Unsecured debentures	7,500	4,494	-	-	11,994	1.76 - 2.85

(Unit: Million Baht)

As at 31 December 2020						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)	
Within 1 year	1-5 years					
<u>Financial assets</u>						
Cash and cash equivalents	-	-	2,284	226	2,510	0.05 - 0.55
Trade and other receivables	-	-	-	37	37	-
Restricted deposits at financial institutions	5	-	-	-	5	0.25
Deposits of lease of land and building	-	-	-	20	20	-
<u>Financial liabilities</u>						
Short-term loan from financial institution	998	-	-	-	998	1.40
Trade and other payables	-	-	-	502	502	-
Long-term loan	-	-	3,944	-	3,944	MLR - 2.25
Deposits for rental and service	-	-	-	71	71	-
Retention guarantees	-	-	-	328	328	-
Unsecured debentures	4,600	7,495	-	-	12,095	2.16 - 2.85

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loan from affected as at 31 December 2021 and 2020.

	2021		2020	
	Increase (decrease)	Effect on profit before tax	Increase (decrease)	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	0.25	7,860	0.25	9,860
	(0.25)	(7,860)	(0.25)	(9,860)

Foreign currency risk

As at 31 December 2021 and 2020, the Group had no material financial instruments which denominated in foreign currency.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of short-term loan from financial institutions, trade and other payables, lease liabilities, long-term loan, deposits for rental and services, retention guarantees and unsecured debentures. Approximately 60% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 40%) (the Company only: 61%, 2020: 39%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Trade and other payables	-	556	-	-	556
Lease liabilities	-	155	747	221	1,123
Long-term loan	-	1,600	1,544	-	3,144
Deposits for rental and services	73	-	-	-	73
Retention guarantees	230	-	-	-	230
Unsecured debentures	-	7,500	4,500	-	12,000
Total non-derivatives	303	9,811	6,791	221	17,126

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2020					
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	1,000	-	-	1,000
Trade and other payables	-	502	-	-	502
Lease liabilities	-	294	609	133	1,036
Long-term loan	-	800	3,144	-	3,944
Deposits for rental and services	71	-	-	-	71
Retention guarantees	328	-	-	-	328
Unsecured debentures	-	4,600	7,500	-	12,100
Total non-derivatives	399	7,196	11,253	133	18,981

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2021					
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Trade and other payables	-	384	-	-	384
Lease liabilities	-	41	139	100	280
Long-term loan	-	1,600	1,544	-	3,144
Deposits for rental and services	67	-	-	-	67
Retention guarantees	111	-	-	-	111
Unsecured debentures	-	7,500	4,500	-	12,000
Total non-derivatives	178	9,525	6,183	100	15,986

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2020					
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	1,000	-	-	1,000
Trade and other payables	-	351	-	-	351
Lease liabilities	-	42	147	133	322
Long-term loan	-	800	3,144	-	3,944
Deposits for rental and services	64	-	-	-	64
Retention guarantees	195	-	-	-	195
Unsecured debentures	-	4,600	7,500	-	12,100
Total non-derivatives	259	6,793	10,791	133	17,976

38.2 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 and short-term loans, 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 is 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 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 31 December 2021		As at 31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Unsecured debentures	11,994	12,113	12,095	12,201

During the current year, there were no transfers within the fair value hierarchy.

39. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2021, the Group's debt-to-equity ratio was 0.71:1 (2020: 0.79:1) and the Company's was 0.64:1 (2020: 0.72:1).

40. Event after reporting period

On 23 February 2022, the meeting of the Company's Board of Directors passed a resolution to propose to the annual general meeting of the Company's shareholders for an approval of a dividend payment at a rate of Baht 0.10 per share from the operating result of the year 2021 or a total of approximately Baht 1,071 million. The Company paid an interim dividend of Baht 0.03 per share to its shareholders on 7 September 2021 and will pay a final dividend of Baht 0.07 per share or a total of approximately Baht 750 million within May 2022.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.

Attachments

Attachment 1

Details of Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's Secretary

Attachment 2

Details of the Directors of Subsidiaries

Attachment 3

Details of the Head of the Internal Audit

Attachment 4

Assets for Business Undertaking and Details of Asset Appraisal

Attachment 5

Corporate Governance Policy and Code of Conduct

Attachment 6

Report of the Audit Committee

Attachment 1

1. Details of Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary

1.1 Details of directors, executive directors, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance and the Company's secretary

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
1. Mr. Boonsom Lerdhirunwong - Independent Director - Chairman of the Board of Directors <u>Directorship</u> 6 years (21 Sep 2015-present)	68	Education - Ph.D. of Civil Engineering, INSA Toulouse, France - Master Degree of Civil Engineering, Chulalongkorn University - Bachelor Degree of Civil Engineering, Chulalongkorn University Training <u>Thai Institute of Directors Association (IOD)</u> <u>Training Course</u> 2019 - Board Matters and Trends (BMT) 7/2019 - Ethical Leaderships Program (ELP) 15/2019 2016 - Anti-Corruption : The Practical Guide (ACPG) 2014 - Role of Chairman Program (RCP) 2013 - Successful Formulation & Execution of Strategy (SFE) 2012 - Directors Certification Program (DCP) - Financial Statement for Directors (FSD) - Audit Committee Program (ACP) - Monitoring Fraud Risk Management (MFM) - Monitoring of the Quality of Financial Reporting (MFR) - Monitoring the Internal Audit Function (MIA) - Monitoring the System of Internal Control and Risk (MIR)	None	-	Listed companies		
					2015-Present	- Independent Director	Quality Houses Plc.
						2014-Present	- Chairman of the Board of Directors
					- Independent Director		
					- Chairman of Audit Committee		
					Other organization / institution		
					2010-Present	- Director	The Thai Red Cross Society
						- Chairman of Executive Directors of Building and Infrastructure Committee	
					2015-2021	- President	Shinawatra University
					2015-2018	- Chairman of the Board Directors	Thailand institute of Nuclear Technology

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
1. Mr. Boonsom Lerdhirunwong		<p>IOD Forum</p> <p>2018 - Digital Transformation : A Must for All Companies</p> <p>2017 - The Role of Chairman in Leading Strategic Risk Oversight Update COSO Enterprise Risk Management : Integrating with Strategy and Performance</p> <p>2016 - Corporate Governance VS Corporate Performance : Duty or Choice?</p> <p><u>Others</u></p> <p>2014 - Corporate Governance: Effectiveness and Accountability in the Boardroom, Kellogg School of Management, Northwestern University</p> <p>2013 - Certificate in Top Executives in the Energy Academy Program (Class of 3rd)</p> <p>2006 - Diploma, National Defense College, the Joint State-Private Sector Course (Class of 19th)</p>					
2. Mr. Rachai Wattanakasaem	74	<p>Education</p> <p>- Master Degree of Business Administration (Honors Degree), Industrial Management II class, Pacific States University, California, U.S.A.</p> <p>Training</p> <p>Thai Institute of Directors Association (IOD)</p> <p>2019 - Board Matters and Trends (BMT) 7/2019</p> <p>2011 - Role of the Compensation Committee (RCC)</p> <p>2007 - Directors Certification Program (DCP)</p>	None	-			
<p>- Independent Director</p> <p>- Chairman of Audit Committee</p> <p>- Member of Nomination and Remuneration Committee</p> <p>- Member of Corporate Governance Committee</p> <p>- Member of Corporate Remuneration Committee</p> <p>- Member of Corporate Governance Committee</p> <p>Directorship 16 years (10 Aug 2005-present)</p>					Listed company	- Chairman of Audit Committee	Quality Houses Plc.
					Sep 2019-Present	- Member of Nomination and Remuneration Committee	
					2016-Present	- Member of Corporate Governance Committee	
					2005-Present	- Independent Director	
					2010-Sep 2019	- Chairman of Nomination and Remuneration Committee	
					2008-2010	- Member of Nomination and Remuneration Committee	
					2005-Sep 2019	- Member of Audit Committee	
					2019-Present	- Independent Director	
						- Audit Committee	
					2015-2018	- Independent Director	
						- Member of Audit Committee	Thai Rubber Latex Corporation (Thailand) Plc.
						- Member of Risk Management Committee	
						Non-listed companies	
						- Independent Director	
						- Director	Dusit Foods Co.,Ltd. Yip In Tsoi & Jacks Co., Ltd Land and Houses Securities Plc.
						- Independent Director	
						- Member of Audit Committee	

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
3 Mr. Suri Buakhom - Independent Director - Chairman of Corporate Governance Committee - Member of Audit Committee <u>Directorship</u> 11 years (20 Apr 2010-present)	77	Education - Master Degree of Business Administration, Thammasat University - Bachelor Degree of Economics, Kasetsart University Training <u>Thai Institute of Directors Association (IOD)</u> 2019 - Board Matters and Trends (BMT) 7/2019 - Ethical Leaderships Program (ELP) 15/2019 2014 - Anti-Corruption : The Practical Guild (ACPG) 2008 - Directors Certification Program Refresher (DCP-Re) - Role of the Compensation Committee (RCC) 2007 - Role of the Chairman Program (RCP) 2006 - Finance for Non-Finance Director (FND) - Directors Certification Program (DCP) - Directors Accreditation Program (DAP) <u>Others</u> - Diploma of Information Technology, Harvard University - National Defense College (Class 4010)	None	-	Listed companies		
					2014-Present	- Member of Audit Committee	Quality Houses Plc.
					2010-Present	- Independent Director - Chairman of Corporate Governance Committee	
					2010-Present	- Chairman - Chairman of Audit Committee	ThaiWire Products Plc.
					Non-listed company		
4. Mr. Adul Vinaiphatt - Independent Director - Chairman of Nomination and Remuneration Committee - Member of Audit Committee <u>Directorship</u> 3 years (30 Mar 2018-Present)	75	Education - Master Degree of Arts (Economics), University of Texas at Austin, U.S.A. - Bachelor Degree of Economics, Thammasat University Training <u>Thai Institute of Directors Association (IOD)</u> 2010 - Financial Institutions Governance Program (FGP) (1/2010) 2007 - Role of the Compensation Committee (RCC) (2/2007) 2005 - Audit Committee Program (ACP) (7/2005) 2002 - Directors Certification Program (25/2002)	None	-	Listed companies		
					Sep 2019-Present	- Chairman of the Nomination and Remuneration Committee	Quality Houses Plc.
					Mar 2018-Present	- Independent Director - Member of the Audit Committee	
					Aug 2017-Present	- Chairman of the Audit Committee	LH Financial Group Plc.
					Feb 2013-Present	- Chairman of the Corporate Governance Committee	
					Apr 2009-Present	- Independent Director - Chairman of the Nomination and Remuneration Committee	
					Apr 2009-Aug 2017	- Member of the Audit Committee	
					Jan 2012-Apr 2016	- Chairman of the Executive Committee	
					2010-Present	- Director	The Thai Package and Printing Plc.

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
4. Mr. Adul Vinaiphat		<u>Others</u> - Diploma, National Defense College, The Joint State-Private Sector Course (Class 388 th) - Senior Administrator Course, Office of the Civil Service Commission - Capital Market Academy Leadership Program, CMA14			Non-listed companies		
					Jul 2016-Present	- Independent Director - Chairman of the Audit Committee	Land and Houses Fund Management Co.Ltd.
					Apr 2009-Present	- Director - Chairman of the Executive Committee	Evergreen Plus Co.Ltd.
					2007-Present	- Director	IGS Plc.
					Feb 2013-Feb 2018	- Member of Corporate Governance Committee	Land and Houses Bank Plc.
					Dec 2005-Feb 2018	- Independent Director	
						- Chairman of Nomination and Remuneration Committee	
						- Member of Audit Committee	
					Other organization / institution		
					2002-2021	- Director	The Thai Tapioca Development Institute Foundation (TTDI)
5. Mr. Naporn Sunthornchitchareon - Director Directorship 4 years (27 Jun 2017-Present)	63	Education - Master Degree of Business Administration, Thammasat University - Bachelor Degree (Civil Engineering), Chiangmai University Training Thai Institute of Directors Association (IOD) 2011 - Financial Institutions Governance Program (FGP) 2/2011 2005 - Directors Certification Program (DCP) 53/2005 2004 - Directors Accreditation Program (DAP) 25/2004 <u>Others</u> - National Defense College Class of 2006	None	100,000 shares (0.00093%)	Listed companies		
					2017-present	- Director	Quality Houses Plc.
					2017-Present	- Chairman of the Board of Directors - Chairman of the Executive Board	Land & Houses Plc.
					2013-Aug 2017	- Director - Executive Director - Managing Director (Operations)	
					2015-Present	- Member of the Nomination and Remuneration Committee	Home Product Center Plc.
					2001-Present	- Director - Executive Director	
					2011-Present	- Director	LH Financial Group Plc.
					Sep 2018-Mar 2019	- Member of the Nomination and Remuneration Committee	
					2011-Jul 2018	- Member of the Nomination and Remuneration Committee	
					2011-Jun 2017	- Executive Director	
					1994-Present	- Director	Quality Construction Products Plc.

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
5. Mr. Naporn Sunthornchitcharoen					Non-listed companies		
					2013-Present	- Director	Land and Houses Securities Plc.
					2012-Present	- Director	Land and Houses U.S.A., Inc.
					2005-Present	- Director	Land and Houses Bank Plc.
						- Executive Director	
					2005-Jul. 2018	- Member of the Nomination and Remuneration Committee	
					2004-Present	- Director	LH Asset Co., Ltd.
					2003-Present	- Director	LH Real Estate Co., Ltd.
					2002-Present	- Director	Land & Houses Property Fund 2
					2000-Present	- Director	Land & Houses Property Fund 1
					1995-Present	- Director	Land & Houses Northeast Co., Ltd.
						- Director	Land & Houses North Co., Ltd.
						- Director	LH Muang Mai Co., Ltd.
					1993-Present	- Director	Siam Tanee Real Estate Co., Ltd.
6. Mr. Adisorn Thananan-narapool	67	Education - Stanford Executive Program (SEP), Graduate School of Business, Stanford University - Master Degree of Business Administration, Thammasat University - Bachelor Degree of Accounting, Thammasat University Training Thai Institute of Directors Association (IOD) 2004 - Directors Certification Program (DCP) - Directors Accreditation Program (DAP) Other Training Capital Market Academy (CMA 2)	None	1,101 shares (0.00001%)	Listed company		
					Mar 2018-Present	- Member of Nomination and Remuneration Committee	Quality Houses Plc.
					2003-Present	- Director	
					2013-2021	- Director	Land and Houses Plc.
						- Managing Director	
					Non-listed company		
					2013-2021	- Director	Land And Houses U.S.A., Inc.
					2005-2021	- Director	L&H Property Co., Ltd.
					2004-2021	- Director	LH Asset Co., Ltd.
						- Director	LH Realstate Co., Ltd.
					2002-2021	- Director	Land and Houses Property Fund II
					2001-2021	- Director	LH Muang Mai Co., Ltd.
					1991-2021	- Director	LH Mall & Hotel Co., Ltd.

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
7. Mrs. Suwanna Bhuddhaphrasart - Director - Member of Risk management Committee - Member of Corporate Governance Committee <u>Directorship</u> 21 years (27 Jun 2000 - Present)	66	Education - Master Degree of Business Administration, Chulalongkorn University - Bachelor Degree of Accounting, Chulalongkorn University Training <u>Thai Institute of Directors Association (IOD)</u> 2011 - Financial Institutions Governance Program (FGP) 2007 - Directors Certification Program (DCP) 2004 - Directors Accreditation Program (DAP)	None	7,013,754 shares (0.06546%)	Listed companies		
					2011-Present	- Member of Corporate Governance Committee	Quality Houses Plc.
						- Member of Risk Management Committee	
					2000-Present	- Director	
					2018-Present	- Director	Mandarin Hotel Plc.
					2003-Present	- Director	Home Product Center Plc.
					2011-Aug 2017	- Director	LH Financial Group Plc.
					Non-listed company		
					2017-Present	- Director	Land and Houses Fund Management Co., Ltd.
						- Director	L&H Property Co., Ltd.
					2016-Present	- Director	LH Mall & Hotel Co., Ltd.
						- Chief Executive Officer	
						- Director	L&H Retail Management Co., Ltd.
						- Director	Gusto Village Co., Ltd.
						- Director	Casa Ville (Rayong 2553) Co., Ltd.
						- Director	Casa Ville (Prachuabkhirkhan 2554) Co., Ltd.
						- Director	Casa Ville (Petchburi 2553) Co., Ltd.
					2013-Present	- Director	Property Host Co., Ltd.
						- Director	Casa Ville (Chonburi 2554) Co., Ltd.
					2012-Present	- Director	Center Point Hospitality Co., Ltd.
						- Director	L&H Hotel Management Co., Ltd.
					2010-Present	- Director	QHouse Precast Co., Ltd.
					2008-Present	- Director	L&H Management Co., Ltd.
					2003-Present	- Director	Casa Ville Co., Ltd.
						- Director	Q.H. Management Co., Ltd.
					2000-Present	- Director	Q.H. International Co., Ltd.
						- Director	The Confidence Co., Ltd.

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
8. Mr. Achawin Asavabhokin - Director <u>Directorship</u> 4 years (26 Dec 2017-Present)	46	Education - Bachelor Degree of Finance, University of Pennsylvania, U.S.A. - Bachelor Degree of Industrial engineering, University of Pennsylvania, U.S.A. Training <u>Thai Institute of Directors Association (IOD)</u> 2014 - Directors Certification Program (DCP)	None	-	Listed companies		
					2018-Present	- Director	Land and Houses Plc.
					2017-Present	- Director	Quality Houses Plc.
					2014-Present	- Director	Home Product Center Plc.
					Non-listed company		
					2021-Present	- Chief Marketing Officer, Sales & Marketing Division - Senior Executive Vice President, - Chief Marketing Officer - Executive Vice President, Product & Foreign Fixed Income Group	SCB Asset Management Co., Ltd.
9. Mr. Chalerm Kiettianabumroong - Director - Chief Executive Officer - Chairman of Risk management Committee - Chairman of Executive Committee <u>Directorship</u> 2 years (26 Feb 2019-Present)	69	Education - Master Degree of Business Administration, Chulalongkorn University - Bachelor Degree of Civil Engineering, Chulalongkorn University Training <u>Thai Institute of Directors Association (IOD)</u> 2005 - Directors Certification Program (DCP) Class 54/2005 - Director Diploma Examination Class 16/2005	None	136,500 shares (0.0013%) (Held by spouse)	Listed company		
					2019-Present	- Director - Chief Executive Officer - Chairman of Risk management Committee - Chairman of Executive Committee	Quality Houses Plc.
					2017-Dec 2018	- Director - Executive Director - President (Operation)	Land and Houses Plc.
					2014-Dec 2018	- Risk Management and Sustainable Development Director	
					2013-Aug 2017	- Director - Senior Executive Vice President & Chief Operation Officer	
					2011-Dec 2018	- Director	
					Non-listed company		
					2005-Dec 2018	- Director	Phuket Future Plan Co., Ltd.
						- Director	Double Three Co., Ltd.
					2004-Dec 2018	- Director	LH Realstate Co., Ltd.
						- Director	LH Asset Co., Ltd.
					2001-Dec 2018	- Director	LH Muang Mai Co., Ltd.

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
10. Mr. Pravitt Choatwatanaphun - Director - Managing Director - Member of Risk management Committee Directorship 11 Years (20 Apr 2010-Present)	64	Education - Master Degree of Business Administration, Thammasart University - Bachelor Degree of Civil Engineering, Chiang Mai University Training Thailand Institute of Directors Association (IOD) 2016 - How to Develop Risk Management (HRP) 2011 - Directors Certification Program (DCP)	None	136,500	Listed company		
					2018-Present	- Managing Director	Quality Houses Plc.
					2016-Present	- Member of Risk management Committee	
					2010-Present	- Director	
					2016-2018	- Senior Executive vice President	
					Non-listed companies		
					2016-Present	- Director	Gusto Village Co., Ltd.
						- Director	The Confidence Co., Ltd.
						- Director	Center Point Hospitality Co., Ltd.
						- Director	Casa Ville (Prachuabkhirkhan 2554) Co., Ltd.
11. Ms. Apinya Janutrakulchai - Director - Member of Risk Management Committee - Member of Corporate Governance Committee - Senior Executive Vice President - Company Secretary - CFO Directorship 3 Years (10 Aug 2018-Present)	59	Education - Master Degree of Business Administration, National Institute of Development Administration (NIDA) - Bachelor Degree of Business Administration, University of the Thai Chamber Commerce Training Thailand Institute of Directors Association (IOD) 2016 - Directors Accreditation Program (DAP) - How to Develop Risk Management (HRP) Thailand Listed Companies Association (TLCA) - TLCA CFO Professional Development Program 2021 • No.4/2021 "How finance leaders are adapting within the new normal"	None	-	Listed company		
					Aug 2018-Present	- Director	Quality Houses Plc.
					Jun 2016-Present	- Company Secretary	
					May 2016-Present	- Senior Executive vice President	
						- Chief Financial Officer	
					2015-Present	- Member of Risk management Committee	
						- Member of Corporate Governance Committee	
					2015-2016	- Executive Vice President	
					Non-listed companies		
					2018-Present	- Director	QH International Co., Ltd.
					2016-Present	- Director	Gusto Village Co., Ltd.
						- Director	The Confidence Co., Ltd.
						- Director	Center Point Hospitality Co., Ltd.

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
11. Ms. Apinya Jarutrakulchai		Thai Listed Companies Association (TLCA) <ul style="list-style-type: none"> No.6/2021 "ESG Integration in Sustainable Investing" No.8/2021 "The modern CFO : Driving Digital Transformation of the Finance and Accounting" - TLCA CFO Professional Development Program 2020 <ul style="list-style-type: none"> No.4/2020 "Capital Structure and Funding Strategy" No.6/2020 "Update on Taxes and Foreign Investment Issues" No.7/2020 "Data Privacy Law and Cyber Security" No.8/2020 "Strategic Financial Communication" - TLCA CFO Professional Development Program 2019 - Fundamentals for Corporate Secretaries (FCS) The Stock Exchange of Thailand (SET) <ul style="list-style-type: none"> Strategic CFO in Capital Markets (Class of 1st) <u>Other</u> <ul style="list-style-type: none"> Leases to Financial Statements and Important Financial Ratio/Federation of Accounting Professions Accounting for Income Tax Year 2019 			Non-listed companies		
					2016-Present	- Director	Casa Ville (Prachuabkhirkhan 2554) Co., Ltd.
						- Director	Casa Ville (Rayong 2553) Co., Ltd.
						- Director	Casa Ville (Chonburi 2554) Co., Ltd.
						- Director	Q.House Precast Co., Ltd.
						- Director	Casa Ville (Petchburi 2553) Co., Ltd.
						- Director	Casa Ville Co., Ltd.
						- Director	Q.H. Management Co., Ltd.

1.2 Details of the executives

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
1. Mr. Adisak Srisook - Executive Vice President	56	Education - Bachelor of Engineering (Civil), King Mongkut's University of Technology Thonburi	None	33 shares (0.000000%)	May 2016-Present	Executive Vice President	Quality Houses Plc.
					Oct 2013-May 2016	Senior Vice President	
					Jul 2008-Oct 2013	Vice President	
					2016-Present	Director	The Confidence Co., Ltd.
						Director	Casa Ville Co., Ltd.
						Director	Casa Ville (Chonburi 2554) Co., Ltd.
						Director	Casa Ville (Prachuabkhirkhan 2554) Co., Ltd.
						Director	Casa Ville (Petchburi 2553) Co., Ltd.
						Director	Gusto Village Co., Ltd.
						Director	Q. H. Management Co., Ltd.
2. Mr. Sommart Promkunakorn - Executive Vice President	54	Education - Bachelor of Engineering, Chiang Mai University - MBA, Chulalongkorn University	None	-	2015-Present	Executive Vice President	Quality Houses Plc.
					2016-Present	Director	The Confidence Co., Ltd.
					2014	Senior Vice President, Residential Zone	
					2013	Senior Vice President, Product Research and Development Department	
					2012-2013	Vice President, Product Research and Development Department	
					2016-Present	Director	Casa Ville Co., Ltd.
						Director	Casa Ville (Chonburi 2554) Co., Ltd.
						Director	Casa Ville (Prachuabkhirkhan 2554) Co., Ltd.
						Director	Casa Ville (Petchburi 2553) Co., Ltd.
						Director	Gusto Village Co., Ltd.
						Director	Casa Ville (Rayong 2553) Co., Ltd.
						Director	Q.H. Management Co., Ltd.
					2014-Present	Director	Q. House Precast Co., Ltd.
					2014-Present	Executive Vice President	The Confidence Co., Ltd.

1.3 Detail of the person assigned to take direct responsibility for accounting supervision

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
1. Ms. Orathai Luengpaitoon - Vice President, Finance and Accounting	46	Education - Bachelor of Accounting, Thammasat University - Master of Accounting, Chulalongkorn University - Certified Public Accountant Continuing Professional Development 2019 - 2020 DEFERRED TAX : principles, problems and practices - CPD (Accounting) 7 hours - TFRS 63 (TFRS 9 and TFRS 16) - CPD (Accounting) 7 hours 2020 - TFRS 64 - CPD (Accounting) 7 hours - TFRS : How does it affect finances? - CPD (Accounting) 7 hours 2021 - Property, Plant and Equipment year 2021 and Thai Financial Reporting Standards Course - CPD (Accounting) 7 hours	None	-	Sep 2015-Present	Vice President, Finance and Accounting Department	Quality Houses Plc.
					2007-2015	Assistant Vice President, Finance and Accounting Department	

Remark : Being an accountant who has qualifications and conditions of being an accountant in accordance with the rules prescribed in the notification of the Department of Business Development.

2. Details of Directors and Executives in Subsidiaries, Joint Ventures and Related Companies

2.1 Positioning of Directors and Executives in Subsidiaries

Company		Subsidiaries													
The Board of Directors and Executives		QH	QHI	CFD	CSV	QHI (BV)	QHM	QHP	CVP	CVR	GT	CVC	PH	CVH	CPH
Mr. Boonsom	Lerdhirunwong	X													
Mr. Rachai	Wattanakasaem	/													
Mr. Suri	Buakhom	/													
Mr. Adul	Vinaiphat	/													
Mr. Naporn	Sunthornchitharoen	/													
Mr. Adisorn	Thananan-narapool	/													
Mr. Achawin	Asavabhokin	/													
Mr. Anant	Asavabokhin	-	/												
Mrs. Suwanna	Bhuddhaprasart	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Chalerm	Kietitanabumroong	//													
Mr. Pravrit	Choatewattanaphun	//	/	/	/	/	/	/	/	/	/	/	/	/	/
Ms. Apinya	Jarutrakulchai	//	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Adisak	Srisook	///		/	/		/	/	/	/	/	/	/	/	
Mr. Sommart	Promkunakorn	///		/	/		/	/	/	/	/	/	/	/	/

Remark : X = Chairman / = Director // = Executive Director /// = Executive

QH = Quality Houses Plc.
QHI (BV) = QH International (BV) Co., Ltd.
CVR = Casa Ville (Rayong 2553) Co., Ltd.
CVH = Casa Ville (Prachuabkhirkhan 2554) Co., Ltd.

QHI = QH International Co., Ltd.
QHM = Q.H. Management Co., Ltd.
GT = Gusto Village Co., Ltd.
CPH = Center Point Hospitality Co., Ltd.

CFD = The Confidence Co., Ltd.
QHP = Q.House Precast Co., Ltd.
CVC = Casa Ville (Chonburi 2554) Co., Ltd.

CSV = Casa Ville Co., Ltd.
CVP = Casa Ville (Petchburi 2553) Co., Ltd.
PH = Property Host Co., Ltd.

2.2 Positioning of Directors and Executives in Joint Ventures and Related Companies

Company		Related companies									
The Board of Directors and Executive		QH	HMPRO	LH-Bank	LHFG	HVC	LHMH	LHM	LH	LHFUND	LHP
Mr. Boonsom	Lerdhirunwong	X	/								
Mr. Rachai	Wattanakasaem	/									
Mr. Suri	Buakhom	/									
Mr. Adul	Vinaiphat	/			/					/	
Mr. Naporn	Sunthornchitchaen	/	/	/	/		/		//		
Mr. Adisorn	Thananan-narapool	/									
Mr. Achawin	Asavabhokin	/	/						/		
Mr. Anant	Asavabokhin	-									
Mrs. Suwanna	Bhuddhaprasart	/	/				//	/		/	/
Mr. Chalerm	Kietitanabumroong	//									
Mr. Pravitt	Choatewattanaphun	//									
Ms. Apinya	Jarutrakulchai	//									
Mr. Adisak	Srisook	///									
Mr. Sommart	Promkunakorn	///									

Remark : X = Chairman / = Director // = Executive Director /// = Executive

HMPRO = Home Product Center Plc.
HVC = Harbour View Corporation
LHMH = LH Mall & Hotel Co., Ltd.

LH-Bank = Land and Houses Bank Plc.
LH = Land and Houses Plc.
LHP = L&H Property Co., Ltd.

LHFG = LH Financial Group Plc.
LHM = L&H Management Co., Ltd.
LHFUND = Land and Houses Fund Management Co., Ltd.

Attachment 2

Detail of the Directors of Subsidiaries

Company			Quality Houses Plc.	Subsidiaries
The Board of Directors and Executives				Casa Ville Co., Ltd.
1.	Mr. Boonsom	Lerdhirunwong	X	
2.	Mr. Rachai	Wattanakasaem	/	
3.	Mr. Suri	Buakhom	/	
4.	Mr. Adul	Vinaiphat	/	
5.	Mr. Naporn	Sunthornchitcharoen	/	
6.	Mr. Adisorn	Thananan-narapool	/	
7.	Mr. Achawin	Asavabhokin	/	
8.	Mrs.Suwanna	Bhuddhaprasart	/	/
9.	Mr. Chalerm	Kiettitanabumroong	//	
10.	Mr. Pravit	Choatewattanaphun	//	/
11.	Ms. Apinya	Jarutrakulchai	//	/
12.	Mr. Adisak	Srisook	///	/
13.	Mr. Sommart	Promkunakorn	///	/

Remark : 1. X = Chairman / = Director // = Executive Director /// = Executive

2. Subsidiary means any significant subsidiary with characteristics such as earning more than 10% of the total revenues in the consolidated Statement of comprehensive income for the year ended 31 December 2021

Attachment 3

Details of the Head of the Internal Audit

Name - Position	Age (Years)	Education / Training	Family relationship with director and management	Shareholding (As at 31 Dec 2021)	Working Experience in the 5 preceding years		
					Period	Position	Company
1. Mrs. Suneerat Puntarikpan - Acting Vice President of Internal Audit	46	Education - Bachelor Degree of Accounting, Ramkhamhaeng University Training 2021 - Road to Certify with THAI CAC Topics: How to get CAC Acceptance and Special Discussion on the Role of Audit Committees in apply for certification. - Road to Certify with THAI CAC Topics CAC Certification Process and Special Discussion on Employment of Government Employees Conflict of Interest and the law to know. - Construction and Quality Control System - Advertising law by the Legal Department - Advertising law by Office of the consumer protection board (OCPB) 2020 - Training on how to assess the risks of the department according to Privacy Protection Act (PDPA) - Change Management - Privacy Protection Act B.E. 2019 (PDPA) 2019 - Laws and Responsibilities Regarding Advertising - How to handling consumer complaints - Law and Land Allocation Act	None	11,666 shares (0.0001%)	2021-Present	Acting Vice President of Internal Audit	Quality Houses Plc.
					2007-2021	Assistant Vice President	
					2005-2006	Internal Audit Specialist	
					2002-2005	Information Technology - Internal Auditor	

Attachment 4

Assets for Business Undertaking and Details of Asset Appraisal

Asset for business undertaking and details of asset appraisal

Asset for business undertaking of the Company and its subsidiaries as of December 31, 2021 as follow :

1. Property, plant and equipment, Investment properties and Right-of-use assets

1.1 Hotel business

Project and Location	Project description	Project Area (Rai-Ngan-Sq.w.)	Net Book Value (Million Baht)	Owned by	Obligation
1. Centre Point Hotel Silom Charoenkrung Rd., Bangrak, BKK.	Residential buildings for rent 27-storey building Construction area 28,463 Sq.m. Rental area 13,933 Sq.m.	4-3-20	72 (Total remaining right-of-use assets Baht 29 million)	30 year lease, the remaining lease term is approximately 1.5 years	-
2. Centre Point Prime Hotel Pattaya Naklua, Bang Lamung, Chonburi ^{1/}	Residential buildings for rent 29-storey building Construction area 34,562 Sq.m. Rental area 15,611 Sq.m.	6-1-91	1,134	Subsidiary	-

Remark ^{1/} On February 1, 2018, the Company's subsidiary transferred the asset class from land and project development costs to land, buildings and equipment due to the change in usage purpose from real estate sales business to hotel business.

1.2 Office Building for Rent Business

Project and Location	Project description	Project Area (Rai-Ngan-Sq.w.)	Net Book Value (Million Baht)	Owned by	Obligation
1. Q.House Asoke 66 Sukhumvit 21 Rd., BKK.	Office building for rent 22-storey building Construction area 48,579 Sq.m. Rental area 20,737 Sq.m.	2-2-54	28 (Investment property)	Lease for 30 years, the remaining lease term is approximately 1 year.	-
2. Q. House Sathorn South Sathorn Rd. BKK.	Office building for rent 20-storey building Construction area 27,829 Sq.m. Rental area 13,454 Sq.m.	2-3-56	49 (Investment property)	Lease for 30 years, the remaining lease term is approximately 2 year.	-
3. Q.House Ploenjit ^{1/} Ploenchit Rd., Pathumwan, BKK.	Office building for rent 18-storey building Construction area 22,341 Sq.m. Rental area 10,880 Sq.m.	1-1-63	450 (Investment property)	Quality Houses	-

Remark ^{1/} On December 8, 2006, the Company gave Right-of-use assets, buildings and lands and related equipment of Q House Ploenjit, Quality House Leasehold Property Fund for the period of 30 years.

1.3 Real estate for sales and other central business

Office equipment and appliances used in the operation of the house sale projects along with lands and other common areas in the Company and its subsidiaries had a net book value of 369 million baht as of December 31, 2021.

2. Land and construction in progress and Land and project development costs

2.1 Land and construction in progress (As of December 31, 2021)

- Land and Houses for sales

Projects' Name	Sales Area (Rai-Ngan- Sq.w.)	Net Book Value (MB)	Owned by	Obligation
1. Q.House Avenue Phraram 5 (South)	4-2-29	159	QH	-
2. .House Avenue Phraram 5 (North)	0-3-89	28	QH	-
3. Q.House Villa Nakorn Ping	2-1-93	104	QH	-
4. Pruckpirom Pinklao (1)	4-0-81	61	QH	-
5. Pruckpirom Pinklao (LakeZone)	0-1 94	3	QH	-
6. Laddarom Phuttamonthon Sai 1 - Bang Khae	19-2-86	418	QH	-
7. Laddarom Tiwanon	9-0-4	258	QH	-
8. Laddarom Wong Wean-Ramintra	17-3-78	256	QH	-
9. Laddarom Elegance Outer Ring Road -Sathorn	4-3-16	211	QH	-
10. Laddarom Elegance City Hall	16-1-95	192	QH	-
11. Vararom Watcharapol - Permsin	40-2-2	615	QH	-
12. Vararom Premium Kaewnawarat	31-2-63	220	QH	-
13. Vararom Premium Kawila	3-0-85	113	QH	-
14. Casa Premium Ratchaphruk-Chaengwattana	16-3-69	377	Subsidiary	-
15. Casa Premium Ratchaphruk-Phraram 5	2-2-1	90	Subsidiary	-
16. Casa Premium Phraram 2	2-0-35	82	Subsidiary	-
17. Casa Premium On Nut - Outer Ring Road	2-0-79	75	Subsidiary	-
18. Casa Legend Phraram 5-Ratchaphruk	11-1-6	312	Subsidiary	-
19. Casa Legend Ban Bueng	3-3-33	110	Subsidiary	-
20. Casa Legend Kaset-Navamintr	0-0-68	12	Subsidiary	-
21. Casa Grand Sriracha	14-2-48	287	Subsidiary	-
22. Casa Grand On nut - Outer Ring Road	2-3-92	115	Subsidiary	-
23. Casa Grand Sukhaphiban 5	1-3-23	72	Subsidiary	-
24. Casa Grand Ratchaphruk-Phraram 5	0-3-24	41	Subsidiary	-
25. Casa Presto Don Mueang - Song Prapha	18-2-48	399	QH	-
26. Casa Presto Pracha Uthit 90	11-2-54	208	Subsidiary	-
27. Casa Ville Wong Wean - Ramintra	48-3-99	567	Subsidiary	-
28. Casa Ville Ramkamhaeng-Outer Ring Road 2	19-1-85	299	QH	-
29. Casa Ville Wongwaen Chatu Chot	19-2-11	248	QH	-
30. Casa Ville Ban Bueng	14-0-72	160	Subsidiary	-

Projects' Name	Sales Area (Rai-Ngan-Sq.w.)	Net Book Value (MB)	Owned by	Obligation
31. Casa Ville Pinklao - Sirat	10-0-36	147	Subsidiary	-
32. Casa Ville Don Mueang - Song Prapha	3-2-23	96	QH	-
33. Casa Ville Pracha Uthit 90	1-1-54	47	Subsidiary	-
34. Casa Ville Rayong	1-1-76	24	Subsidiary	-
35. Casa Ville Bangyai	0-1-4	9	Subsidiary	-
36. Casa Ville Bangna - Teparak	0-0-73	5	QH	-
37. Casa Waterside Phraram 5	3-2-30	150	Subsidiary	-
38. Casa Seaside Rayong	0-1-84	8	Subsidiary	-
39. Q Prime Sukhumvit 77	12-0-4	653	QH	-
40. Q District Bangna-King Kaew	18-2-34	443	QH	-
41. Q District West Gate	14-2-81	378	QH	-
42. Q District Suksawat 76	26-0-87	370	QH	-
43. Q District Suksawat-Wongwaen Phraram 3	2-2-81	63	QH	-
44. Casa City Ratchaphruk-Phraram 5	9-1-80	335	Subsidiary	-
45. Casa City Sukhumvit-Samut Prakan	7-2-61	333	Subsidiary	-
46. Casa City Watcharapol Permsin 2	19-0-4	328	QH	-
47. Casa City Phraram 5 - Pinklao	6-3-16	195	QH	-
48. Casa City Ramkamhaeng-Misteen	5-0-37	191	QH	-
49. Casa City King Kaew-Suvarnabhumi	3-1-66	137	QH	-
50. Casa City Don Mueang - Song Prapha	4-3-39	116	QH	-
51. Casa City Don Mueang - Si Saman	3-1-1	107	Subsidiary	-
52. Casa City Pracha Uthit 90	1-0-47	44	Subsidiary	-
53. The Trust Suvarnabhumi-Teparak	2-3-12	87	Subsidiary	-
54. The Trust Ban Pho	0-0-36	3	QH	-
55. Petkasem 69 - Kanjanapisek	7-0-99	182	QH	-
56. Gusto King Kaew-Suvarnabhumi	5-1-87	174	Subsidiary	-
57. Gusto Suksawat - Pracha Uthit	11-3-25	158	QH	-
58. Gusto Petchkasem - Taweewattana	3-1-90	97	Subsidiary	-
59. Gusto Don Mueang - Song Prapha	2-3-12	84	Subsidiary	-
60. Gusto-Bangna suwannaphum	0-0-90	11	Subsidiary	-
61. Gusto Wongwean-Phraram 5	0-0-64	10	Subsidiary	-
62. Gusto Ratchapruk-Phraram 5	0-0-97	10	Subsidiary	-
63. Buy-back house	0-2-64	16	QH	-
64. Buy-back house	1-0-12	33	Subsidiary	-

- Residential condominium units for sales

Projects' Name	Project description	Sales Area (Sq.m.)	Net Book Value (MB)	Owned by	Obligation
1. Q Condo Sukhumvit	40-storey building Area 3-1-70 Rai, 273 rooms	34,170	4,877	QH	-
2. Q Seaside Hua Hin	1 building of 7-storey building, 6 buildings of 4-storey building, And villa 2 Unit Area 7-1-20 Rai, 207 rooms	11,308	883	Subsidiary	-
3. Q House Condo Phahon Yothin Chiangrai	2 buildings of 8-storey building, Area 3-0-99 Rai, 348 rooms	11,317	5	QH	-
4. Casa Condo Sriracha A	8-storey building Area 1-0-49 Rai, 49 rooms	2,450	67	Subsidiary	-
5. Casa Condo Sriracha B	8-storey building Area 1-1-88 Rai, 49 rooms	2,450	96	Subsidiary	-
6. Casa Condo Sriracha C	8-storey building Area 1-1-80 Rai, 42 rooms	2,333	45	Subsidiary	-
7. Casa Condo @MRT T-Junction Bangyai	39-storey building Area 3-1-12 Rai, 847 rooms	22,721	507	Subsidiary	-
8. Casa Condo @CMU 2	3 buildings of 4-storey building, Area 1-2-7 Rai, 67 rooms	2,023	22	Subsidiary	-
9. CASA Condo Chang Puak	2 buildings of 8-storey building, Area 3-0-3 Rai, 280 rooms	10,813	7	QH	-
10. The Trust Condo at BTS Erawan	30-storey building Area 7-2-84 Rai, 1,570 rooms	44,690	1327	Subsidiary	SCB (Some)
11. The Trust Condo Amata-Chonburi	3 buildings of 8-storey building, Area 5-0-4 Rai, 518 rooms	14,713	232	Subsidiary	-
12. The Trust Condo Ngamwongwan	32-storey building Area 4-3-59 Rai, 1,280 rooms	37,711	183	Subsidiary	-
13. The Trust Condo Nakornpathom	2 buildings of 8-storey building, Area 5-2-43 Rai, 405 rooms	11,628	93	Subsidiary	-
14. The Trust Condo Hua Hin	4 buildings of 7-storey building, Area 8-3-48 Rai, 671 rooms	24,685	56	Subsidiary	-
15. The Trust Condo South Pattaya	24-storey building Area 4-0-56 Rai, 609 rooms	17,706	9	Subsidiary	-
16. The Point Condo Laem Chabang	4 buildings of 8-storey building, Area 5-1-77 Rai, 683 rooms	18,100	286	Subsidiary	-
17. The Point Condo Rangsit-Klong 6	2 buildings of 8-storey building, Area 7-0-32 Rai, 821 rooms	21,624	146	Subsidiary	-
18. Sathorn House	50-storey building Project area 40,591 Sq.m. Sales area 21,776 Sq.m	125	10	QH	-

2.2 Land and project development costs (As of December 31, 2021)

- Land and Houses for sales

Projects' Name	Project Area (Rai-Ngan-Sq.w.)	Net Book Value (MB)	Owned by	Obligation
1. Q Ultra Cha-Am	4-0-84	21	Subsidiary	-
2. Prukpirom New Ratchaphruk	78-2-19	874	QH	-
3. Laddarom Chatuchot 15	59-3-39	472	Subsidiary	-
4. Laddarom New Ratchaphruk	57-0-13	439	Subsidiary	-
5. Vararom New Ratchaphruk	60-2-0	410	Subsidiary	-
6. Vararom Lake View	198-2-72	269	QH	-
7. Casa Ville New Ratchaphruk	74-1-2	513	Subsidiary	-
8. Casa Pinklao-Wongwaen	38-2-68	200	QH	-
9. Casa Seaside Pranburi	74-0-20	282	Subsidiary	-
10. Q District Chaiyaphruk - Ratchaphruk	46-1-00	344	QH	-
11. Q District Nimit Mai	36-3-90	329	Subsidiary	-
12. Q District Suksawat 76	38-2-11	212	Subsidiary	-
13. Q District Nimit Mai	21-2-6	209	Subsidiary	-
14. Casa City Ratchaphruk - Rattanathibet	35-2-3	325	QH	-
15. Casa City Ratchaphruk - Rattanathibet 2	26-1-22	216	QH	-
16. Casa City Wong Wean Ramintra	10-0-63	126	QH	-
17. Casa City Prapratom Jedia	13-2-57	114	Subsidiary	-
18. Casa City Watcharapol-Permsin	4-0-22.3	111	QH	-
19. The Trust Ville Rangsit Khlong 6	91-2-74	275	Subsidiary	SCB
20. Gusto Suksawat 78	8-0-33	37	QH	-
21. Vacant land, Mae Rim District	5-0-97	13	QH	-

- Residential condominium units for sales

Projects' Name	Project description	Sales Area (Sq.m.)	Net Book Value (MB)	Owned by	Obligation
1. Q House Condo Klangwieng Chiangrai	NA	NA	36	QH	-
2. Casa Condo Kanchanaphisek Chan Thong-lam	NA	NA	383	Subsidiary	SCB
3. Casa Condo Bangyai B	NA	NA	230	Subsidiary	SCB
4. Casa Condo @CMU 3	NA	NA	31	QH	-
5. The Trust condo Rattanathibet	NA	NA	303	Subsidiary	SCB
6. The Trust condo Samut Prakan phase 2	NA	NA	303	Subsidiary	SCB
7. The Trust condo Samut Prakan 2	NA	NA	204	Subsidiary	-
8. The Trust Condo Nakornpathom 2	NA	NA	73	Subsidiary	-
9. The Trust Condo Dolphin Bay	NA	NA	33	Subsidiary	-
10. The Point Condo Laem Chabang 2	NA	NA	54	Subsidiary	-
11. Group Casa Condo Sriracha Club	NA	NA	33	Subsidiary	-

3. Right-of-use assets

3.1 Long-term leasehold rights agreement of hotel.

Centre Point Hotel Silom

Contract Date	October 21,1994
Contract Parties	Between Siam Sindhorn Co., Ltd. (Lessor) and Quality Houses Plc. (Sub-lessee) on July 1, 2007, Siam Commercial Real Estate Co., Ltd. (Lessor) has transferred leasehold rights to Siam Sindhorn Co., Ltd.)
Lease Description	Sublease agreement for Rajapark Center building, divided into 1 st floor and 6 th to 27 th floors
Contract Period	29 years 6 months 19 days, since January 1, 1994.
Remaining Rental Period (As of December 31,2021)	1 year 6 months 19 days
Duties or Obligations of the Company under the Contract	<ul style="list-style-type: none"> - The lessor gives the company a sublease of the Rajapark Center building to operate room rental business by paying the rent according to the amount specified in the contract. - The company, which is the sub-lessee, is also bound to comply with the original lease agreement. - The company can use leasehold rights during the period of this contract as collateral for loan from banks or financial institutions. - The Company must purchase fire insurance for the property in the sublease agreement from the insurance company agreed by Rajapark Development Co., Ltd. with the coverage level and conditions as specified in the contract. - The Company shall take care and maintain the property in the sublease agreement and shall be responsible for the maintenance costs of such repairs. - At the end of the lease term under the contract or when the contract ends, the Company must handover the property in the sublease agreement to the lessor in a good repaired condition, free from any obligations. - In the event that the original lessor and the lessor agree to renew the original lease, if the Company wishes to renew the sublease agreement, it must notify and make an agreement with the lessor in advance, at least 6 months prior to the expiration of the contract.

3.2 Long-term leasehold rights agreement of office building for rent.

1. Q.House Asoke

Contract Date	November 9, 1989
Contract Parties	Between 2 lessors who are ordinary persons and Quality House Public Company Limited (Lessee)
Lease Description	Long-term land lease, in which the Company paid a portion of the deposit, with a total area of 2 Rai, 2 Ngan and 54 sq.w., located on Sukhumvit 21 Road (Soi Asoke), Bangkok to construct buildings and/or structures.
Contract Period	30 years, since December 1, 1992
Remaining Rental Period (As of December 31, 2021)	11 months
Duties or Obligations of the Company under the Contract	<ul style="list-style-type: none"> - The Company leases land to construct buildings and to conduct business according to the Company's objectives by constructing the buildings with the capital provided by the company itself. - The Company pays rent and rental deposits according to the conditions specified in the contract. - When the lease expires, the lessor may exercise the right to own the buildings and structures in the lease areas and other equipment immediately, or the lessor may exercise the right for the lessee to demolish the buildings and structures, or the lessor may give the lessee the right to continue leasing the land or transfer leasehold rights under this contract to another person with the consent of the lessor. - The Company is responsible for the demolition, renovation, construction, maintenance, and repair of leased land as well as buildings and structures. - The company has leasehold rights, buildings and structures on the land leased under the terms of the contract. - The Company agrees to purchase non-life insurance for the buildings and structures in accordance with the conditions specified in the contract. - The Company has the right to take the leasehold rights under this contract as collateral for loan application with the financial institutions.

2. Q.House Sathorn

Contract Date	August 25, 1992
Contract Parties	Between Thammabundit Co.,Ltd. (Lessor) and Quality Houses Plc. (Lessee)
Lease Description	Land lease agreement with an area of 2 Rai 3 Ngan 56 sq.w. Located on South Sathorn Road, Sathorn, Bangkok. Lease agreements for buildings on such land

Contract Period	28 years from January 1, 1994, and can be renewed for another 2 years in the event that the Company wishes to extend the lease for a total contract period of 30 years.
Remaining Rental Period (As of December 31, 2021)	2 years
Duties or Obligations of the Company under the Contract	<ul style="list-style-type: none"> - The Company leases the land with the aim of constructing high-rise buildings for rent and service. The Company will construct buildings and structures on the leased land. The ownership of the buildings and structures will be held by the lessor, while the ownership of the systems, tools, and equipment will be held by the Company and will be transferred to the lessor when the lease expires. - The lessor allows the Company to lease the buildings along with the structures and allows the Company to sublease the properties to other persons. - The Company pays the rent for the land and buildings and a security deposit against damages according to the conditions specified in the contract. - The Company may sublease the leased property to another person under the duties and obligations of this contract. - The Company can use leasehold rights under this contract as collateral for loan application with the financial institutions for spending on building construction in this project. - The Company shall maintain the leased buildings throughout the lease period at the expense of the Company. - Throughout the term of the contract, the Company must provide insurance according to the conditions specified in the contract.

3.3 Short-term lease of the hotel

1. Centre Point Hotel Pratunam (Formerly known as “Center Point Hotel and Residence Phetchaburi”) Centre Point Hotel Sukhumvit 10 (Formerly known as “Center Point Hotel and Residence Sukhumvit”) and Centre Point Hotel Chidlom (Formerly known as “Center Point Hotel and Residence Langsuan”)	
Contract Date	July 19, 2012
Contract Parties	Between Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (Lessor) and Center Point Hospitality Co., Ltd. (Lessee) (Subsidiary)
Lease Description	Lease and sublease contracts for 3 hotels with details as follows: <ul style="list-style-type: none"> - Center Point Pratunam Hotel is a 28-storey hotel building including fixtures, furniture, systems and various equipment on the area of 1 Rai, 2 Ngan, and 25 sq.w., located at 6 Soi Somprasong 3, Petchaburi Road, PhayaThai Subdistrict, Ratchathewi District, Bangkok

- Center Point Sukhumvit 10 hotel is a hotel and residential buildings for rent consisting of 2 buildings, with 28-storey and 5-storey respectively, as well as fixtures, furniture, systems and various equipment on the area of 2 Rai, 2 Ngan, 32 sq.w., located at 39 Soi Sukhumvit 10, Klongtoey Subdistrict, Khlong Toei District, Bangkok
- Centre Point Chidlom Hotel is a 24-storey hotel building with fixtures, furniture, systems and various equipment on the area of 1 Rai, 34 sq.w., located at 60 Soi Tonson (Langsuan Road, Soi 1), Lumpini Subdistrict, Pathum Wan District, Bangkok

Contract Period	3 years according to the contract renewal, since July 20, 2021 to July 19, 2024.
Remaining Rental Period (As of December 31, 2021)	2 years 6 months 19 days
Duties or Obligations of the Company under the Contract	<ul style="list-style-type: none"> - The lessee is responsible for the maintenance, repair, or any action on the leased and subleased properties, as necessary, in order for the leased property and subleased property to function as a hotel and serviced apartment. Such expenses are be considered as part of the operating expenses of the budget approved by QHHR or as set out in this lease and sublease agreement. - Throughout the lease period, the lessee agrees to process, prepare and deliver documents to QHHR within the specified time such as monthly/quarterly/annual income statements. In the event that QHHR is sued and is demanded liability or payment of any amount due to the discrepancies in tenant information provided and submitted to QHHR, the lessee shall release such liability without delay. - The lessee agrees to submit an operating budget. and the project's annual capital expenditure budget to QHHR within the deadline set out in the lease and sublease agreements. - The lessee agrees not to incur any debt or obligations except debt or obligations arising from or for the purpose of the lease or sublease. The lessee also agrees to maintain the debt to equity ratio of the lessee at a rate not exceeding 2 to 1, calculating only the debt which is a loan from a financial institution, excluding loans from shareholders. - The lessee shall not incur any obligations over the leased and subleased property. - The lessee agrees to provide and maintain various licenses important to the operation of hotel and service apartments for the duration of this contract.

4. Guarantee burden

As of December 31, 2021, some of the Subsidiaries' house and land for sale projects, as well as under-development and undeveloped projects, were used as a collateral for loans from financial institutions (details are shown in Sections 2.1 Land and construction in progress and 2.2 Land and project development costs)

5. Investment policy in subsidiaries and associated companies

The Company has a policy of investing in subsidiaries and associated companies in the businesses that promote and are related to the company's core business operations, taking into account the appropriate rate of return depending on the type of each business. For the management policy, the Company will give the subsidiaries and associated companies the freedom to operate the business, with the interests of shareholders as the main priority. In addition, the Company will consider sending representatives, including a number of agents to join the management of the subsidiaries and to be a director in the associated companies as appropriate on a case-by-case basis.

In this regard, the Company can summarize its investments in subsidiaries and associates of the Company as of December 31, 2021 as follows:

- **investments in subsidiaries (Direct investment company)**

Company's name	Nature of business	Shareholding (%)	Cost (MB)
Q.H. International Co., Ltd.	Managing of building	100	25
Casa Ville Co., Ltd.	Real estate development	100	3,000
Q.H. Management Co., Ltd. (19% held through The Confidence Co., Ltd.)	Managing of public utilities of real estate business and land owner	81	89
Property Host Co., Ltd.	Lease of land	100	5
Centre Point Hospitality Co., Ltd.	Hotel operations	100	5

- **investments in subsidiaries (The company invests through a subsidiaries)**

Company's name	Nature of business	Shareholding (%)	Cost (MB)
The Confidence Co., Ltd. (100% held through Casa Ville Co., Ltd.)	Real estate development	100	1,000
Casa Ville (Rayong 2553) Co. Ltd. (100% held through Casa Ville Co., Ltd.)	Real estate development	100	5
Casa Ville (Petchburi 2553) Co. Ltd. (100% held through Casa Ville Co., Ltd.)	Real estate development	100	5
Q.House Precast Co., Ltd. (100% held through Casa Ville Co., Ltd.)	Manufacture and distribution of precast concrete	100	5

- investments in subsidiaries (The company invests through a subsidiaries)

Company's name	Nature of business	Shareholding (%)	Cost (MB)
Q.H. International (BVI) Co., Ltd. (100% held through Q.H. International Co., Ltd.)	Holding company	100	31
Gusto Village Co., Ltd. (100% held through Casa Ville Co., Ltd.)	Real estate development	100	500
Casa Ville (Chonburi 2554) Co., Ltd. (100% held through Casa Ville Co., Ltd.)	Real estate development and hotel operations	100	3,005
Casa Ville (Prachuapkhirikhan 2554) Co., Ltd. (100% held through Casa Ville Co., Ltd.)	Real estate development	100	5

- Investments in associates

Company's name	Nature of business	Shareholding (%)	Cost (MB)	Carrying amounts based on equity method (MB)
Home Product Center Plc.	Trading	19.87	760	4,764
LH Financial Group Plc.	Holding company	13.74	2,850	5,248
Quality Houses Leasehold Property Fund	Invest in real estate in the type of office building for rent	25.66	2,017	1,181
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	Invest in real estate in the type of hotels and serviced apartments	31.33	1,053	331

For investments in other companies with losses, including Harbour View Corporation, the Company has a policy to provide financial assistance in the form of loans and/or guarantees according to the Company's shareholding proportion, as well as to closely monitor and supervise the operations.

Attachment 5

Corporate Governance Policy and Code of Conduct

Corporate Governance Policy and Code of Conduct full version that the Company has prepared has disclosed details on the Company's website www.qh.co.th

Attachment 6

Report of the Audit Committee

Details of the results of duty performance of the Audit Committee are reported in page 6



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