



Annual Report 2020

Land and Houses Public Company Limited

FOR A BETTER LIVING

NANTAWAN
Rama 9-Srinakarin



ANYA
Westgate



NANTAWAN
Rama 9-Srinakarin

ANYA
Bangna-Ramkhamhaeng 2



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Investors can find additional securities issuer
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website at www.lh.co.th



- Section 1 -

Business Operation





2020 Highlights

Land and Houses Public Co.,Ltd. & Subsidiaries

	2020	2019	%
Operating Result			
Number of active projects	94	86	9.3
Earning Ability			
Return on total revenues	23.01%	30.10%	(7.1)
Highlight of the Financial Statement (Million baht)			
Total revenues	31,058	33,307	(6.8)
Net profit	7,145	10,025	(28.7)
Inventories	52,893	53,374	(0.9)
Total assets	122,571	113,139	8.3
Total shareholders' equity including minority interest	50,601	53,183	(4.9)
Per Share Data			
Earning per share	0.60	0.84	(28.6)
Book value	4.18	4.39	(5.0)
Market price (at year end)	7.95	9.80	(18.9)
Number of Outstanding Shares (Million shares)			
	11,950	11,950	-

Business Operation

Policy and overall business operation

1. Visions, Goals or Operating strategy of the Company

The Company has still aimed to remain to be a leader in the real estate development in Thailand. The Company emphasizes and focuses on the development of the high quality of the single-detached houses, townhouses and residential condominium projects for sale to target customers in accordance with the customers' needs at different ranges of prices.

2. Major changes and development

Land and Houses Pcl. was established on August 30, 1983 to operate in the real estate development with the initial registered capital of 5 million Baht. Major shareholders at the beginning comprises of Mr. Anant Asavabhokin and Ms. Piangjai Harnpanij. The Company was approved to list on the Stock Exchange of Thailand on February 17, 1989 and changed its status to become a listed company on April 1, 1991.

The Company has faced the financial problems during 1998-1999 as a result of the economic crisis and the change in the foreign exchange rate to be floating rates. The Company has completed its debt restructuring in 1999 by increase its capital among existing shareholders and also the new shareholder which is the Government of Singapore Investment Corporation (GIC). After the capital increased, as at August 28, 2020 which is the latest Registration Book Closing Date, the Asavabhokin family is still remain the largest shareholder group with a stake of 30.73% of total shares while the GIC holds share, both directly and through Thai NVDR, at 1.27% only.

During the year 2015 to August 28, 2020 which is the latest Registration Book Closing Date, the Company has significant changes and development with regard to the shareholding structures and capital increase as follows:

Shareholder	% of sharholdings					
	Aug 2015	Aug 2016	Aug 2017	Aug 2018	Aug 2019	Aug 2020
1. Mr. Anant Asavabhokhin's Group						
1.1 Mr. Anant Asavabhokhin	24.43	24.27	23.93	23.93	23.93	23.93
1.2 Mayland Co.,Ltd*	5.78	5.74	5.66	5.67	5.67	5.67
1.3 Ms. Piangjai Harnpanij**	1.15	1.15	1.13	1.13	1.13	1.13
Total Mr. Anant Asavabhokhi's Group	31.36	31.16	30.72	30.73	30.73	30.73
2. GIC Private Limited	16.55	17.01	16.17	8.01	8.01	1.27
3. Others	52.09	51.83	53.11	61.26	61.26	68.00
Total	100.00	100.00	100.00	100.00	100.00	100.00
Paid up Capital (million Baht)	11,694.9	11,779.1	11,949.7	11,949.7	11,949.7	11,949.7

Note : * The Company is 100% owned by Mr. Achanan Asavabhokin, Mr. Anant's son and other related companies

** Mr. Anant Asavabhokin's mother

3. Shareholding Structure of the Group Company

The Company directly holds shares in 11 subsidiaries and also indirectly holds shares in 4 subsidiaries through its subsidiaries. (Details of Shareholding structures in subsidiaries and associates) The Company operate property development businesses. In developing the real estate of the Company and its subsidiaries, they develop the residential for sale from single-detached houses, townhouses and residential condominium. The Company focuses on developing projects in Bangkok and its vicinities and also in large provinces such as Chiang Mai, Chiang Rai, Nakorn

Ratchasima, Khon Kaen, Maha Sarakham, Udon Thani, Prachuap Khiri Khan, Ayutthaya and Phuket. The Company has implemented a Pre-built strategy to sale in year 2000, which has been very well accepted by its customers.

The Company has 5 associated companies, comprises of

- (1) Two of its associated companies operate property development businesses which are Land and Houses Property and Loan Fund 2 and Quality Houses Plc.
- (2) Two of its associated companies operate business related to property development which are Quality Construction Products Pcl. which produces and

distributes autoclaved aerated concrete used in construction and Home Product Center Plc. which operates a retail business.

- (3) One of its associated company engages in other businesses which is LH Financial Groups which is a holding company with its subsidiaries comprise of commercial Banking, Asset Management, Securities Business and Consulting Services.

Policy on separating the operations of the Company, its subsidiaries and associated companies

The Company has set a clear policy of separating the operations of the Companies within its group clearly as follows :

- (1) The Company, its 10 subsidiaries and 2 associated companies operate in real estate and property development , shopping mall and hotel business.
- (2) Two of its associated companies operate businesses related to the property development such as construction material manufacturer and retailer.
- (3) One subsidiary company and one associated company operate in financial advisory business and a holding company whose its subsidiaries operate as a commercial banking, asset management, securities business and consulting services.

Investment policies to invest in the subsidiaries and associates.

The Company has a policy to invest in the subsidiaries and associates which run the business operation in real estate development and other businesses related to the core business of the Company such as retail business, construction material manufacturers, Commercial Bank which has a policy to granting loans to retail housing buyers etc. The Company may consider to invest in other businesses which such businesses deem attractive and have good return. The Company may consider to invest in such business, such investment must get approval from the Board of Directors

The management policy in the subsidiaries and associates : The Company will send directors as the Company's representatives to participate in the management of the subsidiaries and associates in accordance with the proportion of shares that the Company holds so as to control the key policies and the operations of the subsidiaries and associates to be in the right and proper directions and generate profits for the Company.

Legal Disputes

As of December 31, 2020, the Company and its subsidiaries do not have any legal dispute in a case that may have negative impact to the assets of the Company and its subsidiaries in the amount more than 5% of the shareholders' equity.

Nature of Products and Services

The Company and its subsidiaries operate its business in developing the residential project development for sale in area of single-detached houses, townhouses and condominiums for sale. The Company emphasizes its projects in Bangkok and vicinities while its subsidiaries will operate in large provinces such as Chiang Mai, Chiang Rai, Khon Kaen, Nakorn Ratchasima, Phuket, Prachuap Khirikhan (Hua Hin), Udon Thani, Maha Sarakham and Ayutthaya.

The projects which the Company and its subsidiaries develop and sell to customers will all be the "Pre-built House" comprising of single-detached houses and townhouses which the Company will complete the construction of the houses before selling to the customers. When the customers are interested in buying the houses, they will pay the reservation and a certain amount of contract money. After that, the customer will pay the rest of the money of the price of the house to the Company and the Company then transfers the ownership of the house and land title deed to the customer. For the Condominium which the construction will take longer time to complete, the Company will operate in the way that the customers will have to make a reservation first and pay the down payment in installment for only 10-25% of total unit price. The rest of payment will be paid on the day that the Company transfer the ownership of the unit bought to the customer when the condominium is totally completed.

The Company is a key leader in the market that create the concept of "Pre-built House" in the year 2000 which has been very well accepted by the customers. Currently, the Company still continue using this concept as it has several advantages to the Company such as helping the Company to operate more accurately especially to reduce the production cost. The construction of "Pre-built House" allows the Company to know the clear actual construction cost and can control the quality of work which can build the confidence to customers who will receive the completed house including the total project environment and that the customers can select, can see all the completion and readiness for moving in, the security and society environment. For the Condominium, the construction will commence once the pre-booked was done so as to follow the construction plan and to get the good quality building.

The pre-built house will allow the customers who buy the house in the project to be able to transfer the ownership after they make the reservation and transfer the ownership within 7 days. For the sale of condominium, the Company will transfer the ownership when the customer has transfer all the payment to the Company thus the Company will never have any unpaid payment from the customers.

Report of the Board of Directors

Dear all shareholders,

The situation of the outbreak of the virus CORONA (COVID-19) had a great and wide impact on various business sectors including the real estate development business which has also been affected from the epidemic. However, for the residential industry in the sector of low rise which includes the single-detached houses, duplexes and townhouses, it can be concluded that this group of industry has had less impact than other sectors because this sector is the real market where the demand is real while in other sectors such as high rise real estate or condominiums have had much more impact.

In 2020, the Company booked the pre-sales of the residential business of 26,602 million Baht, an increase of 5% from the year 2019 which comprised of single-detached 82%, townhouses 13% and condominium units of 5%. The Company realized revenue from residential units transferred of 27,481 million Baht, an increase of 9% from 2019, which can be categorized as single-detached of 77%, townhouses of 13% and condominium units of 10%. The Company also received rental and services incomes from hotels, shopping malls and apartments for rent in a total of 2,417 million Baht, a decrease of 51% from the previous year. The Company also realized the profit-sharing from the investment in the associated companies of 2,588 million Baht, a drop of 24% when comparing to 2019.

During the past year, the Company launched 16 new projects with total value of 28,620 million Baht comprising of 14 single-detached and duplex projects and 2 townhouse projects. The Company and its subsidiaries had significant transactions in the year as follows:

- Two lots of debentures totaling 8,400 million Baht were issued
Lot 1/2020, No. 1, worth 3,000 million Baht, with a maturity of 2 years and a fixed coupon rate at 2.30% p.a.
Lot 1/2020, No. 2, worth 2,400 million Baht, with a maturity of 3 years and a fixed coupon rate of 2.60% p.a.
Lot 2/2020, worth 3,000 million Baht, with a maturity of 3 years and a fixed coupon rate of 2.03% p.a.

- An interim dividend was paid for the operation in the first six months of 2020 at the rate of 0.20 Baht per share. Dividend for the last six months of the year 2020 was then approved by the Board on February 24, 2021 to pay at the rate of 0.30 Baht per share.
- On November 24, 2020, Land and Houses U.S.A., Inc. which is wholly owned by the Company had sold the apartment named “ The Mode Residence ” in California for the value of approximately 2,418 million Baht with the profit gained from the sale of the asset before the tax at approximately 405.3 million Baht.
- In 2020, the Company received
 - The “Money & Banking Awards 2020” : Best Public Company of the Year 2020 – Property and Construction Industry from the Money & Banking Magazines. The honorable “Money & Banking Awards 2020” was held to praise the executives, banks, financial institutions and listed companies which have the excellent performance in each year in order to support the success of personnel, financial institution in the money and capital market to motivate and encourage the incentive for the development in the potential capacity to be ready for the strong regional and global competition for the benefit of the financial, economy and investment of the country and our overall society.
 - The honor award of “Thailand’s Top Corporate Brand 2020” : The company has been awarded the best value Thai corporate brand in the property development sector in the year 2020, which is the second year consecutively. This award comes from the research of the Master of Science program, in Branding and Marketing Program, Faculty of Commerce and Accountancy Chulalongkorn University which objectives are to develop a systematic corporate brand value measurement and promote business organizations to realize the significant of the development of the corporate brand to be strong for the sustainability of the society and the national economy.

- The Company also took part to help the country to prevent and control the spread of the virus COVID-19 in order that the country will survive and go through this crisis together. The company donated 1 million Baht to King Mongkut's Institute of Technology Ladkrabang to support the innovation development and production of the medical equipment called "Swab Testing Box", which is the disease screening points. 11 cabinets of Swab Testing Box were provided to hospital with needs. In addition, the Company also donated 4,000 sets of the Personal Protective Equipment (PPE) to 7 hospitals to support the personnel in their duties to taking care of the patients, the patients at risk and the patients infected.
- On September 30, 2020, the Company has entered into the Memorandum of Understanding (MOU) of guidelines with the Office of the Consumer Protection Board, Office of the Prime Minister to help retail consumers in such case that the financial institutions do not approve the loan for the payment with regard to the real estate purchased
- On November 24, 2020, the Company has signed in the Memorandum of understanding with the Office of the Vocational Education Commission to carry out the project "Excellent Center in the field of construction projects" and "Living Solution Expert" to help upgrade and develop skills of the vocational students .

- The Company has developed the application "iDesign" to enhance the creative of home decorating ideas which interesting people can use this application to decorate their house as their need by downloading this application from both the App Store and Play Store.

The Company still determines to continually develop the products and services to obtain good quality products and services. Such products and services would be accepted and gained the trust from our customers who support our products and also emphasizes on conducting the business according to strict corporate governance principle along with the social and environmental responsibilities.

Lastly, I would like to thank all of our customers, shareholders, employees, financial institutions, suppliers, contractors who support the Company's business and join to be part of our warm families and a quality environmental society within every Land and Houses Project.

Sincerely yours,



(Mr. Naporn Sunthornchitcharoen)
Chairman of the Board of Directors

Operating Results

Revenue Structure

Product	Operated by	% Hold	2020		2019		2018	
			Million Baht	%	Million Baht	%	Million Baht	%
1. Real Estate Business								
Detached houses	The Company		19,945	64.2	18,634	56.0	20,466	56.2
	Subsidiary : Land & Houses Northeast Co.,Ltd.	100	205	0.7	-	0.0	-	0.0
	Subsidiary : LH Muang Mai Co.,Ltd.	55	140	0.4	208	0.6	397	1.1
	Subsidiary : LH Asset Co.,Ltd.	100	864	2.8	229	0.7	115	0.3
	Subsidiary : Siamtanee Property Co.,Ltd.	100	31	0.1	-	0.0	-	0.0
Total revenue from detached house			21,185	68.2	19,071	57.3	20,978	57.6
Townhouses	The Company		1,580	5.1	2,241	6.7	2,486	6.8
	Subsidiary : Land & Houses Northeast Co.,Ltd.	100	195	0.6	207	0.6	637	1.7
	Subsidiary : LH Asset Co.,Ltd.	100	1,727	5.6	273	0.8	-	0.0
Total revenue from Townhouses			3,502	11.3	2,721	8.1	3,123	8.5
Condominiums	The Company		2,794	9.0	3,358	10.1	6,413	17.6
Total revenue from Condominiums			2,794	9.0	3,358	10.1	6,413	17.6
Land	The Company		-	0.0	-	0.0	-	0.0
	Subsidiary : Atlantic Real Estate Co.,Ltd.	100	-	0.0	1	0.0	-	0.0
Total revenue from Land			-	0.0	1	0.0	-	0.0
Total revenue from Real Estate Business			27,481	88.5	25,151	75.5	30,514	83.7
2. Rental income	Subsidiary : L&H Property Co.,Ltd.	60	36	0.1	1,392	4.2	1,861	5.0
	Subsidiary : Land and Houses U.S.A. Inc.	100	688	2.2	645	1.9	715	2.0
	Subsidiary :LH Mall and Hotel Co.,Ltd.	100	1,693	5.5	2,870	8.6	1,157	3.2
Total revenue from Rental income			2,417	7.8	4,907	14.7	3,733	10.2
3. Gain on Sales of Land held for development	The Company		34	0.1	-	0.0	-	0.0
4. Gain on Sales of Assets	The Company		-	0.0	-	0.0	116	0.3
5. Gain on Sales of Investment property	Subsidiary : Land and Houses U.S.A. Inc.	100	405	1.3	-	0.0	1,335	3.7
	Subsidiary :LH Mall and Hotel Co.,Ltd.	100	-	0.0	2,418	7.3	-	0.0
6. Other Income			721	2.3	831	2.5	749	2.1
7. Total revenue 1 - 6			31,058	100.0	33,308	100.0	36,447	100.0
8. Share of income from investment in associates			2,588	8.3	3,383	10.2	3,404	9.3
Total revenue 7 + 8			33,646	108.3	36,690	110.2	39,851	109.3

Market and competition

1. Policy and Marketing

Competitive Strategies

The Company's operational strategy still emphasizes on the Pre-built housing before sale policy in every low-rise project. However, for the Condominium, the strategy is to have the unit sales all booked before commencing the construction so as to minimize the operational risk since the condominium project needed to be totally complete for the entire building before any unit ownership can be transferred to the customers. In addition, it also helps providing time for customers to arrange their financial plans including the payment of down-payments by installments which will help the customers to increase their ability to apply for the loan supported from the financial institutions more easily. For the projects which are very well sold thus the demand is higher than the number of pre-built houses, the Company will operate in terms of Pre-booking which determines the timeframe that the pre-booking houses must be completely constructed within 3 months. However, every units of pre-booking houses, before the ownership is transferred to the customers, must pass the Company's Quality control standard.

The Pre-built strategy is still the Company's main strategy which has been used continuously. It is also an effective strategy that enhances the Company's competitiveness and gained confidence from the Company's customers. The Company emphasizes on how to respond to customers' requirements which includes the design of house, functions and project's model to meet the lifestyle especially the New Normal style and also to respond to all need of every members in the family. The most important thing is that this strategy is the key operating philosophy of the Company which is the good quality of products, services as well as the quality of Company's staffs.

The Company also concerns on the operations under all kinds of operational risks and also the operations which will lead the Company to a Sustainability Development project. In terms of marketing and selling operations, the Company has widely expanded its market both in terms of the expansion of customers' base, new market in new potential locations, the expansion of the living style in a Semi detached House under Brand anya which focuses on the new differentiate design from the existing style but still can respond and meet the requirement and lifestyle of this group of customers.

In addition, the Company still significantly concerns on developing the models of living place and also the living innovation to meet the demands of living with the better and higher quality lifestyles. Major significant improvements are as follows :

- The innovation of "Breathable House" under the campaign

of Air Plus Square which is bringing the Breathable House (The circulated air ventilation Airplus) to combine with the PM 2.5 dust protection system into the house. Currently, this innovation has been set as a "Must" new standard for the single-detached house projects in the new projects and in some parts of the ongoing projects. The Company is still in the process of studying to expand the innovation in other types of residential projects including condominium, duplex and townhome.

- Smart Home or the Home Automation system to provide more convenience in the better living place.
- Emphasize on taking care of the elderly : The Company has redesigned the concept of the house to pamper the need of the elderly such as providing a downstairs bedroom in the residence and also install the supporting handrail in the bathroom in the single-detached house which has never existed in the market, not to mention the common areas which prepared for the need and meet the physical need of those elderly.
- The development in several systems to increase convenience for our customers such as
 - Implementing the Home introduction system for living by using QR code which will help the customers to understand the details of various applications, the maintenance manual of internal equipment, the important components in the house including the Project's information and other important information which may be useful.
 - Developing the financial system such as
 - The QR Code Credit
 - The QR Payment, Payment Gateway, QR Cross Bank System
 - Develop the house inspection application system
 - Develop the I-Design system to illustrate the customers to understand the design, interior design in housing in each style according to their need through the application
- Increase the efficiencies of the personnel's performance. The Company has set the target to continuously improve its working systems to be more flexible and speedy in every operating units by using the IT system to assist their working so that the responses to sale, construction and servicing including other related divisions so that the overall operations are more efficient and faster.

The Company's marketing strategy still mainly continues with the "Pre-built house before sale" as it can build the confidence to customers in various aspects, such as seeing the real project, plots of land, style of house, all provided facilities, and environment. The most important point is that

the customers can decide to move in as soon as they wish as the Company has already prepared every details or functions of the house for the prompt moving in. This strategy results in good impact and advantages to the Company's operation in terms of cost control, quality control, marketing plan and price setting.

In terms of facilitating convenience to the Project's customers to move into the new residence, the Company also provides the moving services from their old house by a professional provider of packing and moving services to help the customers to move to a new residence in our project under the scheme of "Happiness in the new house without any worry about moving thus moving is a very simple thing..... no need to worry"

Currently, the Company's operation has classified its products according to its brand, taking into account mainly on the pricing and target customers including the criteria on Marketing Mix and Segmentation so that the Company can well serve each customer group's need. The key concerns are as follows :

- Project's location : The Company emphasizes and focuses on selecting locations for the Company's project development which will have to serve the need of customers in each target group, in terms of transportation systems , access to public utilities, and amenities surrounding the projects. The selection of the Company's locations will be wide spread over the locations in Bangkok and vicinities to meet the residential demand in each location, and to match with the consumer's structure and residential need that related to the geographic and demographic which link to their old residences, working places and status of the population. The Company also pays attention to segmentation in order to increase the opportunities and to meet the demands of various target groups. Moreover, the Company also conducts the study for its future plan by running a research on high potential locations and then acquires the land for its Land Bank for future development which will bring advantage to the Company in terms of lower cost of land acquisition, higher competitive and higher return to the Company. Currently, the Company has several potential land plots which are close to the BTS / MRT stations.
- House plans or products : Due to the different need in each group of customers in each segment of pricing or branding, the Company has to emphasize on conducting the continuous research of the consumers' behavior in each target group in a proactive and a forward looking with the existing customers who are our residents, visitors to the projects, potential buyers as well as the buyers of other projects. All fact findings will be used to develop the products or requirement to maximize

the satisfaction for consumers in every concern. At present, the operation of the housing model has been developing new models to the market from time to time. It also consists of the new innovative, "the breathable home Air Plus Square" which differentiate the Company's products amongst other products available in the market.

- Pricing policy : From the Company's strategy of "Pre-built house before sale" which provides the Company a competitive advantage from knowing the explicit actual construction cost which will affect the determination of the selling price of the products to be in line with the competitive situation. In order to set the selling price, the Company will take into account the market situation in each location and period of time of the year. The Company does not have the policy to set the price for customers to bargain which will result in disadvantage and unfairness to customers.
- The quality of the products : The Company is aware and places importance on standards of every part of work especially the quality of products delivered to the customers.
- For the construction section, the Company has set the construction standards in every procedure such as
 - Land filling standard and determination of soil filling materials used to commence the project
 - Public utility system standards by determine the construction standard and inspection standard which concentrates on the clear and systematic criteria, procedure and inspection.
 - Product design standard including the materials used. The Company will be emphasize on good quality products.
 - The company has a clearly defined the policy that there is a standard of operation method in the construction that is "Every house must pass the quality control (QC) at the Company's accepted good standard level" before delivering to the customer.
 - The standard for the good and quality products. The Company realizes that to get the mentioned standards, it has to take into accounts of every steps starting from the checking construction plans, structure of soil analyzing and examining the quality at every step of the construction process which must pass the predetermined criteria etc.
- In developing the project, besides the housings, the Company also emphasizes on the environmental impact of the project starting from
 - Project layout planning which will not consider just the space for sale only
 - Selection of the good and durable materials for the utility works in the project including the facilities which are in line with the living of the residents.
 - Safety of living in the project: The Company also emphasizes on providing safety and how to

well-maintained the project to be a good community. The Company has laid down the foundation for project management and taking good care and maintenance the project's utility systems in good condition before deliver to the juristic persons of the housing estate of the project so that the project will be a good and cozy community which worth living in forever.

Customer Characteristic and Company's Target Group

As mentioned before that the Company has its projects spread in several locations in Bangkok and its vicinities including provincials such as Chiang Mai, Khon Kaen, Nakorn Ratchasima, Maha Sarakham, Udon Thani and Phuket etc. which are operated under the main scheme "Baan Sabai pre-built before sale" concept where customers can readily move in as they wish. By adherence to the quality standard of house, project environment and good standard inspection system, all these factors make the Company successfully reaches the wide different target customer groups according to the requirements of customers in each brand which reflects in different pricing and also the range of pricing. (Segmentation).

The market expansion in every price ranges (Segmentation strategy) has enabled the Company to widely cover all customers' requirement and also increase new market opportunity in new target groups which results in increase in sales. Nonetheless, the Company has also expanded its market by targeting new users and also launched new projects in various locations in Bangkok, vicinities and provinces. However, the Company still concerns in the significant point which is the quality of products. In addition, the Company also concerns about the After Sales Service which is the Company's outstanding strength. The Company also takes good care of the project's residents, especially the security and living condition. The Company also provides facilitate the communication to inform any incurred problems through the call center and internet system. It also sets the fundamental working plan for the quality utility system before delivery to customers and also supervises the setup of clear housing juristic person for each project.

In 2020, the Company has continuously expanded its target customers' base from the previous year by launched new product for the new price segmentation. In 2020, the Company has created the new brand "Anya", a duplex project which can really serve the need of new generation's lifestyle, to fulfil the need of some consumers who would like to have a house with a land plot but not strict to only single detached house style.

For the sale management, the Company has continually developed the Customer Relationship Management system (CRM) and the Customer Emotional Management system (CEM) to assist in the sale and marketing including customers' satisfaction which then help the Company to better understand the real need of target customers and

arranges regular activities with them. Thus, more than 30% of customers of the Company's project comes from the customers in other existing projects, the relatives or friends of our existing customers. All these factors has impact on the Company's operation and help the Company to decrease its operating costs.

Distribution and Distribution Channels

The Company uses its distribution channels through the sales office located at the site of each project which spread in each location in Bangkok and its vicinities. The Company penetrates to reach its target group by using advertisements through several media especially the internet system development.

- Sale promotion : In order to communicate any Company's information to the public, the Company prioritizes to how the consumers can access to the details of its project information especially through the online communication which is the most media channel the customers use to search for the residential projects. In the year 2020, the statistical data and details of customers are shown as in the table below :

Media	Visitors	Booking
Internet	60.1%	64.6%
Advertisement Board	24.4%	14.9%
Friends / Cousins	15.5%	20.5%

- For the online media, based on the Company's operation in 2020 can be categorized as follows :

SEO + SEM

Google : Both the SEO (Search Engine Optimization) and SEM (Search Engine Marketing)

690,000Persons

Facebook : The number of Fanpage is at 690,000 persons, an increase of 8.5% from 2019

11,800Persons

Twitter : Number of Followers is at 11,800, an increase of 19.1 % from the year 2019

14,100Persons

@Line : Number of Friends is 14, 100, an increase of 88% from the year 2019

2. Industry Market and Competition

Housing Market in 2020

The overall housing market in 2020, from the data in area of only Bangkok and its vicinities, the number of the new registered houses, both the self-building and the housing projects, is at 109,385 units, a decrease of 7.3% comparing to the year 2019. The decrease was due to the decrease in the new registered houses in housing projects which was total 88,029 units, a decrease of 10.0% from the amount in 2019 which was 97,838 units.

Comparative data of new registered housings units
Classified by type of operating during year 2017-2020

Unit : units

Type	2017	2018	2019	2020 (p)	1995*
Self-building	20,206	19,999	20,127	21,356	32,118
Housing Project	94,297	110,836	97,838	88,029	146,735
Total	114,503	130,835	117,965	109,385	178,853
% change**	-9.5%	14.3%	-9.8%	-7.3%	27.7%

Source : Government Housing Bank , p. = projection

* The year 1995 is the record year with the highest new registrations since 1987

** % change is calculated on year-on-year basis

For the new registered housings in 2020 when comparing with 2019, the changes classified in each type of residential is as follows :

- Single-detached : in 2020 the total amount was 11,010 units, a decrease of 18.8% from the amount in 2019 which was 13,552 units.
- Duplex : Total units in 2020 was 2,472 units, a decrease of 18.3% when compared to the amount in 2019 which was 3,024 units.

- Townhouses and Commercial Buildings : Total number in 2020 was 15,535 units, a decrease of 27.0% when compared to the amount in 2019 which was 21,274 units.
- Condominium : Total units in 2020 was 59,012 units, the numbers remained quite unchanged when compared to the amount in 2019 which was 59,988 units, a slightly decrease of 1.6%

Comparative data of new registered residentials
Classified by the type of residential during 2017 - 2020

Unit : units

New registered residentials Classified by type of residentials	2017	2018	2019	2020(p)	1995**
Single-detached house	12,183	15,563	13,552	11,010	20,793
% change*	-4.3%	27.7%	-12.9%	-18.8%	16.4%
Duplex	2,533	2,101	3,024	2,472	938
% change*	33.7%	-17.1%	43.9%	-18.3%	336.3%
Townhouses and Commercial Buildings	16,262	20,051	21,274	15,535	58,093
% change*	-5.0%	23.3%	6.1%	-27.0%	16.0%
Condominium	63,319	73,121	59,988	59,012	66,911
% change*	-13.1%	15.5%	-18.0%	-1.6%	-1.5%
Total	94,297	110,836	97,838	88,029	146,735
% change*	-9.9%	17.5%	-11.7%	-10.0%	7.8%

Source : Government Housing Bank**

**The year 1995 is the record year with the highest new registrations since 1987

* % change is calculated on year-to-year basis, p. = projection

Condominium Market in 2020

The residential market for Condominium in Bangkok and Vicinities in year 2020 from the Company's survey can be summarized significant information as follows:

- Total units sold was 23,445 units with total value of 92,305 million Baht, a decrease of 31.0% from the value in 2019.
- In 2020, total value of sales was 92,305 million Baht, from the New Projects of 18,166 million Baht, a 71.6% decrease when compared to the amount in 2019 which was 63,884 million Baht and from the Existing Projects of 74,139 million Baht, an increase of 6.2% from the value in 2019. (Details shown in Table 2).
- The oversupply situation in Bangkok and its vicinities at the end of 2020 was totally equal to 71,022 units

available with the value of 326,742 million Baht. The segment that had highest number of units balance was the units with the price range below 2.5 million Baht which had numbers of units of 30,157 units left or 42.5 % of the total amount existing balance. However, if we compared by using the market value of the units outstanding, it was concluded that the units with price range of 2.5 - 5.0 million Baht accounted for 79,019 million Baht while the units with the price range of 5.01-10.0 million Baht accounted for 75,692 million Baht, both had high proportion at 24.2% and 23.2% of total value, consecutively. Details of information was shown in Table 3.

**Table 1 : The Condominium market which were sold in year 2020
In Bangkok and vicinities, classified by range of prices sold**

Price ranges	< 2.5 MB.	2.5 – 5.0 MB.	5.0 -10.0 MB.	10.0-20.0 MB.	20.0 MB. up	Total
Number of units						
2020	10,581	9,446	2,049	992	377	23,445
2019	15,546	14,785	4,220	1,144	315	36,010
% Change	-31.9%	-36.1%	-51.4%	-13.3%	19.7%	-34.9%
Value : MB						
2020	18,848	31,585	13,927	13,091	14,854	92,305
2019	29,545	48,245	27,454	14,720	13,758	133,722
% Change	-36.2%	-34.5%	-49.3%	-11.1%	8.0%	-31.0%

Source : Company's survey & research

Table 2 : The Condominium Market : Number of units sold in Bangkok and vicinities during year 2018-2020
Classified by timeline : New Projects and Existing Projects

Range pf prices	2018	2019	2020	% Change 2020 vs. 2019
Total				
No. Projects	373	399	357	-10.5%
Units	51,546	36,010	23,445	-34.9%
Value : M.B.	210,576	133,722	92,305	-31.0%
Classified by type of project				
(New Projects)				
Number of New Projects	89	64	25	-60.9%
Units	28,213	15,334	5,401	-64.8%
Value : M.B.	123,844	63,884	18,166	-71.6%
(Existing Projects)				
Number of Existing Projects	284	335	332	-0.9%
Units	23,333	20,676	18,044	-12.7%
Value : M.B.	86,732	69,838	74,139	6.2%

Source : Company's survey & research

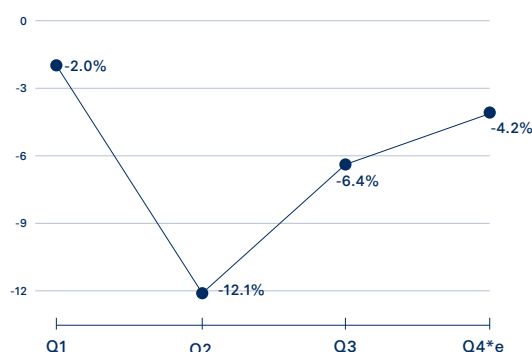
Table 3 : Supply of the residentials – Condominium : remaining at the end of 2020 in the area of Bangkok and vicinities, classified by range of prices

Range pf prices	< 2.5 MB.	2.5 – 5.0 MB.	5.0 - 10.0 MB.	10.0-20.0 MB.	20.0 MB. up	Total
Total units	30,157	23,457	11,108	4,670	1,630	71,022
Value : MB	52,751	79,019	75,692	62,480	56,800	326,742
Percentage to total units	42.5%	33.0%	15.6%	6.6%	2.3%	100.0%
Percentage to total Value	16.1%	24.2%	23.2%	19.1%	17.4%	100.0%

Source : from the Company's survey & research

The changes in the residential market in 2020 were the results of significant key factors which affected the residential market as follows :

- The impact from the outbreak of the virus COVID-19 which still has affected the slowdown of the entire economy of the country. The growth in economy in 2020 is estimated to decrease by 6.5 % when compared to the year 2019 which the economy growth is 2.4%. The expansion in the economy in each quarter of 2020, according to the Office of The National Economic and Social Development Council was as follows :



- Average Inflation Rate in 2020 was at -0.9% comparing to the rate of 0.7% in 2019.
- Interest rate in 2020 which was the year that the economic significantly slowdown, thus to encourage the recovery of the economy, the Monetary Policy Committee has decreased the policy interest rate 3 times consecutively, from the starting rate of 1.25% in January 2020 , a decrease of 0.25% in February to 1.0%. The second time was another decrease of 0.25% in April and then the last one , another 0.25% decrease in May thus the Policy interest rate was at 0.50% per annum since then. The decrease in interest and the impact of the economic slowdown caused the commercial banks and financial institutions decrease their interest rate to be in line. For example, the Minimum Lending Rate (MLR) has decreased from 6.025% at the beginning of the year 2020 to 5.250% since May 2020 and continuously to the end of the year 2020 (Reference from Siam Commercial Bank Pcl., Bangkok Bank Pcl., And Krungthai Bank Pcl.).
- The impact from the Bank of Thailand's housing loan supervision policy which was announced in October 2018 and still in effective in year 2020, thus resulted in some customers could not get the credit approval. Moreover, the impact of the virus COVID -19 which affects the employment and the decrease in revenue of some groups of customers also made them unsuccessfully get the credit approval from the banks.
- The global Crude Oil Price Brent in the year 2020 which has dropped significantly from the previous year 2019, with the full-year average was at USD 41.95 per barrel, down from the average price in 2019 which was USD 64.30 per barrel or a decrease of 34.7% while the

lowest Crude Oil Price in 2020 was at USD 9.12 per barrel on April 21, 2020. The lowest rate in 2019 was at USD 53.23 per barrel. When combine with the new lifestyle of "New Normal" the energy consumption is decrease significantly which then results in the unchanged in production cost.

- Overall construction material prices in 2020 have slightly dropped from the year 2019. The average Construction Material Price Index in 2019 was 104.7 a decrease of 1.8 % when compare to the rate in 2019 which was 106.4. However, the Index of building materials of steel and steel products has dropped from the average index in year 2019 which was 93.0 to 85.5 in year 2020, a drop of 7.0%.
- The impact from the economic slowdown plus the significant slowdown in the high-rise projects, has impact on the deferment of the new condominium project, the demand for the land use for developing the condominium project has decreased and thus, the price of land also decreased. However, the entrepreneurs have adjusted their policy by turning to develop the low-rise residential projects, hence the demand of land become increasingly and raise the price of land which then cause the price of land not decrease but also not increase much from the previous year.

Company's operating result in 2020

In 2020, Land and Houses Co., Ltd's operating results can be summarized according to the significant transactions as follows:

- Launching of 16 new projects with total project value of 28,620 million Baht.
- Land acquisition of total value 4,600 million Baht.
- Investment in property for rent of total 2,200 million Baht.
- Issuance of debenture in total 8,400 million Baht, tenor of 2-3 years with average interest rate of 2.29% per year
- The LHMH has developed one new project which is The Grande Centre Point Lumpini on the total area of land of 6-2-73.5 Rai in the style of Mixed Use, comprising of 512 rooms hotel and 13,000 sq.m. of office space. Total investment is 4,830 million Baht with the expected completion in the first quarter of year 2024.
- The LH USA sold the apartment project "The Mode Residence" in California, USA to non-related party with the Company at the price of USD 80.05 million or equivalent to 2,373 million Baht with the profit before tax of USD 13.77 million or equivalent to 405 million Baht.
- The financial status of the Company as at the end of year 2020, the Company and its subsidiaries has net interest-bearing debt of 55,455 million Baht with the Net Debt-to -Equity ratio at approximately 1.10:1 and average financing cost at 2.3%.

- In the previous year, 2020, the Company has capital expenditure approximately 6,800 million Baht, comprising of expenses for land acquisition for Property Development for sale of 4,600 million Baht and for expenses of Property Development for rent of 2,200 million Baht consisting of.
 - Investment in development of Terminal 21 shopping mall of 900 million Baht.
 - Investment in Hotel and Apartment of 1,300 million Baht
- For the year 2021, the Company has prepared the investment budget of approximately 11,000 million

Baht which can be categorized to investment for land acquisition for Property Development for sale of 6,000 million Baht, and investment in Property Development for rent of 5,000 million Baht and the Company has planned to issue the additional debenture of 12,000 million Baht.

- From the operating plan in year 2021, the Company expects that by the end of this year, the Debt-to-Equity ratio will be close to the ratio in 2020 but the financing cost may be slightly decrease from the year 2020.

For the Company's performance in 2020, in the section of residential projects, can be classified by type of housing and price level are as follows:

By type of Housing		By range of Price	
Type	Share	Price Range	Share
Single-detached	82%	Less than 3.0 MB	5%
Townhouse	13%	3.01 - 7.0 MB	37%
Condominium	5%	7.01 - 10.0 MB	11%
		10.01 – 20.0 MB	18%
		20.01 – 50.0 MB	23%
		Above 50.0 MB	6%
Total	100%	Total	100%
Bangkok and Vicinities	93%		
Provincial	7%		

At the beginning of 2020, the Company had 78 operated projects in total which 50 of them are in Bangkok and vicinities, 28 projects are in the provinces and 16 new projects are launched during the year, so the total number of projects which operate in 2020 is 94 projects. For the 16 new projects launched in 2020, have the total project value of 28,620 million Baht.

Which can be classified as follows : (The project which has mixed products will be classified and counted by the type of products and double counted by the project)

- Single-detached house 11 projects
- Duplex 3 projects
- Townhome 3 projects
- Condominium - projects

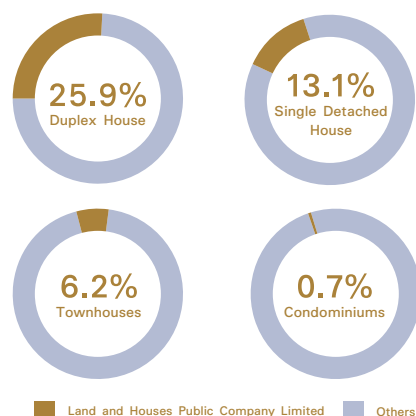
Table : Information of Operating projects during 2020 – 2021

As at beginning of January of year	2020	2021*e
Total numbers of project	78	75
- Bangkok and its vicinities	50	45
- Provinces	28	30
New projects launching during the year	16	12
Bangkok and its vicinities	13	11
Provinces	3	1
Total Value (MB)	28,620	20,660
Total operating projects	94	87

Note : The project in Maha chai and Nakhon Pathom will be counted including in the area of Bangkok and its vicinities.

Market Share of the Company in 2020 in Bangkok and vicinities, compared to the number of new registered houses, categorized by the type of housing are as follows:

- Single Detached House Company's share = 13.1%
- Duplex House Company's share = 25.9%
- Townhouses Company's share = 6.2%
- Condominiums Company's share = 0.7%



Details of new projects opened in 2020

Project	Type	Size of project (Rai)	Total Units	Average price per unit (MB)	Total Project Value (MB)	Quarter the sale opened
1. Indy Bangna Rankhamhang 2	TH	36.6	355	3.95	1,400	Q1
2. Mantana Motorway-New Krung Thep Kritha	SH	47.6	177	11.02	1,950	
3. Siwalee 3 Ayutthaya	SH	17.6	70	6.43	450	
4. Siwalee Srinakarin Rom Klao	SH	70.0	260	7.70	2,000	Q2
5. Siwalee Ratsada Phuket	SH	83.7	204	13.43	2,740	
6. Siwalee Phet Kasem 69	SH	35.7	82	11.59	950	
7. Nantawan Rama 9 Srinakarin	SH	45.2	88	46.02	4,050	
8. Chaiyaphruek Westgate	SH	30.8	129	6.02	800	Q3
9. Indy Srinakarin Praksa	TH	28.1	286	3.50	1,000	
10. Mantana San Sai Chiang Mai	SH	40.9	122	10.50	1,280	
11. Anya Westgate	Semi	31.6	164	5.50	900	
12. Anya Bangna Ramkamhang 2	Semi	69.6	388	6.57	2,550	Q4
13. Anya Phet Kasem Sai 4	Semi	45.4	260	5.00	1,300	
14. Mantana Phet Kasem Sai 4	SH	57.5	228	7.46	1,700	
15. Villaggio Srinakarin	Total	46.3	303	4.69	1,600	
	SH	24.8	99	7.30	830	
	TH	21.5	204	3.43	770	
16. Mantana Bangna Ringroad	SH	96.0	262	15.08	3,950	
Total		782.4	3,378	8.42	28,620	

Source : from the Company's survey & research

3. Procurement of products or services

Nature of product acquisition

1) Product design

In the process of product design, the Company emphasizes mainly on the research study on customer requirements and also behaviors, which also includes the lifestyle of the consumers and also their members, and then use these information to define the proposition of the product design which will serve and fit with the requirement of the customers and their families. It will be used in an integrated operation where jointly team with all parties from every units join to work in collaboration together to figure out the comprising of design, such as salesman, marketing department, architects, interior decorators, land scape designers and engineers and other related department so that the products will meet all need and requirements of our customers and deliver the utmost products without any defects.

Moreover, in the designing procedure, the Company also implements the VR (Visual Reality) to assist in the examination, design and the inspection at the Precast Factory before commencing any construction in order to avoid any defects and to maximize the efficiency before delivery the products to our customers. After the products are delivered to our customers, the Company still takes care of our customers by conducting the after-sale survey to ask for their customers' satisfaction of the product purchased including the services. These information will be brought to use in the other product design procedure in proactive and forward-looking style to serve and be ready prepare for the new design of the new housing project in the future. In addition, for the existing housing style which are used in the project development, after a certain period of time or up to the number of construction units which the Company has set the criteria, the Company may modify the housing design to be modern and always up to date and fit for the time being.

To design the product, the Company does not consider only the design of the house but also take into the consideration of the design of the overall project area, the facilities in the project, clubhouses central gardens and the upfront environment of the project which is another distinctive point which our customers can see the explicitly difference when comparing to other projects in the market.

2) Production and procurement

Production and the Company's production policy : The Company has a policy to produce and increase its production capacity of housing for sale to be in line with the demand of housing of customers. This means that in case that the housing demand of customers has increased, the Company can increase its production capacity to meet the new demand instantly by hiring additional contractors to cope with the increase in the customers' demand.

However, the Company still has a set of policy to control the quality of the contractors in order to have the same standard of good quality housing construction, which are as follows :

1. The Company has set the construction standards. Each step of construction process and the materials used will be checked the quality to meet

the Company's standards without any lessening

2. The Company continuously provides Company's standard construction training course for all contractors.
3. The Company has a supervisor for each project to control and check the quality of works of the contractor.
4. The Company has quality control system of housing construction with the engineer from the Company's central team to recheck the quality of work whether it meets the specified standards of the Company or not.

4. Procurement of construction materials

In the residential industry, significant raw materials for the operation are land and construction materials. Therefore the Company has emphasized the procurement of raw materials for the efficiency and effectiveness as follows :

1. Land acquisition : The Company has policies to acquire the potential land plots which are on suitable locations and can be developed immediately. The acquisition method can be divided in 3 ways as follows:

- 1) Post the advertisement stated that the Company is interested to purchase the land in various media.
- 2) Contact through the land brokerage network and
- 3) Directly contact to purchase the land by the Company's team

2. Construction materials: The acquisition of construction materials are divided into 2 main processes which are

- 1) Direct procure the construction materials such as steel bars, sanitary ware etc.
- 2) Other procurement will be arranged and handled by the contractors which the Company has hired to construct the project

In addition, the Company has kept maintaining its good relationship with the construction materials distributors as a result of their continuous orders, so the Company can make the order up to the amount required and never have the problem regarding the materials shortage. Most of the materials are purchased domestically. Another strategy is that the Company never purchases the materials from any distributors more than 30% for the purchase of other significant construction materials such as cement, steel and other construction materials.

5. Impact to environment

The construction of residential and various public utilities of each project may have adverse impact on the environments such as the wastewater drainage of the residents in the project which may pollute the public water sources if the disposal system of wastewater is not effective and unstandardized treatment. However, the Company has provided the wastewater disposal system in each house which the Company constructed. Thus the wastewater from each house will be treated before draining to the cesspool including the checking of quality control of the wastewater to comply with the standards required by law before draining to the public waterways. This procedure is set to prevent any impact from the wastewater to the public water source. The Company has never had any problems or issues related to environmental impacts.

Risk Factors

1. Business Risks

Risk incurred from pre-built construction

The Company and its subsidiaries operate their businesses in real-estate development, mainly on housing construction for sale. In 2000, the Company has shifted its policy from built-to-order houses (to build the house when the customers come to book the house) to pre-built houses. The proportion of the pre-built house has increased during 2001-2002 consequently. Since 2003 until present day, the Company has shifted its operation to be all the “pre-built” except for the residential condominium and the townhouse brand “INDY” which the Company has changed the policy from pre-built sales to sale before building since September 2010, onward. As a result that the Company has changed the operation style from built-to-order to pre-built, thus affects the Company to need higher advance funds to use in construction since the Company does not receive any funds from its customers to use as working capital during the construction. In addition, there are also some factors which may have impact to the decision making to buy a residential in the future which include (1) the increase in the residential units due to the increase in construction material cost and land acquisition price (2) the slowdown in economic growth. These factors may affect the purchasing power and the decision making of the Company’s target customers (Details as indicated in (2) Nature of Business 2.2 Market and Competition) Thus, the Company has risks from the unsold pre-built houses which will cause the Company to have high cost of inventory which may have impact to the Company’s liquidity and its profitability. However, the Company expects to be able to sell all the pre-built houses and will not bear a heavy inventory burden due to the following reasons :

(1) The Company has studied the consumers behaviors by conducting the surveys on visitors who visit the projects in terms of budget, style, size of land plot etc. including the information of sale in the past to analyze customers’ needs which then result in the Company ability to build the pre-built houses and sell them out.

(2) Presently, most customers prefer to purchase the pre-built houses as they are confident that they will receive the house as the contractual schedules. As during the crisis in 1997-1998, many entrepreneurs could not build the houses and hand over to deliver to their customers on time.

(3) The Company is the major and large developer and exists in the market for more than 30 years, thus the Company has many advantages both in terms of marketing information and in-depth knowledge of customers’ requirements. Therefore, the Company can develop the housing units to meet with the customers’ needs perfectly and thus resulting in the residential projects under the brand “land & Houses” is being well accepted among the target customers both in terms of quality and locations.

(4) Though nowadays, there are several risk factors which affect the decision making of the consumers to buy their

residential units but the Company’s target customers still remain continuously steady as they still expect to have the Company’s good after sales services in the standard of Land & Houses.

2. Production Risks

The risks associated with the shortage and the increase in cost of the construction materials from the fact that there are new developers in the real estate development continuously thus results in the increase in demand of construction materials and also labor which may lead to the shortage of both construction materials and labor in construction industry and also have impact in the increase in the cost of construction materials. In 2020, the Construction Price Index has decreased by 1.8% because the overall economy has impacted from the outbreak of the virus COVID-19. However, the shortage of both construction materials and labor in construction industry may increase from the increase in construction in the near future. Therefore this will affect the time to develop the Company’s project to increase and the Construction’s cost may increase which will affect the liquidity and profitability of the Company.

However, as at December 31, 2020, the Company and its subsidiaries have projects operated in hands of 81 projects , thus make the Company has the high bargaining power with the contractors and the construction material suppliers. And also because the Company has used the Pre-built houses rather than the built-to-order (except the condominium which allows the pre-booked before construct and also the townhouse which the Company allows the customers to book before the construction completed), which the pre-built houses allow the Company and the contractors can plan and schedule the construction plan and also the purchase of materials in advance which then prevent the Company from the shortage of the materials and also can better control the cost and actual construction plan more accurately.

3. Financial Risk

(1) Risks incurred from the impairment of other Non-current financial asset

As of December 31, 2020, the Company and its subsidiaries have non-current financial assets of 4,419 million Baht, equaled to 3.6% of total assets. (Details as described in part 3 Financial Statement and Operating Performance, item 14 of the Management Discussion and Analysis) which the significant non-current financial assets comprised of

(1) Vistamalls Inc. : the investment in Phillipines of 2,086 million Baht

(2) Land and Houses Freehold and Leasehold Property Fund 476 million Baht

(3) Quality Houses Leasehold Property Fund 285 million Baht

- (4) BTS Group Holding 100 million Baht
- (5) LH Shopping Centers Leasehold Real Estate Investment Trust 496 million Baht
- (6) LH Hotel Leasehold Real Estate Investment Trust 788 million Baht and other investment which the Company has set the allowance of 111 million Baht, the Company still have risk from the impairment of the investment which will cause the value of investment to be decreased.

However, the policy to invest in the equity investment will focus on the investment in real estate businesses and other businesses which relate to its core business of the Company and also the businesses which are interesting and

considered to have good reasonable return to the Company. Such investment decisions will have to be considered by the Board of Directors of the Company.

For long-term equity investments, the Company has set the allowance for impairment in the account of unrealized gain (loss) in other companies in the Balance Sheet of 111 million Baht

(2) Risk incurred from Lending to the subsidiaries

As at December 31, 2020, the Company extended the long-term loans to 6 subsidiaries which total amount of loans including principal and accrued interest equaled to 12,980.1 million Baht which was in the term of Promissory notes without collateral, which consisted of

Subsidiaries	% held by the Company	Loan to subsidiaries (million Baht)	Interest rate (%)
Land and Houses U.S.A. Inc.	100.00	8,088.1	3.0 - 4.0
LH Asset Co.,Ltd	99.99	2,000.0	2.5
Land and Houses Northeast Co.,Ltd	99.99	1,620.0	2.5
LH Mall and Hotel Co.,Ltd	99.99	920.0	2.5
Siam Tanee Property Co.,Ltd	99.99	322.0	2.5
Atlantic Real Estate Co.,Ltd	99.99	30.0	2.5
Tatol		12,980.1	

As at December 31, 2020, the Company has provided long term loan to Land and Houses U.S.A. Inc. (LH USA) which is a 100% owned by the Company, in the amount of USD 270.8 million or equaled to 8,088.1 million Baht with the interest rate at 3.0-4.0 per annum and will be repay when the Company can sell the property which it bought or when it can get the loan approved from the financial institutions.

Other subsidiaries borrow loan for the operation of the housing project. The Company will get the loan repaid when the subsidiaries can operate the project and sell the houses to the customers.

The Company, therefore, get the risk from not getting the repayment from the subsidiaries. However, the subsidiaries had invested the money in property which can be sold. For the LH USA, the Company has borrowed the money from L&H to buy 3 apartments for rent, 2 in California and another one in Oregon state which can generate long term return to the Company and LH USA has also plan to sell the apartment when it can get the proper return.

In addition, the Company has emphasized the operation of its subsidiaries so the Company has sent its representatives to sit on their boards, to take part in control the policy and closely monitor their business operation including to control and monitor the prompt repayment

of loan and interest of the subsidiaries to the Company. Therefore, the Company expects that these subsidiaries can repay the amount loan owed to the Company and are unlikely to cause the loan default so the Company has not allocated any allowance for doubtful accounts for the amount lent to these subsidiaries.

(3) Risk incurred by lawsuits

As at December 31, 2020, the Company has significant lawsuits as follows :

1. A housing estate juristic persons and housing residents filed lawsuits against the Company, regarding the construction of the kindergarten in the project which in the year 2020, the Company has reversed the provision of previously recorded liabilities for this lawsuit of total 349 million Baht as the Supreme Court has altered the judgement, whereby the case was dismissed and the case was distributed from the directory. At the end of 2020, this case has remaining amount of capital value of 114.2 million Baht which the Court has not yet judged and the Company has set aside a provision of 102.7 million Baht.

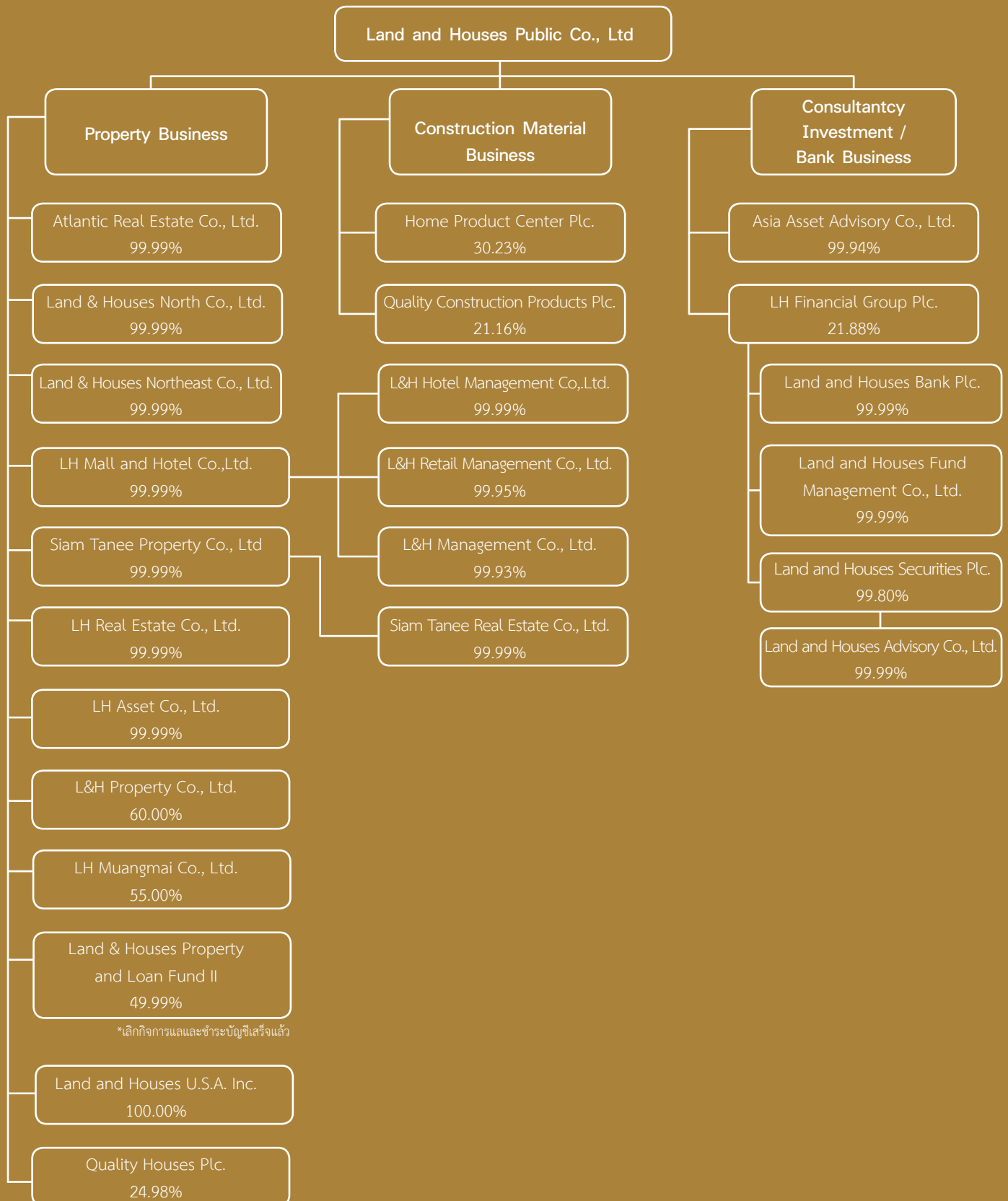
2. There are also other lawsuits which the Company is a defendant with the total capital value of 96 million Baht.

The lawsuit has total value of capital of 210.2 million Baht which the Company has set aside a provision of Baht 121.3 million Baht which the maximum liabilities of the Company will be 210.2 million Baht

Supplementary Information

Overall Picture of Businesses of the Company and Its Subsidiaries and Associates

(31 December 2019)



Note L&H Property Co., Ltd. is owned by GIC (40.00%)
LH Muang Mai Co., Ltd. is owned by Mr. Pittaya Tantipiriyakit's Group (45.00%)

Investment in Subsidiaries and Associates

Company	Paid-Up Capital (Mil. Baht)	Holding Shares	Par Value	% Hold Direct and Indirect
Investment In Related Parties				
Listed Company				
1. Quality Construction Products Plc.	400	84,627,680	1	21.16
2. LH Financial Group Plc.	20,919	4,634,761,967	1	22.16
3. Quality Houses Plc.	10,714	2,675,945,601	1	24.98
4. Land and Houses Freehold and Leasehold Property Fund	3,300	88,958,300	10	26.96
5. Home Product Center Plc.	13,151	3,975,878,432	1	30.23
Non-Listed Company				
1. Land and Houses Property and Loan Fund-II	1,486	74,278,549	10	49.99
2. LH Muang Mai Co.,Ltd.	900	49,499,995	10	55.00
3. L&H Property Co.,Ltd.	130	15,599,994	5	60.00
4. Asia Asset Advisory Co.,Ltd.	0.10	9,994	10	99.94
5. Atlantic Real Estate Co.,Ltd.	15	149,979	100	99.99
6. Land and Houses North Co.,Ltd.	14	134,998	100	99.99
7. LH Mall and Hotel Co.,Ltd.	2,000	19,999,995	100	99.99
8. Siam Tanee Property Co.,Ltd.	100	999,994	100	99.99
9. LH Asset Co.,Ltd.	100	999,994	100	99.99
10. LH Real Estate Co.,Ltd.	58	579,994	100	99.99
11. Land and Houses Northeast Co.,Ltd.	150	1,499,994	100	99.99
12. Land and Houses U.S.A., Inc. (USD)	40	40,000,000	1	100.00
Holding by Siam Tanee Property Co.,Ltd.				
Siam Tanee Real Estate Co.,Ltd.	88	1,749,994	50	99.99
Holding by LH Mall and Hotel Co., Ltd.				
1. L&H Hotel Management Co.,Ltd.	10	999,997	10	99.99
2. L&H Retail Management Co.,Ltd.	0.10	9,995	10	99.99
3. L&H Management Co.,Ltd.	0.10	9,993	10	99.99
4. LH Hotel Leasehold Real Estate Investment Trust	5,379	71,275,310	10	13.25
Holding by LH Financial Group Plc.				
1. Land and Houses Bank Plc.	20,000	1,999,999,900	10	22.16
2. Land and Houses Securities Plc.	1,274	1,274,140,676	1	22.16
3. Land and Houses Fund Management Co.,Ltd.	300	2,999,995	100	22.16
Holding by Subsidiaries of LH Financial Group Plc.				
1. Land and Houses Advisory Co.,Ltd.	20	1,999,998	10	22.16

Company Name	Address	TEL. NO.	FAX. NO.	Type Of Business	Authorized Share Capital	% Hold Direct and Indirect
1. Quality Construction Products Plc.	144 Moo 16 Bangpa-in Industrial Estate, Udomsorayuth Road, Bangkrasan, Bangpa-in, Ayutthaya, Thailand 13160 Website : www.qcon.co.th	0 3525 8999	0 3525 8948 0 3525 8721	Building Material	400 million common shares of Baht 1 each	21.16
2. LH Financial Group Plc.	5 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhfg.co.th	0 2359 0000	0 2677 7223	Holding Company	20,919.4 million common shares of Baht 1 each	22.16
3. Quality Houses Plc.	6-7 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.qh.co.th	0 2677 7000	0 2677 7009	Property Development	10,714.4 million common shares of Baht 1 each	24.98
4. Land and Houses Freehold and Leasehold Property Fund	14 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhpf-pf.com	0 2286 3484 0 2679 2155	0 2286 3585 0 2679 2150	Property Fund	330 million units of Baht 10 each	26.96
5. Home Product Center Plc.	31 Prachachuennonthaburi Road, Bangkhen, Muang, Nonthaburi, Thailand 11000 Website : www.homepro.co.th	0 2832 1000	0 2832 1234	Trading of Construction Material	13,151.2 million common shares of Baht 1 each	30.23
6. Land and Houses Property and Loan Fund-II	15 th , 17 th Floor Sindhorn Building Tower III, 130-132 Wireless Road, Bangkok, Thailand 10330	0 2688 7777	0 2688 7700	Property Fund	148.6 million units of Baht 10 each	49.99
7. LH Muang Mai Co., Ltd.	9/9 Moo 6 Thepkasadtsee, Tumbonratsada, Aumphoemuang, Phuket, Thailand 83000	0 7638 1150-3	0 7638 1112	Property Development	90 million common shares of Baht 10 each	55.00
8. L&H Property Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8899	0 2343 8890	Property Development	26 million common shares of Baht 5 each	60.00
9. Asia Asset Advisory Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8899	0 2343 8890	Investment Advisor	0.01 million common shares of Baht 10 each	99.94
10. Atlantic Real Estate Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8900	0 2230 8131	Property Development	0.15 million common shares of Baht 100 each	99.99
11. Land and Houses North Co., Ltd.	319 Moo 4, Thumbonnonglom, Aumphoesansang, Chiangmai, Thailand 50210	0 5349 8911-3	0 5311 1111	Property Development	0.5 million common shares of Baht 100 each	99.99
12. LH Mall and Hotel Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhmf.co.th	0 2343 8899	0 2343 8890	Property Development	20 million common shares of Baht 100 each	99.99
13. Siam Tanee Property Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8900	0 2230 8131	Property Development	1 million common shares of Baht 100 each	99.99
14. LH Asset Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8900	0 2230 8131	Property Development	1 million common shares of Baht 100 each	99.99
15. LH Real Estate Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8900	0 2230 8131	Property Development	0.58 million common shares of Baht 100 each	99.99

Company Name	Address	TEL. NO.	FAX. NO.	Type Of Business	Authorized Share Capital	% Hold Direct and Indirect
16. Land and Houses Northeast Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8900	0 2230 8131	Property Development	1.5 million common shares of Baht 100 each	99.99
17. Land and Houses U.S.A., Inc.	17485 Monterey Road Suite 308 Morgan Hill, CA 95037 USA	408 796 7337		Property Investment	40 million common shares of USD 1 each	100.00
18. Siam Tanee Real Estate Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8900	0 2230 8131	Property Development	1.75 million common shares of Baht 50 each	99.99
19. L&H Hotel Management Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8899	0 2343 8890	Hotel	1 million common shares of Baht 10 each	99.99
20. L&H Retail Management Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8899	0 2343 8890	Retail	0.01 million common shares of Baht 10 each	99.99
21. L&H Management Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2343 8899	0 2343 8890	Management	0.01 million common shares of Baht 10 each	99.99
22. Land and Houses Bank Plc.	G, 1 st , 5 th , 6 th , 32 nd Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhbank.co.th	0 2359 0000	0 2677 7223	Bank	2,000 million common shares of Baht 10 each	22.16
23. Land and Houses Securities Plc.	M, 10 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhsec.co.th	0 2352 5100	0 2286 2681 0 2286 2682	Management Fund	1,274.4 million common shares of Baht 1 each	22.16
24. Land and Houses Fund Management Co., Ltd.	14 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhfund.co.th	0 2286 3484 0 2679 2155	0 2286 3585 0 2679 2150	Management Fund	3 million common shares of Baht 100 each	22.16
25. Land and Houses Advisory Co., Ltd.	10 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	0 2352 5100	0 2286 2681 0 2286 2682	Advisory	2 million common shares of Baht 10 each	22.16
26. LH Hotel Leasehold Real Estate Investment Trust	14 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhfund.co.th	0 2286 3484	0 2286 3585	Property	537.9 million common shares of Baht 10 each	13.25

Other Reference

Auditor	<p>Rungnapa Lertsuwankul Certified Public Accountant (Thailand) No. 3516 EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel: 66 (0) 2264 9090 Fax: 66 (0) 2264 0789</p>
Securities registrar	<p>Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: 66 (0) 2009 9000 Fax: 66 (0) 2009 9991</p>
Debentures registrar	<p>Siam Commercial Bank Public Company Limited Registrar 1, Corporate Trust 15th Floor, G Tower Grand Rama 9 Building 9 Rama IX Road, Huai kwang, Bangkok 10310 Tel: 66 (0) 2128 2324-9 Fax: 66 (0) 2128 4625</p>
Financial Institutions	<p>Siam Commercial Bank Public Company Limited Head Office 9 Rutchadapisek Road, Chatuchak, Chatuchak, Bangkok 10900 Tel: 66 (0) 2777 7777</p> <p>Land and Houses Bank Public Company Limited Head Office 1 Q.House Lumpini Building, South Sathon Road, Thungmahamek, Sathon, Bangkok 10120 Tel: 66 (0) 2359 0000</p> <p>Kasikornbank Public Company Limited Head Office 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana, Rat Burana, Bangkok 10140 Tel: 66 (0) 2888 8888</p>
Appraisal Company	<p>Grand Asset Advisory Company Limited 1350/279-283 16th Floor, Thai Rong Tower Building, Patthakarn Road, Suanluang, Bangkok 10250 Tel: 66 (0) 2719 4500 Fax: 66 (0) 2719 5070-71</p> <p>TAP Valuation Company Limited 37th Floor, RS Tower 121/101 Rajadapisek Road, Dindang, Bangkok 10320 Tel: 66 (0) 2642 2712-14 Fax: 66 (0) 2642 2711</p>



- Section 2 -

Management and Corporate Governance



Securities and Shareholders

1. Registered and Paid-up Capital

(1) As of December 2020, the Company had registered capital of 12,031,105,828 Baht of which 11,949,713,176 Baht was paid up, divided into 11,949,713,176 ordinary shares with a par value of 1 Baht each.

According to the information of ordinary share holdings by Thai NVDR Co.,Ltd, as of February 25, 2021, the number of Company's ordinary shares of 1,829,734,001 shares, representing 15.31% 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 18.08% more of the voting right. As a result, the holders of only 21.17% 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 www.set.or.th

(2) Other types of shares

-None-

2. Shareholders

As at the latest register book-closing date on August 28, 2020, the top 10 major shareholders are as follows:

Rank	Name of individual / Juristic Person	Number of shares held (shares)	Percentage of all sold shares
1.	Mr. Anant Asavabhokin	2,860,000,047	23.93
2.	Thai NVDR Co.,Ltd	1,015,031,934	8.49
3.	Mayland Co., Ltd	677,000,069	5.67
4.	Social Security Office	557,132,040	4.66
5.	South East Asia UK (Type C) Nominees Limited	494,696,677	4.14
6.	State Street Europe Limited	402,996,005	3.37
7.	The Bank of New York Mellon	348,086,427	2.91
8.	Hongkong and Shanghai Banking Corporation Limited	208,077,500	1.74
9.	State Street Bank and Trust	190,596,402	1.59
10.	Ms. Piangjai Harnpanij	134,960,000	1.13
Total		6,888,577,101	57.65

Note : * The shareholders under Mr. Anant Asavabhokin's group held shares in total equaled to 30.73%

3. Other securities

3.1 Debentures

As at December 31, 2020, the Company had outstanding senior, unsecured debentures worth 33,600 million Baht with detail are as follows :

Debenture	Amount (MB)	Coupon Rate per year	Maturity / Due Date
Series 1/2561	1,200	2.96%, paid every 6 months	7 years / March 7, 2025
Series 2/2561	6,000	1.98%, paid every 6 months	3 years / May 7, 2021
Series 3/2561	5,000	3.02%, paid every 6 months	3 years / October 5, 2021
Series 1/2562	6,000	2.62%, paid every 6 months	3 years /April 26, 2022
Series 2/2562	7,000	2.12%, paid every 6 months	3 years /October 15, 2022
Series 1/2563 Lot 1	3,000	2.30%, paid every 6 months	2 years /May 12, 2022
Series 1/2563 Lot 2	2,400	2.60%, paid every 6 months	3 years / May 12, 2023
Series 2/2563	3,000	2.03%, paid every 6 months	3 years / October 20, 2023

All debentures were latest rated A+ Stable by TRIS Rating Co.,Ltd. on October 1, 2020.

For all debentures, the Company must maintain its Debt-to-Equity ratio at not more than 1.50 to 1 based on the Consolidated Financial Statements.

4. Dividend Payment Policy

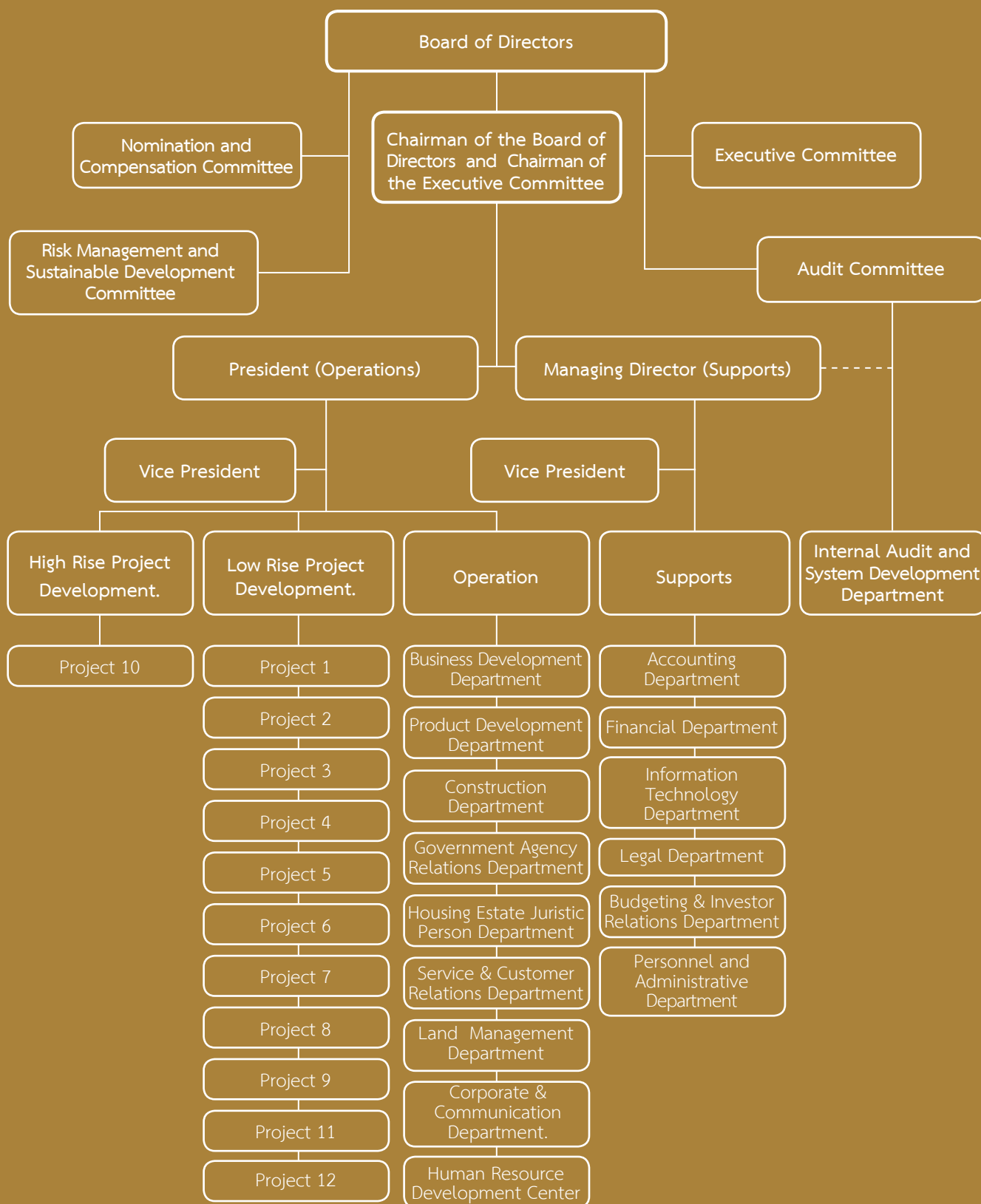
At present, the Company has the policy to pay dividends from its net profit to its shareholders every year. In order to consider the amount of the dividend payments, the following factors are taken into the consideration which comprises of the Company's operating results and its financial status, its liquidity, Company's business expansion plans, and other factors which related to the management of the Company. The dividend's payment must receive the approval from the Board of Directors and/or the shareholders' meeting. The resolution of the shareholders' extraordinary meeting No. 1/ 2004 dated on January 26, 2004 has resolved to amend the Article 42 on Dividend Payments on its Articles of Association as follows:

Article 42 : Dividend payments : "Dividends shall be paid from the Company's profit. In the event that the Company has an accumulated loss, then the dividends shall not be paid. In case that the Company has profit, then the Board of Directors shall propose an allotment of the Company's profit to pay as a dividend in an amount that the payment will not cause any harm to the equity of the Company".

For the dividend payments of the subsidiaries, the subsidiaries shall pay the dividends from their profits. The factors which have to take into consideration before making decision of dividend should include the operating results and the company's financial status, liquidity, business expansion and other factors which related to the Company's management.

Organization Structure

as at December 31, 2020



1. Board of Directors

The structure of Company's Management as of December 31, 2020 consists of 9 directors and comprises of 5 committees, which are the Board of Directors, Audit Committee, Nomination and Compensation Committee, Risk Management and Sustainable Development Committee, and the Executive Committee.

According to its Articles of Association, the Board of Directors consists of not less than 5 directors, which at least half of them are domiciled in Thailand. In order to conduct the business, the directors must perform their duties according to laws, objectives and Articles of Association of the Company, as well as the resolutions of shareholders' meetings, with integrity and carefulness to protect the Company's interests and benefits

The composition of the boards, committees and management was designed with adequate investigation and also checks and balances by :

- The Board of Directors consists of 3 independent directors, or 33% of total numbers of directors, and other 4 executive directors and 2 non-executive directors
- The Audit Committee consists of 3 independent audit directors who performs their duties in conformity to the regulation of the Stock Exchange of Thailand and the Audit Committee Charter
- Delegation and authorization among the Boards and Management has been clearly established as details which are disclosed in the "Corporate Governance" section.

As at December 31, 2020, the names and meeting attendance records of directors in the year 2018, 2019 and 2020 were declared as in the table below :

Name	Position	Numbers of Attended meetings/ total meetings		
		2018	2019	2020
1. Mr. Naporn Sunthornchitcharoen	Chairman of the Board of Directors and Chairman of the Executive Committee	7/7	8/8	10/10
2. Mr. Pakhawat Kovithvathanaphong	Director, Chairman of the Audit Committee, Independent Director	6/7	8/8	10/10
3. Mr. Chalerm Kietitanabumroong	Director, Member of the Executive Committee, Member of Risk Management and Sustainable Development Committee (resigned on January 1, 2019)	7/7	-	-
4. Mr. Adisorn Thananan-narapool	Director, Member of the Executive Committee, Member of Nomination and Compensation Committee	6/7	8/8	10/10
5. Mr. Nantawat Pipatwongkasem	Director, Company Secretary, Member of Risk Management and Sustainable Development Committee	7/7	7/8	10/10
6. Mr. Piphob Veraphong	Director, Member of Audit Committee, Independent Director, Chairman of the Nomination and Compensation Committee	7/7	8/8	10/10
7. Mr. Bundit Pitaksit	Director, Member of Audit Committee, Independent Director, Chairman of the Risk Management and Sustainable Development, Member of Nomination and Compensation Committee	7/7	8/8	10/10
8. Mr. Achawin Asavabhokhin	Director (appointed on February 28, 2018)	6/6	7/8	10/10
9. Mr. Watcharin Kasinrer	Director, Member of the Executive Committee, Member of Risk Management and Sustainable Development Committee (appointed on February 15, 2019)	-	7/7	10/10
10.Mr. Adul Chuvanichanon	Director, Member of the Executive Committee (appointed May 13, 2019) Member of Risk Management and Sustainable Development Committee (appointed on December 19, 2019)	-	6/6	10/10
Total number of meetings in 2020		7	8	10

Authorized Directors as the Company's Signatory

One of the following directors may sign to bind the Company: Mr. Naporn Sunthornchitcharoen or Mr. Adisorn Thananan-narapool or Mr. Nantawat Pipatwongkasem, or Mr. Watcharin Kasinrerker or Mr. Adul Chuvanichanon or Mr. Achawin Asavabhokhin.

Scope of Duty and Responsibility of the Board of Directors

To enable the Board of Directors to perform its duties efficiently, a guideline on its duties was defined as follows:

1. Manage and conduct the Company's business to be in line with the Company's objectives and regulations, as well as the resolutions of shareholders' meeting which is conform with the laws on integrity and carefulness for the utmost benefits of the Company.
2. Consider and approve the Company's key policies, goals, guidelines and business plan including monitoring and follow up the implementation according to the plans.
3. Monitor and supervise the performance and management of the Executive Board to ensure the implement in accordance with the assigned Company's policies. The Board of Directors has the authority to approve the following matters:
 - 3.1 To consider the borrowings or loan application from financial institutions
 - 3.2 To consider the Annual budget and Company's business plans
 - 3.3 To consider the interim dividend payments for shareholders in the case that the Company has sufficient profit to do so
 - 3.4 To consider any significant transactions such as investments, asset acquisition or disposal, and other operations required by law
 - 3.5 To consider the connected transactions and asset acquisitions or disposals except that those transactions shall require shareholders' approval. Such approvals shall be in line with the announcements, requirements and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The authority applies to all matters except for the transactions which required by law that the Board of Directors must seek the approval from Company's shareholders before proceeding.

4. The Board's meeting shall be convened at least once every quarter.
5. The main meeting agenda shall be clearly set in advance throughout the year.
6. The details of meeting agenda shall be submitted to each director at least 7 days prior to the meeting date so that the directors have sufficient time to study and consider them before the meeting.
7. In consideration of each meeting agenda, the interests and benefits of all shareholders and stakeholders must be fairly taken into account.

8. The Company has set the policy regarding the minimum quorum at the time when the directors shall vote in the meeting that at least two-third of the total directors attending the meeting.
9. Allow free expression of opinions at the meetings
10. Allocate adequate time for each agenda to allow for debate and careful expression of opinions.
11. Supervise to ensure that the management has been done in line with good governance policy and to prevent any conflicts of interest.

Roles and Duties of the Chairman of the Board of Directors

1. Take responsibility as the leader of the Board of Directors to oversee, monitor and supervise the performance of the Board of Directors and other subcommittees to achieve the objectives as defined in business plans and conform with the good governance.
2. Supervise to ensure that all directors have participated and encourage to create the good corporate ethics and good corporate governance.
3. Represent as Chairman of the Board at the Board's meetings and Shareholders' meetings by handle and manage the meetings to be in line with the Articles of Association, its agenda and allocate proper time for the meetings.
4. Promote the independent and transparent expression of opinions in the meetings.
5. Supervise to ensure efficient communication between the directors and shareholders.
6. Give the casting vote in the event the votes are tied at the Board of Directors' meetings.

2. Executives

As of December 31, 2020, the Company had 6 executives members:

Mr. Naporn	Sunthornchitcharoen	Chairman of the Executive Committee.
Mr. Adisorn	Thananun-narapool	Managing Director.
Mr. Watcharin	Kasinrerker	Managing Director.
Mr. Adul	Chuvanichanon	Managing Director.
Mr. Wit	antiworawong	Senior Executive Vice President and Chief Finance Officer.
Mr. Chokchai	Walitwarangkoon	Senior Executive Vice President.

3. Company Secretary

The Board of Director has appointed Mr. Nantawat Pipatwongkasem, an Executive Vice President with appropriate knowledge, qualifications and experiences, as a Company Secretary. A barrister-at-law, holding a law bachelor's degree and an MBA degree from Thammasat University. His roles and duties are to give advice on laws and regulations that the Board of Directors must be aware of and comply with, to organize meetings of shareholders and Board of Directors in compliance with laws, the Company's Articles of Association and other code of conduct. He shall also record minutes of the meeting, follow up on the implementation of meeting resolutions, contact and communicate with shareholders so that they are all aware of their rights and company news, coordinate with the Board of Directors' activities, as well as arrange archive documents as required by law.

4. Executive Remuneration

(a) Cash Remuneration

- Remuneration for directors

The Company has determined a clear policy on Remuneration for managing directors and directors by setting that the payment will be based on their responsibilities to the Company. The Nomination and Compensation Committee also examines, screens and proposes to the Board of Directors to consider for an approval by consider the appropriateness, including the size, business expansion and profit growth of the Company. Its Remuneration is at the same level of other companies in the similar industry. The directors' Remuneration will be proposed for approval at a shareholders' meeting each year and will be paid in form of annual remuneration, meeting allowances, director pensions and bonuses. The details for 2019 and 2020 are as follows:

Name	Position	2019		2020	
		Meeting attendance rate %	Remuneration (million Baht)	Meeting attendance rate %	Remuneration (million Baht)
1. Mr. Naporn Sunthornchitcharoen	Chairman of the Board of Directors, Chairman of the Executive Board	100%	3.84	100%	3.48
2. Mr. Pakhawat Kovithathanaphong	Director, Chairman of the Audit Committee, Independent Director	100%	2.32	100%	2.30
3. Mr. Chalerm Kietitanabumroong	Director, Member of the Executive Committee, Member of the Risk Management and Sustainable Development Committee (resigned on January 1, 2019)	-	1.20	-	-
4. Mr. Adisorn Thananan-narapool	Director, Member of the Executive Committee, Member of the Nomination and Compensation Committee	100%	1.92	100%	1.84
5. Mr. Nantawat Pipatwongkasem	Director and Company Secretary, Member of the Risk Management and Sustainable Development Committee	88%	1.92	100%	1.84
6. Mr. Piphob Veraphong	Director, Member of the Audit Committee, Independent Director, Chairman of the Nomination and Compensation Committee	100%	2.39	100%	2.37
7. Mr. Bundit Pitaksit	Director, Member of the Audit Committee, Independent Director, Chairman of the Risk Management and Sustainable Development Committee, Member of the Nomination and Compensation Committee	100%	2.45	100%	2.43
8. Mr. Achawin Asavabhokhin	Director (appointed on February 28, 2019)	88%	1.93	100%	2.14
9. Mr. Watcharin Kasinrerk	Director, Member of the Executive Committee, Member of Risk Management and Sustainable Development Committee (appointed on February 15, 2019)	100%	0.63	100%	1.71
10. Mr. Adul Chuvanichanon	Director, Member of the Executive Committee (appointed on May 13, 2019), Member of Risk Management and Sustainable Development (appointed on December 19, 2019)	100%	0.46	100%	1.50
Total Remuneration			19.06		19.61

The details of directors' Remuneration by category in 2020 are as follows: (unit : Baht)

Position	Name	Remuneration		Total
		Annual Pay	Bonus	
Audit Directors /Independent Directors	1. Mr. Pakhawat Kovithvathanaphong	820,000	1,020,000	1,840,000
	2. Mr. Piphob Veraphong	820,000	1,020,000	1,840,000
	3. Mr. Bundit Pitaksit	820,000	1,020,000	1,840,000
Directors who are employees	1. Mr. Naporn Sunthornchitcharoen	1,440,000	2,040,000	3,480,000
	2. Mr. Adisorn Thananan-narapool	820,000	1,020,000	1,840,000
	3 Mr. Nantawat Pipatwongkasem	820,000	1,020,000	1,840,000
	4. Mr. Watcharin Kasinrer	820,000	892,500	1,712,500
	5. Mr. Abdul Chuvanichanon	820,000	680,000	1,500,000
Director who are not employee	1. Mr. Achawin Asavabhokhin	820,000	1,020,000	1,840,000
Total		8,000,000	9,732,500	17,732,500

Meeting allowances (unit: baht)

Name	Meeting allowances				Total
	Board of Directors	Audit Committee	Nomination and Compensation Committee	Risk Management and Sustainable Development Committee	
1. Mr. Pakhawat Kovithvathanaphong	300,000	160,000	N/A	N/A	460,000
2. Mr. Piphob Veraphong	300,000	150,000	80,000	N/A	530,000
3. . Mr. Bundit Pitaksit	300,000	150,000	60,000	80,000	590,000
4. . Mr. Achawin Asavabhokhin	300,000	N/A	N/A	N/A	300,000
Total	1,200,000	460,000	140,000	80,000	1,880,000

- Executive remuneration : The Company has set the criteria to pay the remuneration to executives by link to the Company's performance, knowledge, capability and the performance evaluation of each person. The remuneration of executives in 2019 and 2020 comprises of salary, bonus and other remuneration as follows :

Name	2019		2020	
	numbers	Total (million Baht)	numbers	Total (million Baht)
Salary	6	71.02	6	75.75
Bonus*	6	66.38	6	53.65
Total	6	137.40	6	129.40

Note * Bonus will be paid in January every year

(b) Other Remuneration which is not in term of cash, as follows :

1. The Company has set up provident funds which the employees will voluntarily contribute the fund at the ratio of 2-7% of their monthly salaries and the Company will jointly contribute the fund at the rate of 5-7% of their monthly salaries. The registered fund is managed by a licensed fund manager in compliance with the Act on Provident Fund B.E. 2542 (1999). In 2020, the Company contributed 1.3 million Baht to the portion which owned by 6 executives.
2. Other welfare is provided in various forms such as medical care, health insurance, annual physical checkups plan categorized by age, life insurance for all employees, allowances for weddings, allowances for funerals of employees' and their family members, uniforms, annual vacation trips and parties, as well as discounts on company products based on established criteria and conditions.

5. Human Resources (as at December 31, 2020)

- Total number of employees 804
Number of employees in each line
Management 6
Operations 686
Support 112
- Total compensation and types of compensation
 - Salary, bonuses and other compensation in 2020 totaled 1,134 million Baht.
 - Benefits on health care and recreation, as well as provident fund and discounts for purchases of company products, were also provided.
- Total number of employees at subsidiaries 785
Classified by company
LH Muang Mai Co.,Ltd 23
LAND AND HOUSES U.S.A., INC. 6
L&H Mall and Hotel Co.,Ltd 107
L&H Hotel Management Co.,Ltd 491
L&H Hotel Retail Management Co.,Ltd 116
L&H Management Co.,Ltd 42

Board of Director

Mr. Naporn Sunthornchitcharoen		Age 62 years
Position		
<ul style="list-style-type: none"> Chairman of the Board of Directors Chairman of the Executive Committee Director and authorized signatory 		
Appointed Date 12 November 1992		
Education		
<ul style="list-style-type: none"> Bachelor of Engineering (Civil Engineering), Chiangmai University MBA, Thammasat University National Defense College Class of 2006 Director Accreditation Program (DAP) 25/2004 : IOD Director Certification Program (DCP) 53/2005 : IOD Financial Institutions Governance Program (FGP) 2/2011 : IOD Stanford Executive Programe (SEP), Graduate School of Business, Stanford University, USA 		
% of Shareholding as 31 December 2020		
0.23		
Relationship		
-		
5-year Past Experience		
Listed Company		
Aug 2017 - Present	Chairman of the Board of Directors, Chairman of the Executive Committee Land and Houses Plc. (Property Development).	
1992 - Present	Director Land and Houses Plc. (Property Development).	
May 2013 - Aug 2017	Executive Director, President (Operations) Land and Houses Plc. (Property Development).	
2002 - Apr 2013	Executive Director, Senior Executive Vice President (Operations) Land and Houses Plc. (Property Development).	
1991 - 2001	Executive Vice President Land and Houses Plc. (Property Development).	
Jun 2017 - Present	Director Quality Houses Plc. (Property Development).	
2015 - Present	Member of the Nomination and Remuneration Committee Home Product Center Plc. (Trading of construction material).	
2001 - Present	Director, Executive Director Home Product Center Plc. (Trading of construction material).	
1994 - Present	Director Quality Construction Plc. (Building Material).	
May 2011 - Present	Director LH Financial Group Plc. (Holding Company).	

Sep 2018 - Mar 2019	Member of Nomination and Remuneration Committee LH Financial Group Plc. (Holding Company).
May 2011 - Jul 2018	Member of the Nomination and Remuneration Committee LH Financial Group Plc. (Holding Company).
May 2011 - Jun 2017	Executive Director LH Financial Group Plc. (Holding Company).
Non-Listed Company	
Dec 2013 - Present	Director Land and Houses Securities Plc. (Management Fund).
2012 - Present	Director Land and Houses U.S.A., Inc. (Property Investment).
2012 - Present	Director Land and House Property and Loan Fund-II (Property Fund).
2005 - Present	Director, Executive Director Land and Houses Bank Plc. (Bank).
2005 - Jul 2018	Member of the Nomination and Remuneration Committee Land and Houses Bank Plc. (Bank).
2004 - Present	Director LH Asset Co.,Ltd. (Property Development).
2003 - Present	Director LH Real Estate Co.,Ltd. (Property Development).
1995 - Present	Director Land and Houses Northeast Co.,Ltd. (Property Development).
1995 - Present	Director Land and Houses North Co.,Ltd. (Property Development).
1995 - Present	Director LH Muang Mai Co.,Ltd. (Property Development).
1993 - Present	Director Siam Tanee Real Estate Co.,Ltd. (Property Development).
1990 - Present	Director Siam Tanee Property Co.,Ltd. (Property Development).
1987 - Present	Director Atlantic Real Estate Co.,Ltd. (Property Development).
1986 - Present	Director LH Mall and Hotel Co.,Ltd. (Property Development).

Mr. Adisorn Thananan-Narapool Age 66 years	
Position	
<ul style="list-style-type: none"> Managing Director Director and authorized signatory Member of of the Executive Committee Member of the Nomination and Compensation Committee 	
Appointed Date 12 November 1992	
Education	
<ul style="list-style-type: none"> Bachelor of Accounting, Thammasat University MBA, Thammasat University Director Accreditation Program (DAP) 7/2004 : IOD Director Certification Program (DCP) 41/2004 : IOD Certificate of Leadership Program at Capital Market Academy Batch 2 Stanford Executive Programme (SEP), Graduate School of Business, Stanford University, USA 	
% of Shareholding as 31 December 2020	
0.70	
Relationship	
-	
5-year Past Experience	
Listed Company	
May 2013 - Present	Director, Executive Director, Managing Director (Supports), Member of the Nomination and Compensation Committee Land and Houses Plc. (Property Development).
2002 - Apr 2013	Director, Executive Director and Senior Executive Vice President Land and Houses Plc. (Property Development).
1992 - 2001	Executive Vice President Land and Houses Plc. (Property Development).
Mar 2018 - Present	Member of the Nomination and Remuneration Committee Quality Houses Plc. (Property Development).
May 2003 - Present	Director Quality Houses Plc. (Property Development).

Non-Listed Company	
2012 - Present	Director Land and Houses U.S.A., Inc. (Property Investment).
2005 - Present	Director L&H Property Co.,Ltd. (Property Development).
2004 - Present	Director LH Asset Co.,Ltd. (Property Development).
2003 - Present	Director LH Real Estate Co.,Ltd. (Property Development).
2002 - Present	Director Land and House Property and Loan Fund-II (Property Fund).
2001 - Present	Director LH Muang Mai Co.,Ltd.(Property Development).
2000 - Present	Director Asia Asset Advisory Co.,Ltd (Investment Advisory).
1995 - Present	Director Land and Houses North Co.,Ltd. (Property Development).
1995 - Present	Director Land and Houses Northeast Co.,Ltd. (Property Development).
1993 - Present	Director Siam Tanee Real Estate Co.,Ltd. (Property Development).
1991 - Present	Director LH Mall and Hotel Co.,Ltd. (Property Development).
1990 - Present	Director Siam Tanee Property Co.,Ltd. (Property Development).
1987 - Present	Director Atlantic Real Estate Co.,Ltd. (Property Development).

Mr. Watcharin Kasinrerak		Age 59 years
Position		
<ul style="list-style-type: none">Managing DirectorDirector and authorized signatoryMember of of the Executive CommitteeMember of the Risk Management and Sustainable Development Committee		
Appointed Date 22 February 2019		
Education		
<ul style="list-style-type: none">Bachelor of Engineering (Civil Engineering), Chiangmai UniversityMBA, Thammasat UniversityStanford Executive Programe (SEP), Graduate School of Business, Stanford University, USADirector Certification Program (DCP) 275/2019 : IOD		
% of Shareholding as 31 December 2020		
0.00		
Relationship		
-		
5-year Past Experience		
Listed Company		
Feb 2019 - Present	Director, Executive Director, Managing Director (Operations), Member of the Risk Management and Sustainable Development Committee	
Sep 2017 - Feb 2019	Senior Executive Vice President	
2015 - Aug 2017	Executive Vice President	
2013 - 2014	Senior Vice President (Project 2)	
Non-Listed Company		
2019 - Present	Director Land and Houses Northeast Co.,Ltd. (Property Development).	
2019 - Present	Director Siam Tanee Property Co.,Ltd. (Property Development).	
2019 - Present	Director LH Asset Co.,Ltd. (Property Development).	
2019 - Present	Director Siam Tanee Real Estate Co.,Ltd. (Property Development).	
2019 - Present	Director LH Real Estate Co.,Ltd. (Property Development).	
2019 - Present	Director Land and Houses North Co.,Ltd. (Property Development).	
2019 - Present	Director Atlantic Real Estate Co.,Ltd. (Property Development).	
Other Organizations/Institutions		
Oct 2020 - Present	Qualified Board Member of the Central Land Development Board Ministry of Interior.	

Mr. Adul Chuvanichanon		Age 65 years
Position		
<ul style="list-style-type: none"> Managing Director Director and authorized signatory Member of of the Executive Committee Member of the Risk Management and Sustainable Development Committee 		
Appointed Date 30 April 2019		
Education		
<ul style="list-style-type: none"> Bachelor of Engineering (Civil Engineering), Chiangmai University MBA, Thammasat University Director Certification Program (DCP) 280/2019 : IOD 		
% of Shareholding as 31 December 2020		
0.00		
Relationship		
-		
5-year Past Experience		
Listed Company		
Dec 2019 - Present	Member of the Risk Management and Sustainable Development Committee Land and Houses Plc. (Property Development).	
May 2019 - Present	Director, Executive Director, Managing Director (Operations) Land and Houses Plc. (Property Development).	
Feb 2019 - May 2019	Acting Managing Director (Operations) Land and Houses Plc. (Property Development).	
Sep 2017 - Feb 2019	Senior Executive Vice President Land and Houses Plc. (Property Development).	
Jan 2014 - Aug 2017	Executive Vice President Land and Houses Plc. (Property Development).	
2009 - 2014	Senior Vice President (Project 10) Land and Houses Plc. (Property Development).	
2003 - 2009	Vice President (Project 10) Land and Houses Plc. (Property Development).	

Mr. Nantawat Pipatwongkasem Age 61 years	
Position	
<ul style="list-style-type: none"> Executive Vice President Director and authorized signatory Company Secretary Member of the Risk Management and Sustainable Development Committee 	
Appointed Date 12 November 1992	
Education	
<ul style="list-style-type: none"> Bachelor of Law, Barrister at Law M.B.A., Thammasat University Director Certification Program (DCP) 62/2005 : IOD Director Accreditation Program (DAP) 18/2004 : IOD Finance for Non-Finance Director (FN) 13/2004 : IOD 	
% of Shareholding as 31 December 2020	
0.00	
Relationship	
-	
5-year Past Experience	
Listed Company	
Sep 2017 - Present	Executive Vice President Land and Houses Plc. (Property Development).
2014 - Present	Member of the Risk Management and Sustainable Development Committee Land and Houses Plc. (Property Development).
2013 - Present	Senior Vice President (Legal Department) Land and Houses Plc. (Property Development).
1992 - Present	Director Land and Houses Plc. (Property Development).
1990 - Jun 2013	Vice President (Legal Department) Land and Houses Plc. (Property Development).

Non-Listed Company	
2012 - Present	Director Land and Houses U.S.A., Inc. (Property Investment).
2004 - Present	Director LH Asset Co.,Ltd. (Property Development).
2003 - Present	Director LH Real Estate Co.,Ltd. (Property Development).
1995 - Present	Director Land and Houses North Co.,Ltd. (Property Development).
1995 - Present	Director Land and Houses Northeast Co.,Ltd. (Property Development).
1995 - Present	Director LH Muang Mai Co.,Ltd. (Property Development).
1993 - Present	Director Siam Tanee Real Estate Co.,Ltd. (Property Development).
1990 - Present	Director Siam Tanee Property Co.,Ltd. (Property Development).
1987 - Present	Director Atlantic Real Estate Co.,Ltd. (Property Development).
Other Organizations/Institutions	
2017 - Oct 2020	Qualified Board Member of the Central Land Development Board Ministry of Interior.

Mr. Pakhawat Kovithvathanaphong Age 71 years	
Position	
<ul style="list-style-type: none"> Chairman of the Audit Committee Director Independent Director 	
Appointed Date 3 December 1999	
Education	
<ul style="list-style-type: none"> Master's Degree of Marketing & Finance Wharton School, University of Pennsylvania, USA Bachelor Degree of Economics (First Class Honors), Thammasat University National Defense College Class 344 Certificate of Leadership Program at Capital Market Academy Batch 5 Director Accreditation Program (DAP) 4/2003 : IOD Director Certification Program (DCP) 58/2005 : IOD Corporate Governance for Capital Market Intermediaries (CGI) Certificate course of Corporate Governance for Director and Senior Executive of State Enterprises and Public Organization, King Prajadhipok's Institute Batch 15 Executive Program in "Energy Literacy for a Sustainable Future" TEA Class 12, Thailand Energy Academy 	
% of Shareholding as 31 December 2020	
0.00	
Relationship	
-	
5-year Past Experience	
Listed Company	
May 2015 - Present	Chairman of the Audit Committee. Land and Houses Plc. (Property Development).
1999 - Present	Director, Independent Director, Member of the Audit Committee. Land and Houses Plc. (Property Development).
2016 - Present	Chairman. Trinity Watthana Plc. (Holding Company).
2001 - 2016	Chief Executive Officer, Director. Trinity Watthana Plc. (Holding Company).
Nov 2018 - Present	Independent Director, Audit Committee. P.C.S. Machine Group Holding Plc. (Automotive).
2017 - Present	Independent Director. Dusit Thani Plc. (Hotel).
2016 - 2018	Audit Committee. Thai Rubber Latex Corporation (Thailand) Plc. (Rubber Business).
2011 - 2018	Independent Director. Thai Rubber Latex Corporation (Thailand) Plc. (Rubber Business).

Non-Listed Company	
Jun 2018 - Present	Director Trinity One Co.,Ltd. (Holding Company).
2020-Present	Director / Nomination and Remuneration Committee Tris Rating Co.,Ltd. (Credit Rating).
2017 - Present	Chairman Smart ID Group Co.,Ltd (Electronic Components).
2014 - Present	Director Sukhumvit 62 Medical Co.,Ltd (Health Care Services).
2011 - Present	Chairman Trinity Advisory 2001 Co., Ltd. (Financial Advisor).
2001 - Present	Chairman Trinity Securities Co.,Ltd (Securities Business).
2010 - 2017	Director, Chairman of Corporate Strategy TSFC Securities Plc. (Securities Business).

Prof. Piphob Veraphong		Age 58 years
Position		
<ul style="list-style-type: none">Chairman of the Nomination and Compensation CommitteeDirectorIndependent DirectorMember of the Audit Committee		
Appointed Date 29 April 2015		
Education		
<ul style="list-style-type: none">Master of Laws, LL.M. in Taxation , Boston UniversityMaster of Laws, LL.M., Harvard UniversityCertificate of International Taxation, Havard UniversityBachelor of Law (Honors), Chulalongkorn UniversityBarrister-at-LawDirectors Certification Program (DCP) 238/2017 : IOD		
% of Shareholding as 31 December 2020		
0.00		
Relationship		
-		
5-year Past Experience		
Listed Company		
2015 - Present	Director, Independent Director, Member of the Audit Committee, Chairman of Nomination and Compensation Committee Land and Houses Plc. (Property Development).	
2004 - Present	Independent Director, Member of the Audit Committee Bangkok Chain Hospital Plc. (Health Care Service).	
2003 - 2010	Independent Director, Audit Committee Quality Construction Products Plc. (Building Material).	
Non-Listed Company		
2002 - Present	Partner Law Alliance Co.,Ltd. (Legal Advisory).	
2005 - 2008	Independent Director, Audit Committee Land and Houses Retail Bank Plc. (Bank).	

Mr. Bandit Pitaksit		Age 55 years
Position		
<ul style="list-style-type: none">Chairman of the Risk Management and Sustainable Development CommitteeDirectorIndependent DirectorMember of the Audit CommitteeMember of the Nomination and Compensation Committee		
Appointed Date 29 April 2015		
Education		
<ul style="list-style-type: none">Bachelor of Engineering (Civil Engineering), Chulalongkorn UniversityCertificate of Leadership Program at Capital Market Academy Batch 12The Program for Senior Executives on Justice Administration Batch 17thPolitics and Democracy for Executive, King Prajadhipok's Institute (KPI 14th)The National Defence Collage Class of 2014Director Certification Program (DCP) 237/2017 : IODTop Executive Program in Commerce and Trade (TEPCoT)		
% of Shareholding as 31 December 2020		
0.00		
Relationship		
-		
5-year Past Experience		
Listed Company		
Mar 2017 - Present	Member of the Nomination and Compensation Committee Land and Houses Plc. (Property Development).	
2016 - Present	Member of the Audit Committee, Chairman of Risk Management and Sustainable Development Committee Land and Houses Plc. (Property Development).	
2015 - Present	Director, Independent Director Land and Houses Plc. (Property Development).	
Non-Listed Company		
Present	Chairman of the Advisory Isuzu Sanguanthai Group (Automotive).	
Present	Chief Advisory Siam Car Rent Co.,Ltd. (Car Rental).	

Mr. Achawin Asavabhokhin		Age 45 years
Position		
<ul style="list-style-type: none">Director and authorized signatory		
Appointed Date 9 March 2018		
Education		
<ul style="list-style-type: none">Bachelor Degree of Industrial engineering, University of Pennsylvania, USABachelor Degree of Finance, University of Pennsylvania, USADirector Certification Program (DCP) 2014		
% of Shareholding as 31 December 2020		
0.01		
Relationship		
-		
5-year Past Experience		
Listed Company		
Feb 2018 - Present	Director Land and Houses Plc. (Property Development).	
2017 - Present	Director Quality Houses Plc. (Property Development).	
2014 - Present	Director Home Product Center Plc. (Trading of construction material).	
Non-Listed Company		
Oct 2018 - Present	Chief Marketing Officer, Senior Executive Vice President SCB Asset Management Co.,Ltd. (Asset Management).	
Jul 2016 - Sep 2018	Executive Vice President, Group Head, Product & Foreign Fixed Income Group, Investment Division SCB Asset Management Co.,Ltd. (Asset Management).	
Feb 2016 - Jun 2016	Executive Vice President & Dept head, International Investment - Internal Dept SCB Asset Management Co.,Ltd. (Asset Management).	
Jan 2015 - Jun 2016	Executive Vice President, Product & Foreign Fixed Income Group SCB Asset Management Co.,Ltd. (Asset Management).	

Mr. Wit Tantiworawong		Age 62 years
Position		
<ul style="list-style-type: none">• Senior Executive Vice President• Member of of the Executive Committee• Chief Finance Officer		
Appointed Date 01 September 2017		
Education		
<ul style="list-style-type: none">• Bachelor of Administration, Bangkok University• MBA, Thammasat University		
<u>Continuing Professional Development (CPD) : 2019</u>		
<ul style="list-style-type: none">• The Impact of the TFRS 16: Leases (6 hours) : Federation of Accounting Professions Under The Royal Patronage of His Majesty The King• TFRS 9 Share Experience in Impairment of Financial Assets (6 hours) : Federation of Accounting Professions Under The Royal Patronage of His Majesty The King		
% of Shareholding as 31 December 2020		
0.01		
Relationship		
-		
5-year Past Experience		
Listed Company		
Sep 2017 - Present	Senior Executive Vice President Land and Houses Plc. (Property Development).	
May 2013 - Present	Chief Finance Officer Land and Houses Plc. (Property Development).	
2002 - Present	Executive Director Land and Houses Plc. (Property Development).	
May 2013 - Aug 2017	Executive Vice President Land and Houses Plc. (Property Development).	
2009 - Apr 2013	Senior Vice President (Financial Department) Land and Houses Plc. (Property Development).	
1991 - 2008	Vice President (Financial Department) Land and Houses Plc. (Property Development).	
Non-Listed Company		
2012 - Present	Director L&H Hotel Management Co.,Ltd. (Hotel).	
2012 - Present	Director Land and Houses U.S.A., Inc. (Property Investment).	
2007 - Present	Director L&H Property Co.,Ltd. (Property Development).	
2007 - Present	Director L&H Retail Management Co.,Ltd. (Retail).	
2007 - Present	Director L&H Management Co.,Ltd. (Management).	
2000 - Present	Director Asia Asset Advisory Co.,Ltd. (Investment Advisory).	
1986 - Present	Director LH Mall and Hotel Co.,Ltd. (Property Development).	

Note : Mr. Wit Tantiworawong, Chief Finance Officer, who takes highest responsibilities in Accounting and Finance, has attended the continuous training for accounting knowledge in 2020 up to 12 hours (which is double the time defined by The Securities and Exchange Commission)

Mr. Chokchai Walitwarangkoon		Age 58 years
Position		
<ul style="list-style-type: none"> Senior Executive Vice President 		
Appointed Date 01 September 2017		
Education		
<ul style="list-style-type: none"> Bachelor of Business Administration (Marketing), Chulalongkorn University 		
% of Shareholding as 31 December 2020		
0.003		
Relationship		
-		
5-year Past Experience		
Listed Company		
Sep 2017 - Present	Senior Executive Vice President Land and Houses Plc. (Property Development).	
2015 - Aug 2017	Executive Vice President Land and Houses Plc. (Property Development).	
2013 - 2014	Senior Vice President (Corporate Communication Department) Land and Houses Plc. (Property Development).	

Mr. Teera Benjasilarak		Age 61 years
Position		
<ul style="list-style-type: none"> Executive Vice President (Accounting Department) 		
Appointed Date 01 September 2017		
Education		
<ul style="list-style-type: none"> Bachelor of Science (Accounting), Kasetsart University MBA, Thammasat University 		
<u>Continuing Professional Development (CPD) : 2020</u> <ul style="list-style-type: none"> Workshop on Preparation of Consolidated Financial Statements (12 hours) : Federation of Accounting Professions Under The Royal Patronage of His Majesty The King. <u>Is a bookkeeper who possesses all complete qualifications as required by the Department of Business Development.</u> 		
% of Shareholding as 31 December 2020		
0.01		
Relationship		
-		
5-year Past Experience		
Listed Company		
Sep 2017 - Present	Executive Vice President Land and Houses Plc. (Property Development).	
2013 - Aug 2017	Senior Vice President (Accounting Department) Land and Houses Plc. (Property Development).	
1991 - 2012	Vice President (Accounting Department) Land and Houses Plc. (Property Development).	

Mr. Visit Tantichaipakorn		Age 61 years
Position		
<ul style="list-style-type: none"> Vice President (Finance Department) 		
Appointed Date 16 January 2014		
Education		
<ul style="list-style-type: none"> Bachelor of Communication Arts, Sukhothai Thammathirat Open University 		
% of Shareholding as 31 December 2020		
0.00		
Relationship		
-		
5-year Past Experience		
Listed Company		
2014 - Present	Vice President (Finance Department) Land and Houses Plc. (Property Development).	
2002 - 2013	Assistant Vice President (Finance Department) Land and Houses Plc. (Property Development).	

Detail of Management positions in the Company, subsidiaries, associated and related companies.

	Company	Subsidiaries								Associated						
		LH	LHMH	LHH LHR LHM	LHN LHNE	AR SN SR	LT LA	LM	LH USA	LHP	AAA	LHBANK LHFG	Q-CON	LHPFII	QH	HMPRO
Mr. Pakhawat Kovithathanapong		/, A1, I														
	Mr. Bundit Pitaksit	/, A, I														
	Mr. Piphob Veraphong	/, A, I														
	Mr. Naporn Sunthornchitharoen	X, /, ///	/		/	/	/	/	/			/	/	/	/	/
	Mr. Adisorn Thananan-narapool (Managing Director)	/, //	/		/	/	/	/	/	/				/	/	
Mr. Watcharin Kasinrerk (Managing Director)		/, //			/	/	/									
Mr. Adul Chuvanichanon (Managing Director)		/, //														
Mr. Nantawat Pipatwongkasem		/			/	/	/	/	/							
Mr. Achawin Asavabhokhin		/													/	/
Mr. Wit Tantiworawong (Senior Executive Vice President)		//	/	/												

Note : / = Director X = Chairman of the Board of Directors // = Member of the Executive Committee /// = Chairman of the Executive Committee A= Member of Audit Committee A1 = Chairman of the Audit Committee I = Independent Director
Mr. Chokchai Walitwarangkoon Senior Executive Vice President not holding any position in subsidiaries

LH	= Land and House Plc.	LT	= LH Real Estate Co., Ltd.	LH BANK	= Land and Houses Bank Plc.
AR	= Atlantic Real Estate Co., Ltd.	LA	= LH Asset Co., Ltd.	Q-CON	= Quality Construction Products Plc.
LHMH	= LH Mall and Hotel Co., Ltd.	LM	= LH Muang Mai Co., Ltd.	HMPRO	= Home Product Center Plc.
LHN	= Land and Houses North Co., Ltd.	LHP	= L&H Property Co., Ltd.	QH	= Quality Houses Plc.
LHNE	= Land and Houses North-East Co., Ltd.	AAA	= Asia Asset Advisory Co., Ltd.	LHPFII	= Land and Houses Property and Loan Fund-II
SN	= Siam Tanee Property Co., Ltd.	LH USA	= Land and Houses U.S.A. Inc.	LHH	= L&H Hotel Management Co., Ltd.
LHR	= L&H Retail Management Co., Ltd.	LHM	= L&H Management Co., Ltd.		
SR	= Siam Tanee Real Estate Co., Ltd.	LHFG	= LH Financial Group Plc.		

Shareholding of directors and executives (2020)

Rank	Name	Position	Number of shares held as of 31/12/2019	Number of shares held as of 31/12/2020	Change	% shareholding	Appointment Date
1	Mr. Naporn Sunthornchitcharoen	Chairman of the Board of Directors	27,489,859	27,489,859	-	0.23	11/08/2017
	Spouse and minor children						
2	Mr. Adisorn Thananan-narapool	Managing Director	83,333,106	83,333,106	-	0.70	01/05/2013
	Spouse and minor children						
3	Mr. Watcharin Kasinrerk	Managing Director	-	450,000	450,000	0.00	15/02/2019
	Spouse and minor children						
4	Mr. Adul Chuvanichanon	Managing Director	1,055,136	1,055,136	-	0.01	13/05/2019
	Spouse and minor children						
5	Mr. Nantawat Pipatwongkasem	Director and Secretary	12,099	12,099	-	0.00	01/02/2021
	Spouse and minor children						
6	Mr. Pakhawat Kovithathanaphong	Independent Director	163,597	163,597	-	0.00	03/12/1999
	Spouse and minor children						
7	Mr. Piphob Veraphong	Independent Director	-	-	-	-	29/04/2015
	Spouse and minor children						
8	Mr. Bandit Pitaksit	Independent Director	-	-	-	-	29/04/2015
	Spouse and minor children						
9	Mr. Achawin Asavabhokhin	Director	1,586,028	1,586,028	-	0.01	09/03/2018
	Spouse and minor children						
10	Mr. Wit Tantiworawong	Senior Executive	1,527,118	1,527,118	-	0.01	01/09/2017
	Spouse and minor children	Vice President					
11	Mr. Chokchai Walitwarangkoon	Senior Executive	300,954	300,954	-	0.00	01/09/2017
	Spouse and minor children	Vice President					
12	Mr. Teera Benjasilarak	Executive Vice President	1,110,417	1,110,417	-	0.01	01/09/2017
	Spouse and minor children	(Accounting Department)					
13	Mr. Visit Tantichaipakorn	Vice President (Financial Department)	-	-	-	-	16/01/2014
	Spouse and minor children						

Report Of The Nomination And Compensation

To Shareholders,

The Nomination and Compensation Committee comprises three directors, two of whom are independent directors and one of whom is executive director of the Company namely;

1. Mr. Piphob Veraphong Chairman of Nomination and Compensation Committee
2. Mr. Bundit Pitaksit Member of Nomination and Compensation Committee
3. Mr. Adisorn Thananan-narapool Member of Nomination and Compensation Committee and Secretary to Nomination and Compensation Committee

The Nomination and Compensation Committee has performed its duties and responsibilities, which was defined in the Charter of the Nomination and Compensation Committee, as assigned by the Board of Directors.

In 2020, the Nomination and Compensation Committee held 2 meetings to consider various agendas and proposed the report of meeting together with comments and recommendation to the Board of Directors' Meeting as follows;

1. To nominate qualified person as the company's directors replacing those who retired by rotation.
2. To consider and allocate the amount of bonus for 2019's operation to directors.
3. To determine and fix the remuneration budget for year 2020 to directors.
4. To consider and allocate remuneration and meeting allowance to each director and member of committees.
5. To consider and review the report of the Nomination and Compensation Committee in order to publish in the Company's annual report.
6. To review salary increase and bonus to the Chairman of Executive Committee.
7. To consider and review the Self-Assessment of the Nomination and Compensation Committee for 2020.

Yours sincerely,

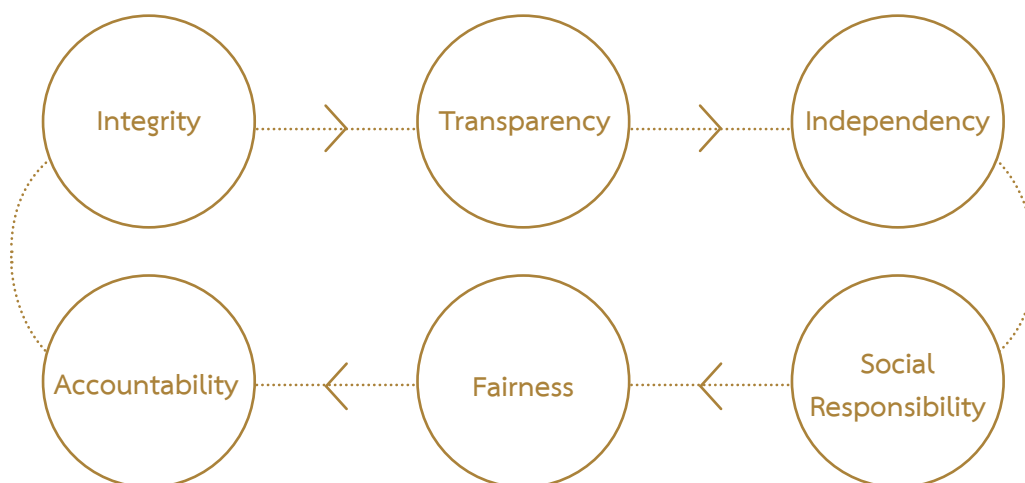


(Mr. Piphob Veraphong)
Chairman of the Nomination and
Compensation Committee

Corporate Governance

1. Corporate Governance Policy

The Board of Directors is strongly determined to manage the organization efficiently to achieve its objectives with great confidence that the good corporate governance process will elevate the company's operating performance to grow sustainably and is the significant key to success which will lead to maximize value-added for the shareholders. Therefore, the Board of Directors strictly adheres to the company's principles of good corporate governance, which comprising of



These corporate governance principles reflect in the values, guidelines and directions of the practices internally implemented in the Company which shall enhance the Company's assurances that the business can compete well, efficiently and effectively under the business ethics and also conforms with the international standards and laws, in accordance with the Principles of Good Corporate Governance of the Stock Exchange of Thailand and regulations of the Securities and Exchange Commission.

Results of Performance

Throughout the year 2020, the Company has entirely performed to comply with the good governance principles, except the cases with regarding to the following issues.

(1) The chairman of the Board of Directors is not an independent director. This is due to the fact that the Company still requires a person with knowledge, competence, extensive experience and strong leadership to lead the business to accomplish the Company's goals. However, the Company has operated its business based on the good corporate governance principles, the composition of the Board of Directors has a suitable balance of power and all operations are in line with the Company's regulations and under the supervision of the Board of Directors.

(2) The Company has not set up a specific Corporate Governance Committee (CG Committee). However the Board of Directors has assigned the Risk Management and Sustainable Development Committee to perform the overseeing and

managing the organization's risks including monitoring the sustainable development of the organization which covers the environmental factors, social responsibility and good corporate governance.

2. Subcommittee

The Board of Directors has appointed 4 subcommittees which comprises of the Audit Committee, the Nomination and Compensation Committee, the Risk Management and Sustainable Development Committee and the Executive Committee.

(a) Audit Committee

As at December 31, 2020, the Audit Committee composes of 3 independent directors, all members are independent and have the required the qualifications as stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. All independent directors, are in possession of extensive knowledge, understandings and well-accepted working experiences. Especially Mr. Pakhawat Kovithvathanaphong who has the great knowledge and competency required to review the creditability of the financial statements, with his background of education and working experience in financial areas. The names and the detailed records of the meeting attendance of the Audit Committee in 2018, 2019 and 2020 are as follows :

Name	Position	Meeting attendance / Total Meetings		
		2018	2019	2020
1. Mr. Pakhawat Kovithvathanaphong	Chairman of the Audit Committee	6/6	5/6	6/6
2. Mr. Piphob Veraphong	Member of the Audit Committee	6/6	6/6	6/6
3. Mr. Bundit Pitaksit	Member of the Audit Committee	6/6	6/6	6/6
Total number of meetings in year 2020		6	6	6

The Secretary to the Audit Committee is Mr. Pornchai Kietkhajornvirach. Senior Vice President, Internal Audit and System Development

Scope of authority and duty of the Audit Committee

The Audit Committee has the following scopes of duties and responsibilities to perform and reports to the Board of Directors :

- Review the Company's financial reports to ensure the accuracy and adequate disclosure.
- Review the Company's internal control and internal audit system to ensure its suitability and effectiveness.
- Review the operations of the Company to ensure its compliance with the laws and regulations regarding the securities and the stock exchange or other regulations which may relate to the Company's business
- Approve the appointment, transfer, and termination of the Internal Audit and System Development Vice President.
- Screen, nominate, reinstate and terminate the employment of external auditors including consideration of the appropriateness of the audit fee.
- Examine and review proper and adequate disclosure of the Company's information with regard to the connected transactions or the transactions which may lead to potential conflicts of interests to ensure its comprehensiveness and accuracy as required by related regulations.
- Consider and review operational reports of the Internal Audit Department and approve its annual internal audit plan.
- Supervise the auditors and the Internal Audit Department to have independency in performing their duties
- Organize the meetings with auditors, without attendance of any management, at least once a year.
- Determine key risks of the Company and propose or inform the preventive measures to mitigate such risks to the Board of Directors.
- Prepare reports on the activities of the Audit Committee to be included in the Company's annual report, such reports must be signed by the Chairman of the Audit Committee.
- Perform any other tasks as assigned by the Board of Directors, with the approval from the Audit Committee

(b) Nomination and Compensation Committee

As at December 31, 2020, the Nomination and Compensation Committee consists of 3 members, of which 2 of them are independent directors. The names and the detailed records of the meeting attendance of the Nomination and Compensation Committee in 2018, 2019 and 2020 are as follows.

Name	Position	Meeting attendance / Total meetings		
		2018	2019	2020
1. Mr. Piphob Veraphong	Chairman of the Nomination and Compensation Committee	2/2	2/2	2/2
2. Mr. Adisorn Thananan-narapool	Member of the Nomination and Compensation Committee	2/2	2/2	2/2
3. Mr. Bundit Pitaksit	Member of the Nomination and Compensation Committee	2/2	2/2	2/2
Total number of meetings in 2020		2	2	2

The Secretary to the Nomination and Compensation Committee is Mr. Adisorn Thananan-narapool, a Board Director and Member of the Executive Committee.

Scope of authority and duty of the Nomination and Compensation Committee

1. Establish the policy on the selection and nomination of the Company's directors, subcommittees and senior executives as well as proposing appropriate remuneration to the Board of Directors for approval.
2. Search for and select persons with appropriate qualification and can provide valuable benefits to the business to replace the directors who retired by rotation or fill any vacant positions and propose to the Board of Directors for approval including to seek for approvals from the shareholders
3. Determine the necessary and appropriate remuneration, both in form of cash and non-cash rewards, for the directors and senior executives based on their duties, responsibilities and performances.
4. Report the minutes of meetings which are significant and beneficial to the company to the Board of Directors.

5. Provide explanation or answers to the questions in case of suspicions regarding the Company's policy on the nomination and remuneration of the Company's directors, sub-committees and senior executives at a shareholders' meeting.
6. Perform any other tasks as assigned by the Board of Directors which relate to the significant nominations and compensations.

(C) Risk Management and Sustainable Development Committee

As at December 31, 2020, the Risk Management and Sustainable Development Committee consists of 4 members. The names and the detailed records of the meeting attendance of the Committee in 2018, 2019 and 2020 are as follows:

Name	Position	Meeting attendance / Total meetings		
		2018	2019	2020
1. Mr. Bundit Pitaksit	Chairman of the Risk Management and Sustainable Development Committee	2/2	2/2	2/2
2. Mr. Chalerm Kietitanabumroong	Member of the Risk Management and Sustainable Development Committee (resigned January 1, 2018)	2/2	-	-
3. Mr. Nantawat Pipatwongkasem	Member of the Risk Management and Sustainable Development Committee	2/2	2/2	2/2
4. Mr. Watcharin Kasinrer	Member of the Risk Management and Sustainable Development Committee (appointed on February 15, 2019)	-	2/2	2/2
5. Mr. Adul Chuvanichanon	Member of the Risk Management and Sustainable Development Committee (appointed on December 19, 2019)	-	-	2/2
Total number of meetings in 2020		2	2	2

Scope of authority and duty of Risk Management and Sustainable Development Committee

1. Consider the policy guidelines and framework of risk management and sustainable development and present to the Board of Directors for approval.
2. Supervise, recommend, follow up, evaluate and improve the operating plan to suit the business conditions in order to ensure that risk management and sustainable development are managed adequately and appropriately.
3. Promote and support the improvement and development of the Company's internal risk management and sustainable development system consistently and regularly.

4. Communicate, exchange information and coordinate on risks management and sustainable development and internal control with the Audit Committee at least once a year.
5. Report meeting results that are significant and beneficial to the company to the Board of Directors.
6. Perform any other tasks as assigned by the Board of Directors which relate to the significant risk management and sustainable development.

(D) Executive Committee

As at December 31, 2020, the Executive Committee consists of 5 directors whose names and details of meeting attendance records in 2018, 2019 and 2020 are as follows:

Name	Position	Meeting attendance / Total meetings		
		2018	2019	2020
1. Mr. Naporn Sunthornchitcharoen	Chairman of the Executive Committee	12/12	12/12	12/12
2. Mr. Adisorn Thananan-narapool	Member of the Executive Committee	12/12	12/12	12/12
3. Mr. Wit Tantiworawong	Member of the Executive Committee	12/12	12/12	12/12
4. Mr. Chalerm Kietitanabumroong	Member of the Executive Committee (resigned on January 1, 2019)	12/12	-	-
5. Mr. Watcharin Kasinrer	Member of the Executive Committee (appointed on February 15, 2019)	-	11/11	12/12
6. Mr. Adul Chuvanichanon	Member of the Executive Committee (appointed on May 13, 2019)	-	8/8	12/12
Total number of meetings in 2020		12	12	12

Scope of authority and duty of the Executive Committee

The Executive Committee including Managing Director has the authority and duty in handle all management regarding normal operations of the Company's business. Any other transactions which constitutes or may potentially constitute a conflict of interest with the Company or its subsidiaries must be proposed to the Audit Committee and the Board of Directors' meeting to consider and approve on every such transactions.

Delegation of authority and duty from the Board of Directors

The Board of Directors is responsible for the determination of the Company's goals, guidelines, policies, business plans and budgets of the Company including the supervision of the administration and management of the Executive Committee in accordance with the assigned policy. The Executive Committee will perform in compliance with the policies, plans and budgets that assigned by the Board of Directors.

In case of any significant decision-making transactions such as land acquisitions, project development and investment, the Executive Committee shall propose the details to the Board of Directors for the approval on a case-by-case basis.

For the delegation of financial authorization which related to the normal business of the Company, the authorized directors who can act as the Company's signatory are Mr. Naporn Sunthornchitcharoen or Mr. Adisorn Thananan-narapool or Mr. Nantawat Pipatwongkasem or Mr. Watcharin Kasinrer or Mr. Adul Chuvanichanon or Mr. Achawin Asavabhokhin, any one of them can sign to bind the Company, providing that the approval of such transaction shall not include the approval of any transaction in which

the signed person or other persons who may have potential conflicts of interests or may constitute a potential conflict of interest in any manner with the Company or its subsidiaries.

3. Selection and Appointment of Directors and Management Executives

The Nomination and Compensation Committee will be responsible for the selection and screening the appropriate qualified candidates to be appointed as the directors or management executives base on suitability on their skills, knowledges, competencies, acceptable experiences, transparent work history, in possess of maturity and stability, and also have appropriate qualifications according to the Company's Articles of Association and also have qualification that conformed with the Company's business strategies as well as specific expertise or skills required to support the strengths and effectiveness of the Board of Directors so that the Company have the professional directors with diversification in skills by taking into account the structure, size and composition of the board. The Nomination and Compensation Committee shall allow the directors and shareholders to participate in proposing qualified candidates who possesses the qualification in accordance with the mentioned criteria and specified selection process of the Company.

(a) Selection of Independent Director

The Company has specified the definition of the "Independent Director" to be in line with the Corporate good governance and requirements of the Securities and Exchange Commission to strengthen the confidence among investors and to maintain a good management balance.

The Company therefore set the definition of an "independent director" to be "a director who has no managerial role in the Company, its subsidiaries or associated

companies". A person that is independent from the management team and the controlled shareholders, who has no pecuniary relationship with the company in any manner that may restrict his independent expression of opinions. A director who also has the following qualifications

- 1) A person who holds shares not exceeding 1 percent of the total voting shares of the Company, its subsidiaries or associated companies.
- 2) Does not involve in the management, is not or has never been a staff or an employee or an advisor who receives regular salary or a professional provider such as auditor, legal advisor or other professional which may cause the restrict in his independent expression of opinions to the Company, its subsidiaries or associated companies or is the person who may have control over the Company, its subsidiaries and associated companies, or is not a person who may have conflicts of interests and must have quit from his status or position that may constitute such conflicts for more than 2 years.
- 3) has no business relationship with the Company in a manner that may limit his independency in performing his duty as a director in a significant amount or value in proportion to the Company's revenue as defined in the criteria, has no benefit or interest, whether directly or indirectly, in the finance and management of the Company, its subsidiaries or associated companies or a person who may have conflicts of interest which will lead to the lack of independence.
- 4) Is not a person who has close relationship with any top executives or major shareholders of the Company, its subsidiaries or associated companies or any person who may have conflicts of interest and has not been appointed as a representative to protect the interest of directors or major shareholders.
- 5) Has not been appointed as a nominee to protect the interest of any directors, major shareholders or other shareholders who are related to such major shareholders of the Company.
- 6) Capable to perform his duties and expresses his opinions or reports the operating results as assigned by the Board of Directors independently, without being under the control by any executives or major shareholders including related persons or close relatives of the said person.

(b) Recruitment of Directors and Top management executives

Criteria and procedure to select the candidates to be appointed as a director

- 1) The Company shall allow one or several shareholders which together holding shares in combined not less than 0.1% of total Company's shares and

have held the said amount of shares for more than 12 months to the date of exercising the right, can nominate the eligible candidates to be appointed as a director through the Company's website or by written mail to the Secretary to the Board of Directors who will forward the proposals to the Nomination and Compensation Committee. The Company will notify the timeframe for accepting such proposals through the Stock Exchange of Thailand.

- 2) The major shareholders may propose the appropriate candidates to be appointed as a director to the Nomination and Compensation Committee.
- 3) The Nomination and Compensation Committee will consider all details of candidates and then submit the names of appropriate candidates to be appointed as a director to the Board of Directors which will subsequently propose to a shareholders' meeting.
- 4) The shareholders' meeting shall elect the directors by using a majority vote based on the following criteria and methods:
 - 4.1) One share is entitled to one vote.
 - 4.2) Shareholders shall vote to elect the candidates proposed to be director one by one.
 - 4.3) The candidates who received the highest votes in descending order will be elected to be directors to the number required. In case there is a tie in the last one to be elected and this number exceeds the required numbers of directors, the Chairman of the meeting shall have an additional casting vote to settle the final decision.
- 5) At each annual ordinary shareholders' meeting, one-third of the total number of directors shall retire by rotation. If the numbers of directors who should have retire is not a multiple of three, the closest number to one-third shall apply. The procedure for the selection of their substitutes shall be according to (1) - (4).

For the directors who were to retire in the first and second year after the Company registration, a draw was held to select the directors who would retire. After the first two years, for each subsequent year, the longest-serving directors shall resign. The directors who retire by rotation may be re-elected to resume the position.

Selection of top executives

In the process to select the top executives, the Executive Committee will initially consider the suitable and qualified candidates with knowledge, competencies, experiences, leadership and management skills including good understanding of the Company's business. Their names will be proposed to the Nomination and Compensation Committee for endorsement before submits to the Board

of Directors for further consideration and approval.

(c) Number of directors who are from major shareholders

Six directors are from major shareholders which comprises of Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool, Mr. Nantawat Pipatwongkasem, Mr. Watcharin Kasinrer, Mr. Adul Chuvanichanon and Mr. Achawin Asavabhokhin.

4. Supervision of the operations of subsidiaries and associated companies

The nomination and the voting rights to appoint persons to be the directors of the Company's subsidiaries and associated companies must be executed by the management and must be approved by the Board of Director. The appointed directors of the subsidiaries or associated companies shall perform their duties for the utmost benefit of the subsidiaries and associated companies.

The Company shall supervise its subsidiaries to ensure the comprehensive disclosures of their financial positions and its operating results, their report on connected transactions, asset acquisitions and disposal, or other important transactions. Such regulations on connected transactions and the disclosures will be in accordance with the Company's principles Including the supervision to ensure the maintain of accurate , complete information and accounting records for auditing and also to collect all required information duly in time for financial statement consolidation.

5. Supervision on the use of inside information

The Company has a clear policy regarding the appropriate use of authority through several channels such as good corporate governance, corporate ethics, announcements from the Security and Exchange Commission or other related agencies, internal communication, corporate culture, etc., to enhance every levels of employees to recognize the importance of equitable treatment of shareholders by not taking personal benefits from the inside information.

(a) Report of Shareholding

The Company has set a measure to prevent the exploit of inside information by its directors and executives for their own personal benefits by inform them to acknowledge their obligation to report the holdings of the Company's shares either by themselves, their spouses including their children underage. They have also been acknowledged to prepare the report regarding changes in their shareholdings for every time they buy, sell, transfer or accept the transferred shares within 3 working days after such transaction date according to the regulations set by the Securities and Exchange Commission, including to submit the copies to the Company Secretary to compile and submit to every Board of Directors' meeting, of which an agenda is set to acknowledge the report on securities holdings.

(b) Reporting of Conflicts of Interests

The Company has required all directors and executives to submit reports of their own interest as well as those of their connected persons which involve in the management of the Company or its subsidiaries. The initial report must be submitted to the Company Secretary within 30 days after they have been appointed directors or executives in accordance with the specified report form and have to resubmit every time any changes occur within, 30 days. The report forms shall be kept at the Company Secretary and a copy will be provided to the Chairman of the Executive Committee and Chairman of the Audit Committee in compliance with the regulations of the Securities and Exchange Commission.

6. Auditor's Compensation

6.1 Audit Fee : In the year 2019 and 2020, The Company has paid a total audit fee to EY Office Limited. as follows:

Detail (unit : Baht)	2019	2020
Company's Audit Fee	1,800,000	1,660,000
Subsidiaries' Audit Fee	3,120,000	2,784,000
Total sum	4,920,000	4,444,000

6.2 Non-Audit Fee : For the fiscal year 2020, the Company has hired Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd to be a consultant for system implementation and privacy policy for the personal information according to the Personal Data Protection Act 2019, in the amount of 2,500,000 Baht

The Company has also hired an independent auditor who has the acceptable qualifications to be the Company's auditor. Such auditors must be the auditors approved by the Securities and Exchange Commission and must be rotated after 7 consecutive fiscal years of services. The auditors who have performed their duties with the company for 7 fiscal years must have a spacing of 5 years in accordance with the regulation of the Securities and Exchange Commission.

7. Compliance with the Good Corporate Governance Principles is classified in 5 areas as follows:

(a) Rights of Shareholders

Prior to the Meeting

The company realizes and values the rights of its shareholders. Therefore, it has tried to promote and protect shareholders to exercise their fundamental rights, including providing convenience for shareholders to exercise their rights in various matters that shareholders should receive equitably, i.e. receiving sufficient information and provides the opportunities for shareholders to propose

meeting agendas and nominate persons to be elected as the Company's directors including the ability to send questions in advance of the meeting date, to exercise of voting rights in various important matters including dividend payment approval, etc. The company will not take any action that violates or deprives the rights of shareholders. In particular, the Company shall promote the institutional investors to attend the shareholders' meeting through the coordination of the Company's Investor Relations Unit.

In 2020, the Company held one shareholder meeting, which was the 2020 Annual General Meeting, on June 19, 2020, at 1:30 p.m. The company has published an invitation letter together with supporting documents for each agenda item on its website of the company (www.lh.co.th) in advance of 30 days prior to the meeting date so that the shareholders shall have sufficient time to study the information supporting each agenda before receiving the hard copies of the same documents by mail from the Company. The company has sent the invitation letter together with documents supporting the agenda of the shareholders' meeting and supporting documents for attending the meeting for shareholders in advance. The documents sent to the shareholders consist of Registration Form, Copy of Minutes of the Annual General Meeting of Shareholders No. 1/2019, Annual Report 2019 in the format of QR Code, details of agenda items, supporting documents for each agenda together with the opinions of the Board of Directors, the method of voting and details of documents to be presented by shareholders on the meeting date. In case the shareholders are unable to attend the meeting, the company has delivered the proxy form in accordance with the form specified by the Ministry of Commerce, along with profiles of all independent directors as proxies, so that the shareholders who cannot attend the meeting in person can choose to appoint a proxy to any person or an independent director designated by the Company to act as a proxy for the shareholders' meeting. Documents for attending the meeting including the annual report are also in electronic format via QR Code which appears in the registration form provided or as disclosed on the website of the Company.

Meeting Date

The Company highly concerns the importance of the shareholders' meeting, thus the meeting was held at the most convenient place and time for shareholders to attend including appropriate and sufficient time, therefore the Company has held the meeting at its office on the fourth floor of the Q-House Lumpini Building, located at No. 1 South Satorn Road, Kwaeng Tungmahamek sub-district, Satorn district, Bangkok, which is closed to the Lumpini subway station, a convenient location with can easily travel by bus, BTS and the MRT subway. The time of meeting was also scheduled during normal working hours.

On the meeting date, the Company always provides at least one-hour registration prior to the meeting and also arranged Company's staff to facilitate the registration for shareholders and proxies who attended the meeting by using the registration system which can search the shareholders by name, surname or identity card number which can speed up the process. The shareholders who had already registered then would receive the voting ballots for voting in each agenda and the voting will be done by electronic count by using the computer system to read the barcode on each voting ballot which the Company provided to each shareholder. This process helped making the vote-counting to be accurate and faster, and the shareholders can view the result of each agenda immediately after the votes were casted.

During the shareholders' meeting, the Chairman of the Board of Directors was the chairman of the meeting together with the Chairman of the Sub-Committee and the Company's directors attended the meeting. Before the commencement of the meeting, the Secretary of the meeting had informed the manner of the voting of each agenda, the manner of counting the votes, the use of each voting ballot and the result of each agenda voting so that all shareholders were well acknowledged of the transparency of the meeting and voting, accordingly. In addition, the secretary also informed the shareholders that they were also given equality to express their opinions, suggestions and raise their questions or inquiries in the meeting. The Chairman would then answer the questions and provided the details information to the shareholders and also provided ample time for the debates in each agenda to the shareholders properly.

After the Meeting

At the Annual general meeting dated 1/2020, there were 834 shareholders and proxies attended the meeting, which representing shares of 5,995,714,836 shares (equal to 50.17% of total shares) which exceeded one-third of the total shares which was 11,949,713,176 shares. Mr. Naporn Sunthornchitcharoen was the Chairman of the meeting and Mr. Nantawat Pipatwongkasem, Director and Secretary to the Board of Directors, was the secretary of the meeting. Nine directors attended the meeting as follows:

- | | | |
|-----------------|---------------------|--|
| 1. Mr. Naporn | Sunthornchitcharoen | Chairman of the Board of Director and Chairman of the Meeting. |
| 2. Mr. Pakhawat | Kovithvathanaphong | Independent Director Chairman of Audit Committee |

3. Mr. Piphob	Veraphong	Independent Director, Chairman of Nomination and Compensation Committee and Member of Audit Committee
4. Mr. Bundit	Pitaksit	Independent Director, Chairman of Risk Management and Sustainable Development Committee and Member of Nomination and Compensation Committee
5. Mr. Adisorn	Thananan-narapool	Director, Managing Director (Supports) and Member of Nomination and Compensation Committee
6. Mr. Watcharin	Kasinrer	Director, Managing Director (Operations), Member of Risk Management and Sustainable Development Committee
7. Mr. Achawin	Asavabhokhin	Director
8. Mr. Adul	Chuvanichanon	Director, Managing Director (Operations, High-rise Project) and Member of Risk Management and Sustainable Development Committee
9. Mr. Nantawat	Pipatwongkasem	Director, Company secretary and Member of Risk Management and Sustainable Development Committee

Also on this date, the Company had also invited Ms. Roongnapa Lertsuwanakul, the Company's auditor to attend the meeting and answered any relevant issues.

In addition, the Company also invited independent legal consultant to observe the meeting and to responsible for conducting the meeting to be transparency, legally in accordance to the law and regulation including the Company's Article of Association and acted as a person who count the voting-count of each agenda.

For the minutes of the shareholders' meeting, the Company had clearly recorded all the significant contents including the list of all directors and executives attended the meeting, the significant questions and Company's clarification and the details of resolution of each agenda which the Company has disclosed the meetings' resolutions and the results of the voting within the following business day to inform the shareholders through the SET Portal of the Stock Exchange of Thailand and also sent to other related parties within 14 days from the meeting date, including the disclose of the minutes, both in Thai and English, through the Company's Home Page : www.lh.co.th so that the shareholders can access to the information instantly without need to wait until the next meeting. Afterwards, the minutes will be submitted to the shareholders for approval in the next shareholders' meeting.

(b) Equitable Treatment of Shareholders

The Company has set its policy to support and emphasizes fair treatment to all shareholders equally and fairly. To protect the basic rights of all shareholders especially the minority shareholders who may have been violated and should receive the opportunity to get the compensation, so the Company has resolved to adopt the following treatments.

1. At the shareholders' meetings, each agenda will be strictly proceeded in the order as mentioned in the invitation letter. The Company shall not add any agenda to the meeting without prior notice to the shareholders. This is to ensure that all shareholders have sufficient time to study the information which supporting each agenda item before making their decision.

2. The Board of Directors resolved to allow the Company to allow shareholders to have the right to propose additional agenda items in advance. The resolution must have been informed to all shareholders on the Company's website www.lh.co.th and also on the website of the Stock Exchange of Thailand including the method for proposing the agenda and the criteria for considering adding agendas to the meeting agenda clearly in advance. The Company's independent directors shall consider and screen the agenda proposed by the shareholders before submitting then to the Board of Directors. The matters approved by the Board of Directors will be included as the agenda for the next meeting. For the proposed agendas which are not approved by the Board of Directors, the company will inform the shareholders with the rationale on the company's website.

3. The Board of Directors has resolved to allow the Company to allow its shareholders to nominate persons to be elected as directors. The nominated candidates must have all the qualifications specified by the company and must give their consent for nominating as well in order for the Nomination and Remuneration Committee of the Company will then proceed in accordance with the recruitment, scrutiny and selection process of the names of persons proposed by shareholders before presenting to the Board of Directors for further consideration. Any person who is approved by the Board of Directors, the names will be included in the agenda for election of the directors of the Company at the next meeting. The company will notify shareholders of this matter together with the rationale on the company's website or other appropriate information communication channels. In 2020, no shareholder proposed an additional agenda or nominated persons to be elected as directors in any way.

4. The Company shall propose a list of all of its independent directors as an alternative for proxy. The shareholders can choose to appoint a proxy to any independent director and the proxy forms are also in the form prescribed by the Ministry of Commerce. The form is in the pattern that the shareholders can determine the direction of their votes by themselves. This measure shall encourage the shareholders to exercise their rights during the meeting and the vote on each agenda.

5. The Company encourages the shareholders to use the ballots for every agenda by creating the ballot separately for each significant issues so that the shareholders can vote as they deem appropriate. The ballots will be collected in the meeting room so that they will be counted and added to the voting cast which has been voted in advance in the proxy forms before making the announcement the resolution of the votes.

6. The Company allows the shareholders to exercise their rights to elect the directors individually to replace those who retired by rotation.

7. The Company has set the measures to prevent the use of inside information for benefit of directors and executives. The directors and executives will have the responsibility to submit reports of their interests and those of their related parties, as well as their shareholdings including those of their spouses and children under age, and have to report every time such shareholdings was change whether by a purchase, sale or transfer of securities. The details of such measures are detailed under the topic. "Supervision on the use of inside information".

(c) Rights of stakeholders

Protection of stakeholders' rights

The Company places importance on the rights of all groups of stakeholders such as the employees and management of the Company and its subsidiaries, as well as other external stakeholders such as business partners, the public sector, partners, the societies, communities including

the environment to ensure that their fundamental rights of all these groups are well protected and recognized based on laws and related rules and regulations. The Company also establishes the framework on ethics and code of business conduct which are published on the Company's website and will refrain from committing any action which may violate the rights of its stakeholders which the Company realizes that it is a key contribution to its long-term success of the Company. The details are as follows:

- Employees

The Company always considers that its employees are the major and significant element of its success so it has treated every employee indiscriminately and equally. They are entitled to receive appropriate and fair compensation and welfare. The remuneration is defined according to their duties and responsibilities and in line with the labor market's mechanisms. It is also in line with the Company's operating results, both short term and long term. Incentives are taken into consideration to encourage employees to perform duties to their full knowledge and capabilities. Their performance is evaluated by supervisors and a portion of the compensation will be allocated as bonuses to the employees based on the operating results which takes into account the sustainable growth of the Company.

Welfare and Benefits are as follows :

- The Company has set up a provident fund for its employees to which the employees voluntarily contribute at the rate of 2-7% of their monthly salaries and the Company also contribute its portion at the rate of 5-7% of their employees' monthly salaries. This registered provident fund is managed by a licensed fund manager, which is in compliance with the Act on Provident Funds B.E. 2542 (1999).
- Group health-insurance policies are arranged for the employees and their legitimate spouses and children.
- Group life insurance policies are arranged for the employees with coverage is 500,000 to 1,500,000 baht depending on the terms of each policy.
- Special discounts are provided to the employees who wish to purchase the Company's products. To exercise the specific rights, the employees must comply with the criteria and terms determined by the Company which the Human Resource Department and the Administrative Department will verify their qualifications and calculate the discounts for them.
- Other forms of assistances and welfares are as follows :
 - Outpatient medical expenses claims
 - Dental care claims
 - Annual physical checkup

- Funeral hosting for the employees and their family members
- Financial support for wedding ceremonies
- Maternity gifts
- Scholarships for employees' children who meet the criteria set by the Company
- Support for annual departmental vacation trips
- Support for annual departmental parties
- Enhance the exercise by organizing the exercise activity for the employees in the evening after the office hours.
- Free uniforms for both male and female employees
- Hand out the masks and cleansing gel to every employees
- Provide additional support for employees as deemed appropriate and up to situation
- Provide Mental Development Program to improve the efficiency and pleasure in working space through meditation practice which is fundamental training for consciousness and spiritual exercise combined together with daily behavior practice both at work and at home. This project is provided to employees at all levels and is considered as a basic course to be used in their working
- Educational scholarships are awarded yearly to children of the employees at the operational level
- Master's degree scholarships are awarded to executives to promote and support their learning and self-improvement to their maximum potential
- The awards from the Company in form of certificates and gold are given to the employees who have served the Company for 10, 20 and 30 years as a gesture of gratitude and to honor for their dedication for the Company

The Company has set up the Welfare Committee to represent the employees for the welfare negotiation with the Company. The Committee will act as an intermediary to relay the employees' requirements to the Company and also assist in consulting, suggestion and supervising the benefits and welfare which the Company has arranged for them.

Safety and sanitation in workplace

The Company emphasizes the importance of maintenance, improvement and development the security and sanitation systems and the working environment, to ensure safety for life, health and property of the employees and for their good sanitation including to support and promote good culture and atmosphere at the workplace and also determines to develop human resources with knowledge and conscious mind about safety and sanitation

by arrange the training courses on operational standards for construction supervision regularly for site engineers and related staff. The Company also encouraged staff at all levels to learn and aware of safety and working environment. Fire drills are held annually at the head office. Only authorized employees are allowed to enter to the office through finger-scanning system. Annual physical checkup is also provided every year. In 2020, there was no work break incurred from employee accidents from working.

Policy on employee's training and development

The Company recognizes and foresees the importance of its personnel which truly affects the success of Company's business and always keeps in mind that in order to achieve its goals, the employees must be trained and developed systematically and continuously and it is not only the responsibility of the Company but also of every employees. The Company then provides opportunities for its employees to learn and develop themselves for growth in their career path , and at the same time, the employees must take their own responsibility for their own success by taking advantage of such opportunities from training and developing themselves with sincere commitment. Thus, to ensure that the training and development program is carried out in a same direction with the company's management and to accomplish the predetermined policy, the Company has set up the "Human Resource Development Center" to take responsible for all essential activities for such training and personnel development. The Company also set the following policy guidelines as follows :

- 1) The Company regards the human resources as the most valuable assets over all management resources. All employees will be trained and developed systematically and continually to have knowledge, attitude and skill to perform tasks as needed to meet their Job Requirements so they can make progress in career paths, though the preparedness of each employee is also the key concerned.
- 2) The Company views that all expenses regarding the training and human resource development are the Company's investment in its personnel which is important for the efficient implementation to achieve the core missions and operating objectives while support the Company to timely keep up with rapid change in modern technologies used in the operations.
- 3) The Company emphasizes the importance to the training projects on both Line and Function programs, both at the supervisory and executive level, including Special & Supporting program , to prepare their employees to capable to perform their duties and responsibilities for both present position and for their future challenges and responsibilities

- 4) The Company is aware of the necessity of human resource training and development as a significant tools for Improvements. Therefore it promotes and supports the organizing of trainings and seminars to solve any problems involving in the operations of each department and project groups.
- 5) The Company recognizes that all levels of supervisors shall have an important role in training and developing their subordinates through on-the-job training and/or coaching. So the evaluation of the supervisors will also take into consideration their capability to help improve and develop their subordinates.
- 6) The Company shall support the cooperation with educational institutions and other organizations in the areas of training and development such as to cooperate for the job study program or internship and also engage in academic cooperation. These activities represent the Company's Social Responsibility and also helps to enhance its good Corporate Image.

For new employees, the Company holds an orientation on their first day at work so they are aware of the policies, regulations, rules and orders, as well as corporate structure and fundamental corporate culture including Company's welfare and benefits. Each year, a New Friends seminar is held so that the new employees shall have a chance to know their colleagues, senior colleagues and executives, which will strengthen the good relationship among the employees, building engagement to the Company including how to work as a team.

The Company consistently supports the skill and working competency development by organizing the training at all levels including in-house training program, inviting experts to conduct training at the Company, sending employees for external training which also cover overseas training and an overseas business visiting trip to enhance the potential, knowledge, and capabilities of the employees in developing the organization to sustainable success. In 2020, the Company provided an average of 16 hours of training per employee per year.

Besides the activities that enhancing the knowledge of employees, the Board of Directors has foreseen and recognized the importance of the skills that will enhance the potential of personnel to increase their efficiency from their "Creative Thinking", thus the Board of directors has created the activity for all staff in every department in the headquarter to jointly participate the creative activity in the recreation room under the activity scheme "Meet & Greet @ The Skape"

- Trading Partners

The Company has set its business ethics as the policy guideline on appropriately treating to its trading partners.

The selection of trading partners is based on the competitive among each partner on the equitably and fairly basis which is in line with the corporate good governance. In the process of selecting trading partners, suppliers and contractors, the Company offers opportunities to every party to enter the bidding process or to propose their price, which is carried out with transparency, fairness, frankness and in equitable way by setting the criteria to select trading partners and parties based on their qualifications, quality of work, past experiences, business expertise, financial stability, past records & reputation, and ability to deliver the jobs on schedule for the utmost benefits of the Company. The Company always prepares clear agreements or contracts with its trading partners, without stipulating any unfair conditions. In purchasing goods and services from trading partners, the Company has complied with the condition and trading terms and fulfilled its commercial agreement, settle the payment for the goods and services according to the conditions which has been agreed, including building the good relationships for mutual benefits. In addition, a supply chain system has been adopted in goods procurement for the convenient and speedy process which then reduce costs and allows trading partners to prepare goods in advance

- Creditors

The Company has strictly complied with the terms of creditors' contracts and has never violated the agreed conditions or concealed any facts which may cause any damages to its creditors. These practices have always created confidence among its creditors. Most of the loan agreements which contain certain conditions and covenants such as the ratio of shareholding by majority shareholders, changes in the Board of Directors, debt guarantees or aval of promissory notes for individuals or juristic persons, dividend payments, business consolidation or merger with other companies, maintenance of certain financial ratios and written notification to creditors of court cases which may affect debt repayment ability. The Company has also provided some of its assets as collateral for bank loans. In the past year, the Company has fully complied with all terms with its creditors and has no default on any payment.

- Customers

The Company is highly determined to improve the quality of its products and services to meet acceptable standards. As a result, the Company set up a dedicated unit to serve as a customer contact center to receive and listen to any suggestions, or opinions from the customers in order to realize the problems and customers' needs and brings them on to improve its products and services to maximize customers' confidence and satisfaction. The determination paid off when Land and Houses Plc. received various awards consistently from the past up to current year, which details can be found in the section of "Corporate Social Responsibility", under the topic of "Responsibility to Consumers".

Moreover, the Company also foresees and realizes the importance of confidentiality of personal information of every customers, so in 2020, the Company has hired the Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd to be a consultant for system implementation and policy on the security of personal information in accordance with the Personal Data Protection Act 2019 and has implemented the data security system and established the concise operational measures to prevent unauthorized access, disclosure, use or alteration of customer information.

- Competitors

The Company competes with its competitors within the framework of ethics, professionalism, transparency and under the rule of law. It does not fraudulently obtain any confidential information or trade secrets of its competitors and always adheres to the policy and treatments of trade competitors which outlined in its Code of Conducts. Furthermore, the Company also views its competitors as its trade allies, and provides the opportunity for them to visit and observe the Company's operations including the computer system to establish good relationship among them. Over the past year, the Company has not involved in any dispute with its competitors.

- Communities and environment

The Company always aware of its responsibilities to the communities and the environment. These values are embedded in its core business process, from product designed, proper selection of materials and resources used, quality control of products and services, delivery time and product development for better quality of life. It also strictly complies with guidelines to minimizing the impact which is included in the Environment Impact Assessment reports and monitors the operation to be rigorously in compliance with the related law and regulation while supports the efficient use of resources. It also holds the projects and activities for communities continuously. Detail information on these issues can be found in "Corporate Social responsibility" under the topic of "Environmental Conservation", "Participation in Society and Community development" and "Innovation and CSR Innovation Dissemination".

Intellectual Property or copyright

The Company has a policy to abide by intellectual property and copyright law including not supporting its employees to commit any acts which may violate the intellectual property or copyright of others without permission. The precaution was included in a company's guideline for employees in using computer network to acknowledge them including the communication through the Company's intranet system.

Whistleblowing procedures and informant protection

The Company has a policy to protect all groups of its stakeholders by putting into practice a whistleblowing procedure and a mechanism to protect informants to accept petitions and complaint of rights violations or breaches of laws or ethics, recommendations and opinions, as well as reports of behaviors that may relate or link to corruption or malfeasance of people in the organization, including its employees and other stakeholders. The Company has disclosed the procedure and channels on its website and in the Annual Report. All stakeholders may submit the petition directly to the Chairman of the Audit Committee through the following channels :

- E-mail : Auditcommittee@lh.co.th
- Send the Postal Mail addressed to "Chairman of the Audit committee, 1 Q House Lumpini, 37th-38th floors, South Sathorn Road, Tung Mahamek, Sathorn, Bangkok 10120".

For employees, the Company provided a direct channel to report the information directly to the Head of the Internal Audit Department or to Management Executives by submitting the petition or reporting any suspicious malfeasance or when seeing any action that may not in accordance with business ethics which may affect them, other stakeholders and the Company. The Company effectively has procedures in place to deal with the tip-offs, to safeguard the informants, the process to investigate the fact-finding to ensure the justice for all parties. Consideration will be established whether the case really involves wrongdoing or malpractice and, if so, at what level, so that the appropriate penalty will apply. A special unit or team will be set up to investigate all facts and summarize the report and submit to the Audit Committee for further consideration.

The Company also set the guidelines to protect the informants by strictly kept confidential their information and identities of them. Only necessary particular information will be revealed to responsible parties, with precaution to safety and danger to the informants or related persons to assure their confidence. The Audit Committee or the independent directors will be responsible for taking care of the petitions and then report to the Board of Directors.

(d) Disclosure and transparency

1. The Company awares of the importance of the adequacy, accuracy, inclusively, timely and transparency of disclosure, thus the Company has published its important information both financial and non-financial data on the websites of the Stock Exchange of Thailand (SET) at www.set.or.th and the Security and Exchange Commission (SEC) at www.sec.or.th according to the criteria set by the Stock Exchange of Thailand and the Security and Exchange Commission. In addition, the information that has been made public and known to its stakeholders will be available

on the Company's website at www.lh.co.th which will be updated regularly to ensure that all interest parties can have timely and up-to-date news and information for their utmost benefits.

2. The financial statements which has disclosed to stakeholders must be approved first by the Audit Committee and the Board of Directors of the Company.

3. The Board of Directors has managed to include the Report on the Board of Directors' responsibility for Financial Statements, along with the Auditor Report, in the Annual Report starting from the 2006 onward.

4. The Company has complied with good corporate governance principles and has published the summary of the approved corporate governance policy and the results of the implementation of the policy in its Annual Report and on its website, starting from the 2007 Annual Report onward.

5. The roles and duties of the Board of Directors and the subcommittees, as well as their meeting attendance records, are disclosed under "Management structure" and "Subcommittees" together with the disclosed report of the chairman of each committee.

Furthermore, the Company also recognizes the importance of maintaining good relationships with shareholders, general investors and stock analysts. It therefore made clear that the disclosure of its information to the investors, both existing and potential ones in the future, is within the authority of Managing Director, who has been assigned as Chief Investor Relations Officer. The Company also set up an Investor Relations unit to represent the Company in order to communicate with shareholders, investors and stock analysts. The Investor Relations Office can be contacted at Tel: 0-2230-8306 or to the e-mail : investor@lh.co.th

As from the year 2018-2020, the Company's top executives, along with the Investor Relations Office, have disclosed the Company's information to shareholders, investors and stock analysts which can be summarized as follows :

Type of Information	2018	2019	2020
1. Domestic and International Road Show	9	13	1
2. Analyst Meeting	5	5	5
3. Company Visit	44	38	1
4. Conference Call	13	15	29

(e) Accountability of the Board of Directors

1. Structure of the Board of Directors

The election of the Company's directors is held in

accordance with the resolution at shareholders' meetings and based on the criteria and legal procedure and the Company's Articles of Association. Each director holds a 3-year term and each year the 3 longest-serving directors shall retire by rotation so that there will be the election of new directors every year. At December 31, 2020, the Board of Directors consists of 9 members as follows :

Director who are member of the Executive Committee	4 person
Directors who are not member of the Executive Committee	2 person
Independent Directors	3 person

The independent directors are independent from the Company's management and majority shareholders. They do not have any business relationship with the Company in a manner that may restrict their expression of independent opinions and have such qualifications according to the definition of "independent directors" as detailed under "Independent Directors".

Segregation of roles, duties and responsibilities

The Company has segregated the roles, duties and responsibilities of the Board of Directors and Executives Committee. The Board of Directors shall determine policies and supervise the executives, while the executives shall deal with the administration in various areas to be in line with the determined policies and report any transactions which are not as normal business operations to be reviewed by the Board of Directors, of which at least one third of total number of members are independent directors.

Composition of the Board of Directors

The Board of Directors has set up the qualifications of the directors which will focus on skill diversification (Board Diversify) by consider the necessary skills and expertise which the Company is lacking at that time. As can be seen from the structure and composition of the Board of Directors at present which consists of directors with knowledge and expertise in various fields; namely engineering, business administration, economics and law. The diversification of their professionals and experiences will benefit the Company's operations and provides a fine balance among the directors.

2. Subcommittees

The Board of Directors sets up 4 subcommittees to assist in monitoring and supervising the Company's operations more closely by regularly reporting to the Board of Directors. The subcommittees comprise of the Executive Committee, the Audit Committee, the Nomination and Compensation Committee and the Risk Management and Sustainable Development Committee. The Board of Directors has clearly

defined the authorities, duties and responsibilities of each subcommittee.

3. Roles and duties of the Board of Directors

3.1 The Company's Board of Directors comprises of people who have knowledge, skills and extensive experiences in several fields and can apply them at their discretion independently and possess strong leadership. Their duties and responsibility are to determine the strategies, directions, policies, objectives and missions of the Company to ensure that the management and all employees have the same objective and as of the Company. In 2020, the Board of Directors has considered and reviewed the Company's strategy, goals and business direction to best fit and comply for the operation including to monitor the implementation of the strategic plans, the compliance with the policies, rules, laws and related regulations. The Board also responsible for managing risks to be at an appropriate level, within the framework of the law, objectives and resolutions of the shareholders with integrity for the utmost benefits of the Company while having full responsibilities to the shareholders and all stakeholders. Furthermore, in order to enhance efficiency, effectiveness, transparency and accountability, the Company regularly arranges the assessment of the performance of the Board of Directors.

3.2 The Board of Directors has established a written Company's Corporate Governance Policy with their consensus. Such policy is reviewed at least once a year

3.3 The Board of Directors has considered and reviewed the implementation of Corporate good governance (CG Code) to be proper and suitable for business context. In 2020, the Board of directors has jointly considered and reviewed the principles in the Board meeting of 10/2020 on December 22, 2020 and had recorded as part of Board of director's resolution for the rationale of such decision

3.4 The Board of Directors promotes ethics by adopting the following measures:

The Company has adhered to operate its business with transparency, honesty and fairness by established the Code of Conduct for the Board of Directors, executives and employees and assign all of them to comply with such Code of Conduct for the Board of Directors, executives and employees, to perform their duties according to the Company's missions within the framework of the laws and the Company's regulations on the basis of professional ethics. The Company's Code of Conduct for the employees is published on its website on www.lh.co.th and the Company's central database system. The Company also holds activities to promote the employees to comply with the Code of Conduct and the culture of good corporate governance and also effectively communicates the guidelines and the follow up on their compliance with the Code of Conduct. Such activities include:

- During the orientation of new employees, the principles of good corporate governance and the Code of Conduct are included for understanding and practice.
- Communicate the guidelines based on the Code of Conduct to all employees via email
- Organize activities through the Company's internal electronic media or intranet system, especially the announcement regarding ethics and principles of good corporate governance on the Welcome Page
- Follow up and assess the performance through the supervision of the head of each unit and through the mechanisms of the Internal Audit in order to monitor and evaluate them.

The Company has monitored the performance in compliance with the Code of Conduct every year. The Internal Audit and System Development Department has been assigned to take these responsibilities and report to the Audit Committee for the results including any suggestions for improvement. In 2020, the Company's auditors, which is an independent external entity had also evaluated ethical compliance and had no recommendations on this matter.

3.5 Conflicts of interests

The Board of Directors has determined the management tools to ensure that the Company has managed and operated its business effectively and transparently for the utmost benefits for the shareholders. The Company has set up measures to eliminate conflict of interest as follows

Measures to eliminate conflicts of interest

The Company's Board of Directors properly reviews transactions which may constitute conflicts of interests, connected transactions or related party transactions within a good ethical framework which have been screening by the Audit Committee and has supervised to comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission including the disclosures of transactions which may lead to potential conflicts of interest to public. Such policies, regulations and the approval procedures of the transactions which may lead to potential conflicts of interest for all executives, employees and related parties to perform are as follows :

1. For any transaction which a director, employee or connected party has a conflict of interest with the Company, such director or employee shall not take part in the approval process. Price quotation must be set properly as if the transactions were made with a general third party.

2. In the procedure to set a quotation, in order to avoid any potential conflict of interest, a fair, appropriate price which is in line with normal trade practices shall be used.

3. To perform in adherence with the criteria of connected transaction set by the Stock Exchange of Thailand, the connected transaction must be first submitted to the Audit Committee for consideration, before seeking the approval from the Board of Directors to comply with the good corporate governance principles.

4. Disclosures of transactions with potential conflicts of interest or connected transactions or related party transactions as defined by the Securities and Exchange Commission and the Stock Exchange of Thailand will be declared in Form 56-1 and the Annual Report and also include in the financial statements to conform with the accounting standard.

3.6 Risk Management

The Company's Board of Directors emphasizes the great importance on risk management and has determined and assessed its business risks. Measures have been adopted to prevent and mitigate the risks, including those risks which may affect the Company's operations as detailed under "Risk factors". In addition, the Company has also set up the Risk Management and Sustainable Development Committee with its scope of authorities, duties and responsibilities clearly defined in the Risk Management and Sustainable Development Committee Charter, approved by the Board of Directors. The details are stated in section "Risk Management and Sustainable Development Committee". The details of the Risk Management Policy are as follows :

Risk Management Policy

1. The Company's Board of Directors, all executives, employees and every units are treated as the risk owner, and all of them have the duty to take responsibility of assessment, monitoring and support the establishment of an efficient risk-management procedure.

2. Each business unit of the Company must set up its own risk management procedure including systematic and continuous risk assessment and monitoring. The procedure must be revised to be consistent with the changes in business environment on a regular basis at least once a year.

3. Risk assessment shall be included as part of the annual work plan of each unit by considering all risks concerned to overall organization by taking into consideration both internal and external risk factors including the implement of risk management and appropriate early warning signs.

4. The Risk Management and Sustainable Development Committee is responsible for the monitoring of risk management and provides its opinions on these issues to the Company's Board of Directors.

5. An organizational culture must be created to promote a common understanding and conscience on risks by building a Knowledge base, as the Company believes that risks can be alleviated or acceptable when all the executives and staff of all units are well-aware of the following damages. As a result, the Company is determined to develop databases, both internally and externally, by invest in information technology and also modern technologies so that staff at all levels can access the information and share their experiences which will eventually lead to the development and improvement of the risk-management procedure to be more efficient.

4. Board of Directors' meetings

The Company informs the Board of Directors of the meeting schedules in advance every year to allow each director to designate their time to attend the meetings. The invitation letter, details of agenda and related information shall be sent at least 7 days prior to the meeting date. The meeting attendance record of each committee member is disclosed under "Management structure".

5. Self-assessment of the Board of Directors

The Company has a policy to arrange an annual self-assessment for each director to allow them to consider and review their performances and identify all issues and obstacles in the past year which will increase the effectiveness of the director and is conformed with good corporate governance.

Procedures of performance assessment of the Board of Directors collectively and individually

The Company Secretary shall send the Board of Directors' assessment forms to all members so they can assess their performances during the past year both collectively and individually. When the forms were completed, they will be sent back to the Company Secretary who then compiles the results of each member, and analyzes the performance assessment of the Board of Directors during the year. The Company Secretary will then submit the results to the Board of Directors for consideration in order to achieve the aforementioned objectives. In the year 2020, at the Board meeting 10/2020 on December 22, 2020, the Board meeting has been evaluated their performance. The assessment criterion are calculated as percentage in each area. Score above 85 is considered "Excellent", the range of 75-85 is "Good", the range of 65-75 is "Moderately Good", the range of 50-65 is "Average" and for scores below 50 means "Needs Improvements".

The performance assessment of the directors is classified in 2 manners as follows:

5.1 The assessment of performance on a collective basis At the Board of Directors' meeting on December 22, 2020, the assessment on a collective basis consists of the following areas : (1) Structure and qualifications of the Board

of directors (2) Roles, duties and responsibilities of the Board (3) Board Meetings (4) Performances duties of directors (5) Relationship with management and (6) Self-development of directors and development of executives.

5.2 The assessment of performance on an individual basis which consists of (1) preparedness of the director (2) Determination of strategies and business plan (3) Risk management and internal control (4) Supervision to prevent conflicts of interest (5) Monitoring on financial and operational reports (6) Board meetings (7) Others

6. Performance assessment of subcommittees

Each year, the Board of Directors shall assess the performance of subcommittees such as the Audit Committee and Nomination and Compensation Committee by evaluating as a committee in group. The evaluation criteria is the same as the one used to evaluate the directors of the Board for the purpose of using as the framework for the performance evaluation during the past year which will be used to resolve and increase the efficiency in working. The evaluation will be submitted to Board of directors' meeting for acknowledgement.

7. Compensation

The Company has clearly determined its policy on the remuneration of directors and president in accordance with their duties and responsibilities. The policy will be considered and screened by the Nomination and Compensation Committee before submitted to the Board of Directors for consideration. All Directors' compensation shall be approved at a shareholders' meeting every year. The remuneration and meeting attendance records of each director are disclosed under the topic "Executive Compensation" in the section of "Management structure".

8. Development of directors and executives

The Board of Directors emphasizes great importance to the development of directors by sending directors to attend training courses related to the development of knowledge and ability to perform director duties of the Thai Institute of Directors Association and other institutions continuously to help them develop themselves and learn new useful ideas to apply to the business of the company. In 2020, the company is aware of the risks and impacts that may occur on the organization, therefore, the focus is on personal information protection training for company directors and executives in order to protect personal information in accordance with the law and with the most efficiency.

The Board has a policy to continuously develop the potential of the personnel to enhance knowledge and ability to keep pace with the competitive business all the time. The company has arranged for executives to attend both

internal and external training courses, including meditation training and lecture sessions. In addition, the company has sent its 2 executives to study long-term programs such as business administration courses - Master's degree - Executive MBA.

9. Orientation of new directors

The Company realizes of the importance of the performances of new directors, so an orientation program has been organized to introduce them the Company's overall operations, the organization structures of subsidiaries, associated companies and related companies for the understanding of the work process and the cross shareholding structure of the companies in the group. They also provide them significant information which is important for their work such as organization's structure, Company's Article of Associations, objectives, code of conduct of directors, the director's handbook of the listed company, corporate governance policy, related laws and regulations, financial statements and notes to the financial statements, and also arrange the meeting to meet the Chairman, the Board of Directors and all subcommittees to be informed about the Company's business operations.

10. Non-executive directors' meeting

The Company requires that its non-executive directors shall have a meeting among themselves at least once a year to freely consider management problems without the Company's management or executives presented. In 2020, the meeting was once held on December 17, 2020.

11. Meetings between The Audit Committee and Company's auditors

To enhance the Audit Committee to fully perform their duty of assisting the Board of Directors and give them the independence to propose good corporate governance guidelines, the Company encourages the Audit Committee to meet with the Company's auditors without any executives or management presented. In 2020, the Audit Committee met with auditors on December 17, 2020 to inquire the independency in working including sharing the opinion of the internal control system.

12. Limitation of company which the directors of the Company can join to be the director

The Company Board of directors has set the policy to limit the numbers of Listed company which the company's director can join and serve as the director in total not exceed 5 companies so as to optimize the Company's benefits from such director who can provide times to perform his duties efficiently.

Report of the Corporate Social Responsibility



The Company emphasizes the importance of complying with good corporate governance which is in line with the principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand which comprises of rights of shareholders, equitable treatment of shareholders, rights of stakeholders, disclosure and transparency, and responsibilities of the Board (more details in “Corporate Governance”) including the awareness to the communities, society and environment while conducting its business. The Board of Directors is always well aware that good corporate governance and social responsibility will sustainably improve its operating results and is the major key to lead to its success. Thus, the Board of Directors therefore laid down a written policy on good corporate governance and its Code of Conduct. The Company’s main operation process also takes into account and always pays attention to all stakeholders, communities, society and environment while strictly complys¹ with the laws and regulations related to its business.

1. Fair business operations

The Company emphasizes in its business operation by promoting free trade, honesty and fair competition within the framework of law and its business ethic. The Company also avoids any operations which may constitute conflicts of interests, by having all measures to supervise the use of inside information for personal or relatives’ gains, respects the rights and equality of all groups of stakeholders - such as shareholders, customers, employees, business partners, competitors, creditors, as well as the communities, society and environment. Such practice guidelines which cover all the equal rights and benefits of all stakeholders are stated in the Company’s Code of Conduct and business ethics

so that owners, executives and employees can adhere to perform. They are also posted on the Company’s website and central database system. Additional details can be seen in the section of “Corporate governance” under the topic of “Rights of Stakeholders”.

2. Anti-corruption and bribery

The Company has enforced the anti-corruption and bribery policy. Under its Code of Conduct, any employee must not solicit or request any benefits and avoid accepting any valuable assets which may illegitimately persuade him to perform or refrain from performing any duty, or may cause the Company to lose its legitimate benefits. All employees must not commit any act which may constitute any conflicts of interest against the Company or use the Company’s assets to seek for any benefits from commercial gains for themselves or their associates, refrain from doing anything illegitimately, or abuse their responsibilities or positions. The Company has circulated its Code of Conduct to all employees so they are well aware of the importance of performing their duties with integrity. The Company also aims on develop the fundamental of employee’s spirit in terms of morality and ethics by organizing meditation training class and sermons for the employees.

Practices on supervision and control the corruption risks including follow up and evaluation procedure

- Preventive measures through the structuring of the organization structure to suitably fit for management and control. The organization structure reinforces transparency and efficiencies and in line with goals. The nature of business through principle of proper segregation of duties, balance of authorization and proper separation of duties. Provide the clear work

process and line of command in each department. Organizational structure with corporate culture which emphasizes moral and ethical behavior with regularly monitoring and evaluating mechanism. Including adequate and proper communication and training that are also provided, with communication of guidelines disseminated through various channels such as the Company's intranet and website.

- Preparation of written Code of Conduct for executives and employees is created to promotes all practices according to good ethics, to comply with it and communicates through all channels both through. Company's intranet and website including a monitoring and proper compliance assessment with the Code of Conduct.
- A process for the risk-assessment associated with the Company's internal fraud and evaluation of the implementation of policy through the assessment of internal control in accordance with the COSO internal control assessment at the committee level, the assessment of internal control at department level, and the mechanisms of Risk Management and Sustainable Development Committee and the Company's Internal Control Department.
- Supervision at the department level, with the head of each unit supervises his unit by assessing internal control from fraud and corruption risk at the unit level. An efficient and effective internal control was implemented to close any corruption loophole, to review the suitability of the system and continually improve the system, to control and monitor its department's operations including the delegation to each level supervisors to monitor and investigate any frauds and errors occurred from the operations.
- The internal control unit examines an inspection of the operations and procedures of working systems, the compliance with the code of conduct, assesses corruption risks and early-warning signs, assesses the adequacy of the internal control system in preventing, monitoring and detecting the corruption risk. It shall report the audit review at least once every quarter.
- Through its mechanism of the Risk Management and Sustainable Development Committee which also tests and assesses frauds and corruption risk regularly and reports the results to the Board of Directors
- The Company provides channels to report any detected contravening, fraud or corruption and also set up the measures to protect and mitigate any adverse consequences on the whistleblowers, petitioner or collaborators under the Whistleblower policy. Details are stated in the section of "Corporate Governance" under the topic of "Measures of reporting wrongdoing and mechanisms to protect informers"
- In such case that any wrongdoing is found, with the investigated information, the complaints and

sufficient proven grounds to believe that the transaction is truly offend, the investigation of fraud and corruption will be done by the special temporary special investigation group of person to provide fairness to the accused and also provide the proper protection to the informers

- Each wrongdoing case will be used as a case study to find the proactive preventive guidelines and investigative measures to detect such transactions and also to educate unit supervisors on how to prevent such kinds of fraud in the organization.

New employees will be notified of guidelines for standards of good behaviors and ethics of employees on their first day of work and through the new employee orientations. The Company also organizes in-house training for executive vice president, operation and supports executives, senior vice presidents and vice presidents on risk assessment tools and how to use them so that these executives and management can use it to monitor and assess risks efficiently.

3. Respect for Human rights

The Company has complied with the human rights principles. Directors, executives and all employees have strictly followed these principles and regarded them as core practices by taking into account equality, freedom, dignity and rights of all people without any discrimination on the basis of race, nationality, language, religion, gender, age or education. The company does not support any activity that violates any universal human rights.

Guidelines

- 1) Closely supervise to ensure that the Company's business does not involve in human rights violations such as child labor or sexual harassment.
- 2) Take good care of employees and their well-being by giving them fair compensation, welfare, educational promotion and training continually in both short and long term, take good care of health and sanitation, safety of property and at work, safe and appropriate working environment, including inspecting the cases of unfair practices which may occur in the company.
- 3) Respect the private confidentiality of customers, business partners and employees by treated it secret and not disseminating any information to unrelated parties or departments, not disclose the information to the public. Any disclosures or transfers of confidential information can only be done with the consent of the owners only.
- 4) Terms and conditions in employment contracts are appropriate and fair.
- 5) Enabling equal employment opportunities including opportunities for people with disabilities.
- 6) Treat all employees and stakeholders equally, indiscriminately, respectfully and respect everybody's opinions.
- 7) Specify in the Code of Conduct of employees to

behave in a suitable manner for their duties and positions and refrain from not blaming others or the organization without truth.

4. Fair treatment of labor

The Company recognizes that employees are the most important elements of its success, therefore the Company shall take good care and fairly treat them in various areas such as:

- 1) Respect the rights of employees based on human rights principles. More details are under the topic of “Respect for Human rights”.
- 2) Determine compensation to be appropriate with their duties, responsibilities and price mechanisms in the labor market by taking into consideration the incentives so that employees are motivated to perform their duties to their full capacity. Performances are evaluated by supervisors and part of the compensation is allocated as their reward based on the Company’s operating results.
- 3) Various forms of welfares are provided. The Company has the policy on safety and sanitation and promote good working environment. More information is provided in the section “Corporate Governance” under the topic of “Rights of Stakeholders - Employees”.
- 4) Continuously promoting the potential development of employees by organizing training and educating for employees at all levels.
- 5) The Company has established a welfare committee to be the representative of the employees to consult and discuss with the Company on the welfare provision, to act as a middleman to relay the employee welfare requirements so that the Company knows what the employees really need, to participate in the discussion and provide the suggestions including monitoring the welfare that the Company provides for employees .

5. Responsibility to consumers

The Company is committed to improving and developing the quality of its products and services to meet the standards including the establishment of a customer contact center to listen to consumers’ suggestions and opinions, to acknowledge the problems and customers’ need so that the Company can use them to fine-tune and improve so as to build the customers confidence and maximize their satisfaction. The efforts paid off when Land and Houses Plc. won the Trusted Brand award for eight consecutive years (during 2006-2013, the award ended in 2013) based on a consumer survey by Reader’s Digest magazine. The award measures consumers’ satisfaction in both Thailand and Asia in six areas: (1) creditability and trust (2) quality (3) value (4) insights understanding to consumers’ demand (5) creativity (6) social responsibility. Land & Houses is the only property development brand that won the Platinum

Award in Property Developer Sector. In addition, in 2012, the Company also received “The Most Powerful Brand of Thailand 2012” in real estate product which was awarded in the occasion of the 75th Anniversary of Faculty of Commerce and Accountancy, Chulalongkorn University. The research, conducted by the Department of Marketing, on the subject of “The development of valuation tools of product’s brands to rank the product brands” in order to develop the Corporate Brand Valuation tools and to identify the ranking of the most powerful brand in Thailand 2012 (The Most Powerful Brand of Thailand 2012)

The Company delivered the pre-built home, fully decorated including the garden in the complete project, which are ready to move in so that the customers can see the real house on the real plot of land and can select the style of house before making the decision to buy, which makes it no risk in the case that buying the house but getting the one which is not expected.

Consumer’s benefits from buying a pre-built home.

- 1) Baan - Sabai is pre-built before sale thus allows customers to clearly determine the time of their relocation
- 2) Customers can see the real house on the real plot of land before buying and can compare with the selling price.
- 3) Providing a shady project environment, with a common garden, and a clubhouse that is ready to use all the service when move in
- 4) Product warranty and providing after-sale services to facilitate the residents including house-checking during warranty period.
- 5) The Company has set up a customer relation system to directly communicate with residents through the Company’s website or at the 1198 call center which will accept any complaints about home and condominiums, provides any home tips, online repair notification to facilitate the residents when they are in needs of repair, and checking home services in insurance where all the transaction can be sent 24 hours a day. The residents can also track the status of their request as well as find the information about their house by themselves at anytime.

As a result of our recognition to the importance to our consumers and determination to improve the quality of the products, in 2020, the Company has received significant awards as follow :

- Honor Award of “Thailand’s Top Corporate Brands 2020” on the occasion that Land and Houses Public Company Limited has been awarded the best value Thai corporate brand in the property development sector in year 2020, with a brand value of up to 64,753 million Baht. This Honor Award comes from the research of “Top Corporate Value and Brands in ASEAN and Thailand in 2020” of the Master of Science program, in Branding and Marketing

Program (Master in Branding and Marketing Program), Faculty of Commerce and Accountancy Chulalongkorn University By Prof. Dr. Kundalee Ruenrom and Lecturer Dr. Ek Phatarathanakul, which objectives are to develop a systematic corporate brand value measurement and promote business organizations to realize the significant of the development of the corporate brand to be strong for the sustainability of the society and the national economy. This research has been done consecutively ongoing for 10 years and the companies with the highest corporate brand value in every industry sector will be announced the rewards annually at the Stock Exchange of Thailand.

- Best Public Company of the Year 2020 - Property and Construction Industry, Money & Banking Awards 2020 from the Money & Banking Magazines, given to the Listed Companies in the Stock Exchange of Thailand, which has best performance in the year in the Property and Construction Industry. The best performance company will be divided in each industry as follows : Technology, Property and Construction, Financial, Resources, Agro and Food, Industrials, Consumer Products and Service. The honorable Money & Banking Awards 2020 is held for the 13 years consecutively, to recognize executives, banks, financial institutions and listed companies in the money and capital market to motivate the companies to develop their potential to be ready for strong regional and global competitions for the benefit of the financial economy and the investment of the country and the society as a whole.

6. Environment conservation

In the previous 2020, the Company has still continued to emphasized the quality of air in the house consecutively. The Company has installed the AirPlus system, the air ventilation system to provide the residents to get the fresh air 24 hours a day which will help decrease the pollution in the house, decrease the musty smell and mold and also help promote the health of members of the family in the housing unit. The mentioned system will use the solar energy to generate electricity to supply the system. The housing unit which has the AirPlus installed will have a 20-100 watt solar cell panels installed on the roof of every house which always make the air in the house ventilates and save the energy expense. The Smart Power Management can manage 3 types of energy as follows :

1. Solar power : solar energy which is the clean energy
2. Hybrid : The use of electric energy which is a combination of solar energy and housing's electricity
3. Sufficient : Help decrease the use of electricity in the house

The company has the policy to use all resources efficiently, taking into account the impact on society and the environment arising including promoting and

educate employees to create a good working environment. Economical use of resources and always taking into account the environmental responsibility in performing their duties by cultivate through several activities and training that employees are continually involved in. Also including the campaigns to conserve the environment and natural resources and instill them into everyday life, such as reducing the use of paper and the use of recycled paper, re-using files, maintaining equipment in a ready-to-use condition, creates campaigns to save water - electricity, etc. In 2020, the company has organized activities to reduce plastic waste under the project "THINK GREEN FOR A BETTER LIVING" through the following operations :

- Termination of plastic packaging by changing the packaging of drinking water which arranges for the customers at the headquarters and the project sites to be a drinking water box including a campaign to recycle the used drinking water boxes and bring it to reuse again.
- Termination of use of plastic glasses in the organization by asking employees to bring personal containers to fill in the beverage provided by the company themselves
- Establish the "LH Recycle Plastic Uniform" project, which is a project to produce uniform shirts from plastic water bottles, in which 1 shirt uses 12 recyclable plastic bottles, which help in reducing the amount of plastic waste in society and promote the recycling system.
- Preparation and distribution of shopping bags for employees and customers in each project to use instead of plastic bags in consumer goods shopping
- Participation as part of the green roof project by Friends in Need (of "PA") Volunteers Foundation by bringing the used drinking paper box to recycle and produce a green roof for the needy and the communities which are suffering all over the country.

In addition, the Board also promotes the education and training of employees on environmental issues. As the Board of Directors recognizes and places importance on sustainable development, therefore the Board has given the Risk Management and Sustainable Development Committee to establish guidelines and framework for sustainable operations of the Company which is a key mechanism to achieve the success in the business. In 2018-2019, the Company has hired EY Corporate Services Company Limited to be a consultant and provide knowledge on developing the sustainable development system including the plan for preparation of the sustainable development report.

7. Participation in social and community development

The Board has always realized of the Company's responsibilities toward the social and communities so they have supported the budget and sponsors for various departments to organize the activities for communities and society continuously. In 2020, the Company has organized the activities for communities and society as follows :

- Donate the money to be part of the Thai society against the COVID-19

The Company has cooperated as part of the Thai Society to work against the virus COVID-19 by donating the amount of 1,000,000 Baht to support for the development of the innovation and medical devices and also provided 4,000 set of Personal Protective Equipment (the Chemical protection suits) to 7 hospitals

- Organized the food distribution activities to alleviate those who suffer from the virus COVID -19

The Company is aware of the impact of the COVID-19 which has impact to people who are in trouble from work, being layoff, lack of income and also are unable to work as normal situation. Therefore, the Company has organized the food distribution activities of 1,000 sets per day during April 28 - May 15, 2020 (except Saturday and Sunday and public holidays), a total of 11 days by distributing in 4 area as specified by the Bangkok Metropolitan Administration.

- Donate money to help the Four-legged shelter for stray dogs.

The Staffs of Service and Customer Relations has visited a four-legged shelter for a stray dog and jointly donate money and necessary essential items for use such as dog food, cat food, detergent, cleaning liquid, antiseptic cleaner and drinking water to help alleviate the suffering of homes which has taking care of more than 1,500 dogs and cats, as well as to raise awareness for employees to take responsibility and contribute to society.

- Society activity "Sharing the love, carry on the dream and sharing kindness"

The Project 1 Division has organized a volunteer activity to treat lunch, donate goods and money at the Center of Autistic Thai life skills Foundation in Chonburi on December 8th to create a teamwork within the group of employees, build the awareness to help and share, including share their responsible for each other apart from the work. The key important thing is that to let everyone knows how to give and share to the society.

8. Innovation and CSR innovation dissemination

The company has developed a new technology called AirPlus Square (PM2.5 Control), a system that helps fill

the air that has been filtered by dust with a HEPA Filter (High Efficiency Particulate air Filter), which can filter dust particles as small as 0.3 microns and PM 2.5 dust so that the house always has FRESH AIR and also has a fan to help it ventilate the air inside the house thus help control quality of the air in the house which will be good for the well-being of all residents. The AirPlus Square system will operate automatically according to the weather in each period through its sensors to detect the amount of dust outside and inside the house to control the work of filling air that has been filtered dust providing the house a new fresh air, helps to reduce the accumulated of carbon dioxide build-up in the house, vents moisture, drains the odor inside the house, drains volatile chemicals (TVOC) used in the home, such as cleaning agents, paints, glue, grout and pesticides, etc. Users can view the amount of dust inside and outside of their home by themselves and also view fan working status and control the system via "AirPlus Square" Application on Smart Device, which supports both IOS and Android operating systems. In 2020, this system has actually started to be installed and used at the Mantana Project of 4 projects, and in Siwalee projects one project. The Company has a plan to install the systems for the new project in 2021.

As for the new technology that responds to the convenience and safety of the home, such as the Home Automation system, the Company continues to install the system in every unit of its home projects. So that residents can always take care of home security online, no matter where they are, they can view the house through the IP camera that is provided. The Company also provides the motion detection Alert in case of intruders and the automatic system to turn on-off the lights and automatic air conditioning on-off for even more convenience. In the past year, the installation of such system was already installed in the new house model group, such as the 4 projects in Anya project.

For the Smart phone technology such as an application that helps home furnishings, to meet the need of beauty, the Company continues to focus on and develop i-Design application to support the use of residents more efficiency by supporting several new home designs in order to make the residents' ability to choose to decorate with the real house plan in actual area size, from detached houses and townhomes in the project of L&H. The system will provide the customers to choose from a wide variety of furniture designs and styles based on real size and realistic pictures. Both normal view or 360-degree view and connect VR mode which can make as if the customers walk into the real room. The system can also estimate the approximate decoration cost from the selected furniture, keep record and keep beautiful pictures for the idea of buying furniture for customers which makes the customers become their own interior designer by themselves through i-Design application on Smart Device.

Internal Control and Risk Management



The Company's Board of Directors and executives are responsible for the efficiency of the internal control including regular review and monitoring the system in order to increase its efficiency and minimize any operating losses in the circumstances where there are changes at all time from both internal and external factors, rules and regulations from the government sector as well as from people related to the organization which are all considered to be risk factors for the business. Thus the Board of Directors is always aware of and acknowledges the importance of the management of internal control system and risk management by assigning every units of the Company to take into consideration comprehensive internal control and risk management in every areas, such as resource management, accounting and finance, human resources management, procurement, information technology and communications and legal, to prevent severe damages and/or any disputes that may result from violations and offences against the Company or a third party, which could lead to both civil and criminal lawsuits. The Company has implemented the measures through the following channels

1. Through the organization's structure. The design of organization's structure to conform with the nature of work and also clearly defines scopes of authority to allow flexibility and speedy for operations under international constraints. For instance, the establishment of the Board of Directors to supervise the policies and responsible for all parties involved with the Company. The Executive Committee is responsible

for business performance according to predetermined goals. The sub-committees which comprise of the Audit Committee, the Risk Management and Sustainable Development Committee and the Nomination and Compensation Committee, are in charge of missions assigned by the Board of Directors. Departments are divided into two lines operation and supports which was appropriately and sufficiently to create good management of supervision control and checks and balances of the authorities among those operators in each group or department, including the monitoring of the overall risk management process to an acceptable level.

2. Through the Audit Committee : The Board of Directors has assigned all three members of the Audit Committee to supervise, monitor and consider the appropriateness and adequacy of the internal control system. Due to the dynamic changes in circumstance, it is then necessary that the system has to be assessed every year and will be directly reported to the Board of Directors.

Each year, the Audit Committee will meet with the Company's external auditors which currently is EY Office Limited, and internal auditors regularly at least once a quarter to follow up on and enquire about the Company's internal control system which so far they have been informed that there is no significant flaw in the Company's internal control system.

At the Company's Board of Directors' meeting No. 10/ 2020 on December 22, 2020, the Board of Directors received the preliminary report regarding the assessment of the adequacy of the internal control system for the year 2020 from the Audit Committee which the opinion was that the Company's internal control system was adequate and appropriate for the current situation in accordance with the framework of the internal control assessment of the Securities and Exchange Commission and the Stock Exchange of Thailand which covered 5 key aspects of internal control as follows : Control Environment, Risk Assessment, Control of Activities, Information technology and Communication Systems, and Monitoring Systems as defined by COSO's international standards (The Committee of Sponsoring Organization of the Treadway Commission). The Board of Directors has reviewed the report and agreed with the proposed opinions and findings of the Audit Committee.

At the department or division level, the Company has adopted a self-assessment control system to implement in all departments regularly every year in order to review their operations and develop such working systems, to ensure that the internal control is more effective and efficient and also promotes the continuous development.

3. Through the Risk Management and Sustainable Development Committee which comprises of independent director, managing director and senior directors from various related departments. The Committee will emphasize on the sustainable development three main dimensions consists of environmental dimension, corporate social responsibility dimension and corporate good governance dimension.

The working group has assessed all risks in every level of the organization to cover in every area such as strategic risk, operational risk, financial risk, liquidity risk, investment risk and regulation and legal risk by assessing, analyzing and prioritizing all the risks. The working group also determines the guidelines and risk management strategy for each type of risks. Hence, the Company has managed the risks by its level from high, medium to low respectively from the past to the present day. The execution has been done to manage all corporate risk to be at an acceptable level at an affordable cost.

The Company also implemented the Risk Management Monitoring System and report the risk management results regularly, speedy and up-to-date. The management has

set up the risk tracking procedures through the Computer Based Risk Monitor Tools on the Company's EIS System. The mentioned system will update the information every month and then will report to risk's owner so as to monitor, analyze, evaluate and manage the risk. The Company also set up the meeting to monitor the risk management at least twice a year.

In addition, as the Board of Directors has foreseen and placed the importance in the sustainable development, thus the Board has authorized the Risk Management and Sustainable Development Committee to establish the guidelines and framework for the sustainable operation and also plan to produce the sustainable development report to be used as the guidelines in implementation of the sustainable development process of the Company which is considered as an important key mechanism to accomplish the success in running its business.

4. Through the creation of the Corporate culture, to build the immunity for the organization and lay a good foundation in a long term period through a mechanism called Corporate Culture by using personnel as prototype to pass on all good core values such as training, implantation of Company's ethics and morals, a top-down pass on of good conscious, regularly organize the dharma practices courses for the employees and their families, and sharing the generosity from generation to generation. The Company believes that there is none of the best systems at all time rather than having personnel who always think well, do well and possess highly good conscious to their duties and responsibilities, the qualifications that shall exist only when the Corporate culture is robust and strong.

The Audit Committee takes the supervising role on the Internal Audit and System Development to perform its duties independently, fairly and with good ethics. The Chief Audit Executive of the Company is Mr. Pornchai Kiatkajornvirach, Senior Vice President, Internal Audit and System Development Department. The Audit Committee has unanimously agreed that Mr. Pornchai Kiatkajornvirach is properly qualified, with his knowledgeable and competent, with experiences and a good understanding of the Company's business and all working systems and also possess abilities to perform his duties efficiently. The consideration of the appointment, transfer or termination of the Chief Audit Executive must be approved by the Audit Committee.

Report of the Risk Management and Sustainable Development Committee 2020

Dear Shareholders,

Land and Houses Public Company Limited emphasized the importance of the enterprise risk management along with sustainability development under the supervision of the Risk and Sustainable Development Committee. In 2020, the Committee held two meetings, with all members attended in every meeting. In addition, in some agenda, the management was also invited to attend the meeting as deemed appropriate. The significant tasks performed can be summarized as follows:

1. Regularly monitored key risk factors covering all four areas: 1. Strategic Risk 2. Operational Risk 3. Financial Risk and 4. Compliance Risk by holding a meeting with the Audit Committee, as defined in the Company's Risk Management Plan to exchange important opinions and recommendations to contribute to the sustainable development of the Company's risk management.

2. Monitored sustainable development operations by focusing on key sustainability issues including environmental, social and corporate governance (ESG) in line with organization's materiality matters.

3. Considered and established guidelines and frameworks for the preparation of corporate personal data protection. The Committee has approved to hire Deloitte Touche Tohmatsu Chaiyos Advisory Company Limited as a consultant in the development of the personal data protection process to establish the standards and measures of the Company's personal data protection operations, in accordance with the Personal Data Protection Act B.E. 2562 (2019) that will come in full effect in the near future.

From the above-mentioned operations, The Committee is confident that the Company's Risk Management and Sustainable Development is continuous, efficient and in accordance with good corporate governance principles and practices, which will enable the Company to achieve its predetermined goals and make the utmost benefits to shareholders and stakeholders appropriately.

Yours sincerely



(Mr. Bundit Pitaksit)

Chairman of the Risk Management
and Sustainable Development Committee

Related-party Transactions

1. Related-party Transactions

The Company and its subsidiaries had significant business transactions with related persons or entities which may create potential conflicts of interests as follows : (Details can be referred in the “Notes to Financial Statement”)

Individual / Juristic person	Relationship (as of Dec, 31, 2020)	Nature of transaction	Value (MB)			Opinions of Audit Committee
			2018	2019	2020	
Quality Construction Product Plc. (Q-CON)	<ul style="list-style-type: none"> - Land & Houses Plc. (LH) is the major shareholder of Q-Con holding 21.16% of total shares sold of Q-Con - One common Director serve on the board is Mr. Naporn Sunthornchitcharoen 	<ul style="list-style-type: none"> - LH purchases construction materials from Q-CON - Goods purchased - Account Payable - Dividend Received 	23 6 3	37 7 5	28 5 15	<ul style="list-style-type: none"> - Terms and prices were done as normal business practices and comparable to other outsiders - Dividend received were in proportion to the Company's holding and at the same rate as paid to other shareholders
Home Product Center (HMPRO)	<ul style="list-style-type: none"> - LH is a major shareholder of HMPRO holding 30.23% of total shares sold - 2 Co-Directors, Mr. Naporn Sunthornchitcharoen and Mr. Achawin Asavabhokin serve on the Board of Directors of both companies 	<ul style="list-style-type: none"> - The Company and its subsidiaries purchase decorated items from HMPRO - Goods purchased - Account Payable - Other Payable - Dividend Received 	29 - - 1,312	65 1 8 1,471	32 1 6 1,233	<ul style="list-style-type: none"> - Terms and prices were done as normal business practices and comparable to other outsiders - Dividend received were in proportion to the Company's holding and at the same rate as paid to other shareholders
Quality Houses Leasehold Property Fund (QHPPF)	<ul style="list-style-type: none"> - LH is a major shareholder of QH at 24.98% - QH is a major shareholder of QHPF at 25.66% - LH and QH have 3 common directors who are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan narapool and Mr. Achawin Asavabhokin 	<ul style="list-style-type: none"> - LH and its subsidiaries rented the building space from QHPF for using as their head office - Rental and services fees - Advance Payment - Rental contract Liabilities - Dividend Received 	72 16 - 26	74 16 - 27	73 16 326 27	<ul style="list-style-type: none"> - The rental fees were comparable to the rates which QHPF charged from its other customers. - Dividend received were in proportion to the Company's holding and at the same rate as paid to other shareholders
Land and Houses Bank Plc. (LH Bank)	<ul style="list-style-type: none"> - LH is the major shareholder of LH Financial Group (LHFG) of 22.16% which LHFG holds 99.99% in LH Bank and LH Fund - Quality Houses Plc., an associated company of LH, holds 13.91% of shares in LHFG - Ms. Piangjai Harnpanij, Mr. Anant Asavabhokin's mother, holds 10.56% of shares in LHFG 	<ul style="list-style-type: none"> - LH and its subsidiaries had savings, current, fixed deposit and also Fixed Deposit received with LH Bank - Interest Income - Interest Accrued - Dividend Received 	5,191 36 5 301	3,366 53 2 371	4,874 17 3 209	<ul style="list-style-type: none"> - All the deposits were treated as normal business practice and the interest earned was of the same rates as other companies received from it. There was no obligation for the deposits - Dividend received were in proportion to the Company's holding and at the same rate as paid to other shareholders

Individual / Juristic person	Relationship (as of Dec, 31, 2020)	Nature of transaction	Value (MB)			Opinions of Audit Committee
			2018	2019	2020	
Land & Houses Fund Management (LH Fund)	- Has one common Director; Mr. Naporn Sunthornchitcharoen	- Fund in Investment	500	-	1,001	- Return at the same rate as other investors
Quality Houses Plc. (QH)	- LH is the major shareholder of QH with 24.98 % - LH and QH have 3 common directors who are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool and Mr. Achawin Asavabhokin	- Dividend Received	562	562	455	-Dividend received were in proportion to the Company's holding and at the same rate as paid to other shareholders
Siam Retail Development Co., Ltd. (SRD) and LH Mall and Hotel Co., Ltd. (LHMH)	- Mr. Anant Asavabhokin holds 23.93 % in LH and is also a major shareholder in SRD by directly holds 27% and indirectly holds 13% in SRD. - LHMH is a subsidiary 99.99% held by LH	- LHMH was hired as a consultant and sales marketing management to SRD for three years agreement from March 1, 2017 to February 29 2020 in the serviced value not exceed 200 million Baht and also had a MOU enclosed with the contract which effective from June 1, 2019 to February 29, 2020 for the additional value from the existing contract to be in total value not exceeding 60 million Baht. And in year 2020, there was a new contract For 3 years from March 1, 2020 to February 28, 2023 in total value of 450 million Baht (Excluding VAT) to manage the 4 shopping malls which are Fashion Islands, The Promenade, Terminal 21 Korat and Cherry Mall - LHMH was hired as a consultant to renovate the space and manage the sales in the area of the zone of stores which has been renovated to SRD for 1 year and 8 months starting from July 1, 2018 to February 29, 2020 for the value of total not exceed 50 million Baht - Real Estate Management Fee - HR Management Fee - Trade Receivables				- The Board of Directors' meeting on February 28, 2017 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion - The Board of Directors' meeting on August 14, 2019 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion The Board of Directors' meeting on August 14, 2018 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion The Board of Directors' meeting on February 27, 2020 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion
			69	98	83	
			1	1	-	
			9	21	16	

Individual / Juristic person	Relationship (as of Dec, 31, 2020)	Nature of transaction	Value (MB)			Opinions of Audit Committee
			2018	2019	2020	
Quality House Leasehold Property Fund (QHPF) and LH Mall and Hotel Co., Ltd. (LHMH)	<ul style="list-style-type: none"> - LHMH is a subsidiary 99.99% held by LH - LH is a major shareholder of QH, holding 24.98% - QH is a major shareholder of QHPF, holding 25.66% - LH and QH have 3 common directors who are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool and Mr. Achawin Asavabhokin 	<ul style="list-style-type: none"> - LHMH was hired to manage the retail space in Life Center for QHPF for 3 years, starting from January 1, 2020 to December 31, 2023 - Property Management Fee - Human Resources Management Fee - Other Receivables 	4	4	3	- Terms and prices were done as normal business practices and comparable to other outsiders
			-	3	3	
			1	2	1	

2. Necessity and Reasonableness of the related party transactions

The related-party transactions were necessary and reasonable to conduct such transactions to maximize the Company's utmost benefits. The Audit Committee was of the opinion that such transactions were in accordance with the nature of normal business practices which was done with other customers, and that the Company received and was paid the compensation at an appropriate market prices.

3. Measures or Procedures of approving the related party transactions

All related party transactions must be considered and received the approval from the Board of Directors with the attendance of the Audit Committee presented in the meetings and also approved by the shareholders' meeting, as the case may be. The directors or the person who was authorized by the directors shall not take part in the approval of the transactions which they or other persons who may have conflicts of interests or may constitute potential conflicts of interests in any manners with the Company or its subsidiaries. The Company must also perform in compliance with the laws on securities and the stock exchange, regulations, notifications, orders and any requirements of the Stock Exchange of Thailand including the compliance with the requirements regarding the disclosure of related-party transaction information including the acquisitions and disposals of assets.

4. Policy or trend of Related- Party Transactions

The Company has set a policy to conduct any existing related-party transactions in the future by setting up various conditions to keep all transactions to be in accordance with the ordinary course of business operations at the market prices which can be compared with those incurred with any outsiders. In any case, the Company will have the Audit

Committee, its auditor or independent experts to consider, examine and provide any comments on the appropriateness of the price and the reasonableness of the transaction.

In case that there is a related-party transaction between the Company or its subsidiaries and the parties with potential conflicts of interest or may cause potential conflicts of interest in the future, it will seek the opinions from the Audit Committee on the necessity and appropriateness of the transactions. In a case where the Audit Committee may not have expertise to consider on the mentioned issues, the Company will seek the opinions from independent experts or its auditors. The opinions will subsequently be used in the process of decision making by the Board of Directors or shareholders, whichever the case may be. The Company also discloses such transactions in the notes to the financial statements, except for the following transactions which the Management has the mandate to approve:

4.1 Normal business transactions or those transactions which support normal business transactions with general commercial conditions in the same manner that a reasonable person would do with general contracting parties under the same circumstance, with trade bargaining power in absent of the influence of his status as a director, executive or related party.

4.2 Transactions conducted under an employee's rights project of which the rights are made available to all employees who work with the Company in general, without any discrimination or provide to any specific person

5. Reasons why parties with potential conflicts of interests hold more than 10% of shares in the subsidiaries or associated companies.

The case of LH Financial Group Plc. (LHFG)

As of December 31, 2020, the shareholders of LHFG,

which LHFG holds 100% of shares in Land and Houses Bank Plc., comprises of

- (1) Land and Houses Plc. (LH) holds shares of 22.16%
- (2) Quality Houses Plc. (QH) holds shares of 13.91%
- (3) Ms. Piangjai Harnpanij holds shares of 10.56%
- (4) CTBC BANK holds shares of 36.07%

Other minority shareholders hold together equal to 17.30%

Under the abovementioned shareholding structure, Ms. Piangjai Harnpanij is a person with potential conflicts of interest with LH and QH, as she is related to Mr. Anant Asavabhokhin by consanguinity. A group led by Mr. Anant is the majority shareholder of LH, with 30.73% (as of August 28, 2020)

The indirect holding of Ms. Piangjai Harnpanij which is more than 10% in LH Bank, which is an associated company of LH and QH (which indirectly held shares in LH Bank of 13.74%) thus the structure of such holding is not comply with the status of a listed company on the Stock Exchange of Thailand B.E. 2544 (2001). Item 6 of the notification provides: “A listed company and its subsidiaries must not have conflicts of interest as defined by the criteria under the notifications of the Securities and Exchange Commission of Thailand”. The reason, necessity and background of such a shareholding structure dated back to when LHFG filed a request to set up a commercial bank under the LH Bank name dated January 23, 2004. Item 4.6 on the qualifications of an eligible applicant stipulates: “An entity which has the right to submit the application must not have any other person become a new majority shareholder from the date the Minister signed this announcement to the date the license to operate a bank is granted or the date it is notified that its application has been turned down, whichever is applicable”. The majority shareholder in this case means a person with controlling power who holds 20% or more of all shares. Holding more than 5% in a commercial bank requires an approval from the Bank of Thailand and the Ministry of Finance, and Ms. Piangjai was granted the approval. As of April 29, 2014, Ms Piangjai indirectly held a 16.20% stake in LH Bank

On the shareholding structure which may constitute a conflict of interest, the Stock Exchange of Thailand decided that the structure was part of the condition in setting up LH Bank, which had already been approved by the Ministry of Finance. The stake held by Ms. Piangjai will be reduced under the public offering plans and obligations with the Bank of Thailand and Ministry of Finance. Furthermore, by nature

of LH Bank’s core business, which does not compete with that of the Company or allows for a transfer of benefits at a disadvantage of the minority shareholders of LH and QH. As a result, the Stock Exchange of Thailand was of the opinion that such a shareholding structure should not disqualify LH and QH on the basis of conflicts of interest (as shown in the letter issued by the Stock Exchange of Thailand No. 462/2548 on the subject “Response to the enquiry on the maintaining of the status of a listed company” dated May 9, 2005)

In addition, other guidelines to eliminate potential conflicts of interest were adopted as follows:

(a) LH Bank, which operates a commercial banking business, by nature does not compete with LH and QH, whose core businesses involve property development.

(b) Ms. Piangjai must reduce her indirect holding in the retail commercial bank to be less than 5% within the relaxation timeframe set forth by the Bank of Thailand and the Ministry of Finance.

(c) Ms. Piangjai is not a director or executive of LH Bank.

(d) LH Bank has 4 independent directors and audit directors to consider issues which may constitute conflicts of interest. Besides, as listed companies on the Stock Exchange of Thailand, LH and QH are required to have independent and audit directors to consider issues with potential conflicts of interests.

On July 27, 2017, CTBC Bank Company Limited, a Taiwanese Bank has purchased shares in LHFG of 7,545 million shares at the price of 2.20 Baht each, which made total sum of 16,599 million Baht or 35.62% of the issued and paid up share capital, thus the Company’s shareholding in LHFG diluted to 21.88% of the issued and paid-up share capital and thus diluted the shareholding of Ms, Piangchai to be now only 10.43%



- Section 3 -

Financial Position and Operating Performance

Accountability report of the Board of Directors for Financial Reporting

Dear Shareholders

The Board of Directors is responsible for the consolidated financial statement of Land and Houses Plc. and its subsidiaries and the company's separate financial statement including other financial information stated in the Company's annual report. The financial statements have been prepared in accordance with generally accepted accounting principles and standard under appropriate accounting policies and regular adherence to them including the use of careful judgment and reasonable estimates in the preparation of these financial statements. Also the material information has been sufficiently disclosed in the notes to financial statement. Therefore, it reflects the real and transparent financial position and performance for the benefits of all shareholders and investors who use the financial statements. Such statements had been reviewed and audited by independent auditors who had expressed an unqualified opinion to the report.

The Board of Directors, has the duties to supervise and develop the corporate governance, and ethics including to establish efficient and effective risk management and internal control to ensure that all the Company's accounting information is accurate, comprehensive and adequate to maintain the assets and to perceive the weakness and be able to protect any operational risks duly on time. The Board of Directors also set up the Audit Committee which comprised

of three independent directors to supervise and review the quality of financial reporting, to review and to assess the internal control including to oversee the transactions which may deem as connected transactions or may have the potential to be conflicts of interests so as to ensure that the Company has complied with all the legal, regulations and has disclosed all the essential and accurate information. The Audit Committee's opinion on these matters are expressed in the Audit Committee Report in the Annual Report.

The Board of Directors is of the opinion that the overall internal control system of the Company is adequate and appropriate which can bring the reasonable confidence in the reliability of the Company's consolidated financial statements and its subsidiaries and the separate financial statement of the Company for the year ending December 31, 2020 and gives fair view in significant issues in accordance with the Thai Financial Reporting Standards.

Yours Sincerely,



(Mr. Naporn Sunthornchitcharoen)
Chairman of the Board of Directors /
Chairman of the Executive Board

Report of the Audit Committee

Dear Shareholders

The Audit Committee which composes of independent directors who have sufficient expertise and experience in legal, accounting, finance and management and none of them are the executives or employees of the Company.

In 2020, the Audit Committee held 6 meetings which members attended were as follows:

Name		Position	Attendance / Total number of meetings
Mr. Pakhawat	Kovithvathanaphong	Chairman of Audit Committee	6 / 6
Mr. Piphob	Veraphong	Member of Audit Committee	6 / 6
Mr. Bandit	Pitaksit	Member of Audit Committee	6 / 6

The Audit Committee has performed its duties which were assigned by the Board of Directors and followed the Articles of Association of the Company on criteria and guidelines of the Audit Committee which is in line with the guidelines of the Stock Exchange of Thailand , by focusing on the compliance with good corporate governance and good internal audit system. In order to optimize its efficiencies, the Audit Committee has invited the external Auditor, the Senior Vice Presidents of the Accounting Department and also other executives from some departments to join the meetings and to discuss in several issues that may be concerned to them. In the fifth meeting which was held exclusively with the external auditors only, without any attendance of the Company's management or executives from any department so as to allow the Audit Committee to listen to their work environment, to exchange their views and to acknowledge their significant notices and suggestions including to update the revised accounting standards, which the Audit Committee will have to present to the Board of Directors to acknowledge or review in the major recommendations raised from the external auditors.

Major activities of the Audit Committee were as follows:

1. Review the credibility of the Company's financial statements, both the quarterly and annual financial statements, for the benefits of all investors or financial statements users.

The Audit Committee is of the opinion that the Company's financial reports were accurate, reliable and in line with generally accepted accounting principles in same standard as of all of the previous years.

2. Review and continuously follow up on the internal control and internal audit systems in cooperation with Company's auditors and the Internal Audit Department to regularly report their concerns to the Committee to ensure that sufficient management actions have be arranged duly in time to cope with the constantly changing situations.

The Audit Committee did not find any significant internal control flaws which the Company's auditors and Internal Audit Department shared the same view. The Committee had also approved the internal audit plan for the year 2021 of the Internal Audit Department.

3. Review and constantly follow up on important legal disputes of the Company and propose the Company to adhere to regulations regarding securities and other stipulations of the Stock Exchange of Thailand and/or other related acts or laws which related to the Company's business.

The Audit Committee did not find any incidents which could lead to significant violations of government rules and regulations or related laws.

4. Review any connected transactions and consistently monitor the transactions which may be classified as related-party transactions or such transactions that may cause potential conflicts of interests to ensure that the Company has complied with the regulations of the related entities and has disclosed accurate and complete information which the interests of all stakeholders had been taken into consideration.
The Audit Committee found that the Company has complied with the related rules and regulations which means that the Company has treated the connect transactions in normal practice as those the Company has conducted with other third parties.
5. Selection of the external auditors based on their independence, reputation, past performances, as well as the appropriate audit fee. For the year 2020, the Audit Committee proposed the appointment of the external auditors from EY Office Limited to the Board of Directors and received the approval from the Shareholders' meeting at the 2020 annual general shareholders' meeting.
6. Emphasize the Company to have good corporate governance consistently based on the principles of the Stock Exchange of Thailand and the Securities and Exchange Commission to set the Company's working standards to be above the normal standards.
7. The Audit Committee has been informed the guidelines of risk management and the progress of the Company's sustainable development plan from the Risk Management and Sustainable Development Committee and acknowledged that the Company has an appropriate monitoring procedure to use as a risk management tool including the proper guidelines to manage such risks, both in short and long term, consistently.

8. The Audit Committee has performed its duties independently throughout the period of work and has also conducted a self-assessment at the end of the year to review the comprehensiveness and accuracy according to the scope defined in the Audit Committed Charter.

The Audit Committee has applied their knowledge and skills, and adequate carefulness for the best interests of all stakeholders equitably. The Committee provided consensual opinion that the Company has recognized the importance of interests of shareholders and all relevant parties and has capability to perform its operation in line with the established good corporate governance principles. Lastly, the Audit Committee would like to inform that the Committee had found no significant flaws.

Yours Sincerely,



(Mr. Pakhawat Kovithvathanaphong)

Chairman of the Audit Committee

February 24, 2021

Independent Auditor's Report

To the Shareholders of Land and Houses Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Land and Houses Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of income, 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 Land and 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 Land and Houses Public Company Limited and its subsidiaries and of Land and Houses Public Company Limited as at 31 December 2020, 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 to each matter are described below.

Revenue recognition from sales of real estate

The accounting policy for revenue recognition from sales of real estate is disclosed in Note 5.1 to the financial statements. Revenue from sales of real estate recognises a significant portion compared to total revenue. In addition, the Group has a large number of real estate development projects. I therefore identified the revenue recognition from sales of real estate as a key audit matter and focused on the occurrence and timing of the revenue recognition.

I have examined the revenue recognition from sales of real estate of the Group, included

- Assessing and testing the effectiveness of the Group's IT general controls and 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 sale agreements and condominium sale agreements to assess whether the revenue recognition 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 sales transactions of revenue from sale throughout the period.

Sale of investment property

As described in Note 19 to the financial statements, in November 2020, Land and House U.S.A., Inc. ("the Subsidiary"), the Company's subsidiary, sold apartment for rent in the United States of America for a total of Baht 2,373 million. The Subsidiary had gain on sale of such assets of Baht 405 million. This transaction is the significant sale transaction that occurred during the year. Therefore, I have focused on the recognition of this transaction and disclosure of relevant information in the financial statements.

I have examined the recognition of sale of investment property, included

- Inquiring of the Subsidiary's management as to the nature and objectives of the sale transaction and reviewing the minute of the meeting of the Subsidiary's Board of Directors as evidence for approval of the transaction.
- Checking the provisions and conditions of the related sale agreements, the payment receipts and supporting documents related to this sale transaction.
- Considering the exercise of management judgement in the recording of the transaction of sale of assets and reviewing relevant disclosures made in notes to the financial statements.

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



Rungrapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 24 February 2021

Statement of financial position

Land and Houses Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7, 8	7,112,929,565	4,554,038,426	5,654,828,958	2,843,299,639
Current investments	7, 9	-	70,000,000	-	-
Trade and other receivables	10	187,009,761	239,795,929	75,528,580	484,995,315
Short-term loans to related party	7	-	-	6,266,180,520	-
Inventories	11	52,893,101,890	53,373,604,645	45,282,764,492	47,540,347,382
Advance payment for constructions		529,536,166	849,375,670	254,201,584	643,359,307
Deposits for purchase of land and others		569,622,809	119,932,241	564,940,801	115,865,372
Cost to obtain contracts with customers	12	141,445,998	147,617,009	141,445,998	147,617,009
Other current financial assets	7, 9	1,459,306,334	-	1,429,306,334	-
Other current assets		462,040,366	1,155,465,126	79,197,583	850,030,479
Total current assets		63,354,992,889	60,509,829,046	59,748,394,850	52,625,514,503
Non-current assets					
Restricted bank deposit	13	10,773,015	10,757,427	-	-
Other non-current financial assets	14	4,418,783,997	-	3,020,440,116	-
Investments in subsidiaries	15	-	-	6,802,945,465	7,191,500,855
Investments in associates	16	23,963,609,599	24,405,367,138	23,963,609,599	24,405,367,138
Other long-term investments	17	-	6,036,836,264	-	3,749,218,098
Long-term loans to related parties	7	534,198,147	536,153,050	6,713,911,400	12,137,084,560
Land held for development	18	2,939,846,944	1,337,202,379	2,623,950,564	1,207,659,650
Investment properties	19	10,960,670,753	13,264,213,163	212,074,242	211,753,242
Property, plant and equipment	20	601,479,047	687,746,709	323,047,729	342,194,010
Right-of-use assets	21.1	14,910,539,880	-	279,603,668	-
Leasehold rights	21.1	-	5,729,781,936	-	-
Other intangible assets	22	33,249,603	41,272,508	12,462,821	15,203,042
Deferred tax assets	33	721,178,817	558,954,051	619,954,734	469,036,786
Other non-current assets	7	121,740,618	20,933,886	12,333,137	12,375,037
Total non-current assets		59,216,070,420	52,629,218,511	44,584,333,475	49,741,392,418
Total assets		122,571,063,309	113,139,047,557	104,332,728,325	102,366,906,921

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

Statement of financial position (continued)

Land and Houses Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	23	6,845,000,000	470,000,000	5,875,000,000	-
Trade and other payables	7, 24	3,140,282,233	3,805,940,003	2,294,297,840	2,532,841,519
Retention guarantees		530,381,943	437,014,918	373,812,223	345,293,874
Current portion of long-term loans	25	226,267,500	1,203,186,999	-	-
Current portion of debentures	26	11,000,000,000	14,000,000,000	11,000,000,000	14,000,000,000
Current portion of lease liabilities	21.1	764,937,053	4,094,722	44,551,278	-
Income tax payable		497,592,060	494,927,812	374,377,021	383,211,568
Short-term provisions	27	702,102,138	1,053,130,065	642,765,892	1,015,918,533
Advances received from customers		1,091,802,243	1,106,308,487	1,012,438,111	1,054,483,792
Other current liabilities		292,687,557	263,869,064	179,651,322	151,473,937
Total current liabilities		25,091,052,727	22,838,472,070	21,796,893,687	19,483,223,223
Non-current liabilities					
Long-term loans from related party	7	-	-	840,000,000	840,000,000
Long-term loans - net of current portion	25	14,784,120,500	9,018,398,000	8,520,000,000	4,000,000,000
Debentures - net of current portion	26	22,600,000,000	25,200,000,000	22,600,000,000	25,200,000,000
Lease liabilities - net of current portion	21.1	6,858,471,114	7,375,005	238,727,260	-
Provision for long-term employee benefits	28	594,850,240	527,693,187	433,485,651	380,376,240
Deferred tax liabilities	33	1,509,055,689	1,817,413,443	-	-
Other non-current liabilities		532,834,524	546,829,454	-	-
Total non-current liabilities		46,879,332,067	37,117,709,089	32,632,212,911	30,420,376,240
Total liabilities		71,970,384,794	59,956,181,159	54,429,106,598	49,903,599,463

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

Statement of financial position (continued)

Land and Houses Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
12,031,105,828 ordinary shares of Baht 1 each		12,031,105,828	12,031,105,828	12,031,105,828	12,031,105,828
Issued and paid-up					
11,949,713,176 ordinary shares of Baht 1 each		11,949,713,176	11,949,713,176	11,949,713,176	11,949,713,176
Share premium		15,452,854,216	15,452,854,216	15,452,854,216	15,452,854,216
Other surplus		1,227,782,536	1,227,782,536	1,227,782,536	1,227,782,536
Retained earnings					
Appropriated - Statutory reserve	29	1,203,110,583	1,203,110,583	1,203,110,583	1,203,110,583
Unappropriated		21,487,111,223	21,646,884,245	21,487,111,223	21,646,884,245
Other components of shareholders' equity		(1,416,950,007)	982,962,702	(1,416,950,007)	982,962,702
Equity attributable to owners of the Company		49,903,621,727	52,463,307,458	49,903,621,727	52,463,307,458
Non-controlling interests of the subsidiaries	15.3	697,056,788	719,558,940	-	-
Total shareholders' equity		50,600,678,515	53,182,866,398	49,903,621,727	52,463,307,458
Total liabilities and shareholders' equity		122,571,063,309	113,139,047,557	104,332,728,325	102,366,906,921

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

Income statement

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Revenue from sales of real estate		27,481,217,388	25,151,365,430	24,319,359,073	24,267,047,752
Revenue from hotel operations		976,268,322	2,970,202,418	-	-
Rental income		1,210,900,147	1,639,995,592	-	-
Interest income		39,858,206	75,826,612	484,280,943	523,809,105
Dividend income		115,665,212	230,495,630	58,599,740	100,208,042
Other income					
Infrastructure service income		398,072,695	349,501,114	356,758,727	317,495,009
Project management income		230,054,083	296,324,681	-	-
Gain on sales of properties	7, 19, 21	405,275,313	2,418,305,871	-	-
Gain on sales of land held for development		34,269,426	-	34,269,426	-
Gain on exchange		2,137,574	-	8,622,994	-
Others	30	163,964,861	175,331,984	120,828,974	67,908,573
Total revenues		31,057,683,227	33,307,349,332	25,382,719,877	25,276,468,481
Expenses					
Cost of real estate sales		18,766,975,134	16,994,755,090	16,625,901,625	16,363,430,663
Cost of hotel operations		880,712,464	2,134,907,118	-	-
Cost of rental		940,384,313	1,037,856,138	-	-
Cost of project management		156,176,367	188,483,800	-	-
Selling expenses		636,820,746	728,319,807	495,669,143	514,079,377
Specific business tax and transfer fee		1,041,992,649	974,705,276	921,172,928	932,519,610
Administrative expenses		2,224,992,865	2,367,718,427	1,712,672,136	1,820,742,144
Reversal of provision for legal cases		(349,089,765)	(352,701,533)	(349,089,765)	(352,701,533)
Loss on derivatives		121,449,846	-	118,097,245	-
Loss on sales of property, plant and equipment		-	1,354,061	-	1,291,107
Loss on exchange		-	12,526,670	-	7,243,048
Total expenses		24,420,414,619	24,087,924,854	19,524,423,312	19,286,604,416
Operating profit		6,637,268,608	9,219,424,478	5,858,296,565	5,989,864,065
Share of profit from investments in subsidiaries	15.2	-	-	419,830,853	2,396,407,771
Share of profit from investments in associates	16.2	2,588,371,562	3,382,510,038	2,588,371,562	3,382,510,038
Finance cost	31	(888,130,011)	(835,448,009)	(674,544,586)	(679,671,629)
Profit before income tax expenses		8,337,510,159	11,766,486,507	8,191,954,394	11,089,110,245
Income tax expenses	33	(1,215,735,663)	(1,718,793,588)	(1,047,036,975)	(1,064,203,886)
Profit for the year		7,121,774,496	10,047,692,919	7,144,917,419	10,024,906,359

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

Income statement (continued)

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Net income attributable to:					
Equity holders of the Company		7,144,917,419	10,024,906,359	7,144,917,419	10,024,906,359
Non-controlling interests of the subsidiaries	15.3	(23,142,923)	22,786,560		
		<u>7,121,774,496</u>	<u>10,047,692,919</u>		
Earnings per share	34				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.60	0.84	0.60	0.84

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

Statement of comprehensive income

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the year		<u>7,121,774,496</u>	<u>10,047,692,919</u>	<u>7,144,917,419</u>	<u>10,024,906,359</u>
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain (loss) on change in value of available-for-sale investments - net of income tax		-	263,456,709	-	(2,019,870)
Exchange differences on translation of financial statements in foreign currency		(12,367,052)	(89,601,891)	-	-
Share of other comprehensive income from investments in subsidiaries	15.2	-	-	(12,367,052)	175,874,621
Share of other comprehensive income from investments in associates	16.2	<u>200,379,970</u>	<u>(15,370,060)</u>	<u>200,379,970</u>	<u>(15,370,060)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>188,012,918</u>	<u>158,484,758</u>	<u>188,012,918</u>	<u>158,484,691</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial loss - net of income tax		(46,962,006)	-	(45,277,736)	-
Loss on changes in value of equity investments designated at fair value through other comprehensive income - net of income taxes		(1,565,262,793)	-	(721,888,211)	-
Share of other comprehensive income from investments in subsidiaries	15.2	-	-	(844,526,572)	-
Share of other comprehensive income from investments in associates	16.2	<u>(1,091,166,363)</u>	<u>(33,016,158)</u>	<u>(1,091,166,363)</u>	<u>(33,016,158)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(2,703,391,162)</u>	<u>(33,016,158)</u>	<u>(2,702,858,882)</u>	<u>(33,016,158)</u>
Other comprehensive income for the year		<u>(2,515,378,244)</u>	<u>125,468,600</u>	<u>(2,514,845,964)</u>	<u>125,468,533</u>
Total comprehensive income for the year		<u>4,606,396,252</u>	<u>10,173,161,519</u>	<u>4,630,071,455</u>	<u>10,150,374,892</u>
Total comprehensive income attributable to:					
Equity holders of the Company		4,630,071,455	10,150,374,892	<u>4,630,071,455</u>	<u>10,150,374,892</u>
Non-controlling interests of the subsidiaries		<u>(23,675,203)</u>	<u>22,786,627</u>		
		<u>4,606,396,252</u>	<u>10,173,161,519</u>		

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

Statement of changes in shareholders' equity

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements												
	Equity attributable to owners of the Company												
	Other components of shareholders' equity												
	Other comprehensive income												
	Exchange differences on translation of financial statements in foreign currency												
	Issued and fully paid-up share capital	Share premium	Other surplus	Appropriated - Statutory reserve	Retained earnings	Surplus on change in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Fair value reserve	Share of other comprehensive income from associates	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2019	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	19,388,575,471	694,418,278	192,179,252	-	(120,145,804)	857,494,169	50,079,530,151	769,061,550	50,848,591,701
Profit for the year	-	-	-	-	10,024,906,359	-	-	-	-	-	10,024,906,359	22,786,560	10,047,692,919
Other comprehensive income for the year	-	-	-	-	-	263,456,642	(89,601,891)	-	(48,386,218)	125,468,533	125,468,533	67	125,468,600
Total comprehensive income for the year	-	-	-	-	10,024,906,359	263,456,642	(89,601,891)	-	(48,386,218)	125,468,533	10,150,374,892	22,786,627	10,173,161,519
Dividend paid (Note 37)	-	-	-	-	(7,766,418,589)	-	-	-	-	-	(7,766,418,589)	-	(7,766,418,589)
Subsidiaries paid dividend to non-controlling interests of subsidiaries (Note 15.3)	-	-	-	-	-	-	-	-	-	-	-	(72,289,237)	(72,289,237)
Income tax from unpaid dividend	-	-	-	-	(178,996)	-	-	-	-	-	(178,996)	-	(178,996)
Balance as at 31 December 2019	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,646,884,245	957,874,920	102,577,361	-	(168,532,022)	982,962,702	52,463,307,458	719,558,940	53,182,866,398
Balance as at 1 January 2020	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,646,884,245	957,874,920	102,577,361	-	(168,532,022)	982,962,702	52,463,307,458	719,558,940	53,182,866,398
Cumulative effect of change in accounting policies (Note 4)	-	-	-	-	(111,488,699)	(957,874,920)	-	1,004,622,892	44,625,021	91,372,993	(20,115,706)	1,173,051	(18,942,655)
Balance as at 1 January 2020 - as restated	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,535,395,546	-	102,577,361	1,004,622,892	(123,907,001)	1,074,335,695	52,443,191,752	720,731,991	53,163,923,743
Profit for the year	-	-	-	-	7,144,917,419	-	-	-	-	-	7,144,917,419	(23,142,923)	7,121,774,496
Other comprehensive income for the year	-	-	-	-	(46,429,726)	-	(12,367,052)	(1,565,262,793)	(890,786,393)	(2,468,416,238)	(2,514,845,964)	(532,280)	(2,515,378,244)
Total comprehensive income for the year	-	-	-	-	7,098,487,693	-	(12,367,052)	(1,565,262,793)	(890,786,393)	(2,468,416,238)	4,630,071,455	(23,675,203)	4,606,396,252
Investment in equity instruments derecognised during the year of associates	-	-	-	-	22,869,464	-	-	-	(22,869,464)	-	-	-	-
Dividend paid (Note 37)	-	-	-	-	(7,169,594,873)	-	-	-	-	-	(7,169,594,873)	-	(7,169,594,873)
Income tax from unpaid dividend	-	-	-	-	(46,607)	-	-	-	-	-	(46,607)	-	(46,607)
Balance as at 31 December 2020	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,487,111,223	-	90,210,309	(560,639,901)	(1,037,562,858)	(1,416,950,007)	49,903,621,727	697,056,788	50,600,678,515

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

Statement of changes in shareholders' equity (continued)

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements									
	Other components of shareholders' equity									
	Other comprehensive income									
	Issued and fully paid-up share capital	Share premium	Other surplus	Retained earnings	Surplus on change in value of available-for-sale investments	Fair value reserve	Share of other comprehensive income from subsidiaries	Share of other comprehensive income from associates	Share premium of associate	Total other components of shareholders' equity
Balance as at 1 January 2019	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	19,388,575,471	233,337,035	-	653,240,495	91,042,443	857,494,169
Profit for the year	-	-	-	-	10,024,906,359	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(2,019,870)	-	-	(48,386,218)	-	-
Total comprehensive income for the year	-	-	-	-	10,024,906,359	-	-	(48,386,218)	-	-
Dividend paid (Note 37)	-	-	-	-	(7,766,418,589)	-	-	-	-	-
Income tax from unpaid dividend	-	-	-	-	(178,996)	-	-	-	-	-
Balance as at 31 December 2019	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,646,884,245	231,337,165	-	829,115,116	91,042,443	982,962,702
Balance as at 1 January 2020	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,646,884,245	231,337,165	-	829,115,116	91,042,443	982,962,702
Cumulative effect of change in accounting policies (Note 4)	-	-	-	-	(111,488,699)	231,337,165	46,747,972	44,625,021	-	91,372,993
Balance as at 1 January 2020 - as restated	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,535,395,546	-	875,863,088	(123,907,001)	91,042,443	1,074,335,695
Profit for the year	-	-	-	-	7,144,917,419	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(46,429,726)	-	-	(890,786,393)	-	-
Total comprehensive income for the year	-	-	-	-	7,098,487,693	-	-	(890,786,393)	-	-
Investment in equity instruments derecognised during the year of associates	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 37)	-	-	-	-	22,869,464	-	-	(22,869,464)	-	-
Income tax from unpaid dividend	-	-	-	-	(7,169,594,873)	-	-	-	-	-
Balance as at 31 December 2020	11,949,713,176	15,452,854,216	1,227,782,536	1,203,110,583	21,487,111,223	-	20,121,454	(1,037,562,858)	91,042,443	(1,416,950,007)
										4,630,071,455
										52,443,191,752
										7,144,917,419
										(2,514,845,964)
										4,630,071,455
										-
										(7,169,594,873)
										(46,607)
										49,903,621,727

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

Cash flow statement

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax expenses	8,337,510,159	11,766,486,507	8,191,954,394	11,089,110,245
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Inventories decrease from transfer to cost of sales	17,180,143,729	15,425,844,928	15,183,481,057	14,876,539,861
Depreciation and amortisation	951,447,592	739,105,417	121,714,881	68,271,395
Variance from rental reduction	64,473,924	-	-	-
Share of profit from investments in subsidiaries	-	-	(419,830,853)	(2,396,407,771)
Share of profit from investments in associates	(2,588,371,562)	(3,382,510,038)	(2,588,371,562)	(3,382,510,038)
Loss (gain) on sales of property, plant and equipment	(1,558,730)	1,354,061	(1,637,572)	1,291,107
Gain on sales of land held for development	(34,269,426)	-	(34,269,426)	-
Gain on sales of properties	(405,275,313)	(2,418,305,871)	-	-
Unrealised loss (gain) on exchange	(11,319,189)	48,442,775	(9,921,491)	7,301,280
Loss on derivatives	121,449,846	-	118,097,245	-
Reversal of provision for legal cases	(340,195,685)	(333,768,359)	(340,195,685)	(333,768,359)
Provision for after sale maintenance expenses	71,268,227	77,320,132	61,943,814	75,581,235
Provision for contributions to housing estate juristic persons	41,190,359	32,309,473	33,750,438	30,288,515
Provision for maintenance of public utilities	88,812,603	117,048,008	78,058,304	115,496,821
Reversal of provision for damages from project	(17,555,593)	-	(17,555,593)	-
Long-term employee benefits expenses	46,079,866	51,134,610	26,422,423	32,300,361
Write-off of withholding tax deducted at source	2,668,756	1,441,135	-	-
Interest income	(39,858,206)	(75,826,612)	(484,280,943)	(523,809,105)
Dividend income	(115,665,212)	(230,495,630)	(58,599,740)	(100,208,042)
Interest expenses	874,013,619	819,694,152	660,428,194	663,917,771
Profit from operating activities before change in operating assets and liabilities	24,224,989,764	22,639,274,688	20,521,187,885	20,223,395,276
Decrease (increase) in operating assets				
Other current financial assets/current investments	(960,459,691)	630,631,873	(1,000,459,691)	500,390,225
Trade and other receivables	61,361,712	4,821,223	5,879,587	14,657,529
Inventories	(17,710,451,974)	(19,994,139,622)	(13,860,146,556)	(16,005,055,207)
Land held for development	-	(4,166,980)	-	-
Other current assets	(32,967,959)	(199,274,261)	118,910,044	(75,769,753)
Other non-current assets	(97,874,104)	(2,867,290)	41,900	6,178
Increase (decrease) in operating liabilities				
Trade and other payables	(713,083,840)	122,684,200	(199,687,025)	(183,931,726)
Retention guarantees	93,367,025	(129,303,485)	28,518,349	(40,678,520)
Other current liabilities	(180,235,589)	(367,959,084)	(203,022,217)	(366,534,743)
Provision for long-term employee benefits	(37,625,321)	(32,272,044)	(29,910,182)	(32,272,044)
Other non-current liabilities	(13,994,930)	295,590	-	-
Cash flows from operating activities	4,633,025,093	2,667,724,808	5,381,312,094	4,034,207,215
Cash paid for income tax	(1,304,440,677)	(1,464,002,079)	(1,015,044,589)	(1,114,813,366)
Net cash flows from operating activities	3,328,584,416	1,203,722,729	4,366,267,505	2,919,393,849

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

Cash flow statement (continued)

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposit	(15,588)	(574,350)	-	-
Decrease (increase) in loans to related parties	-	20,000,000	(828,199,800)	65,400,000
Cash paid for acquisition of investments in REIT	(93,308,735)	-	-	-
Dividend received from subsidiaries	-	-	-	1,728,419,553
Dividend received from associates	1,948,369,612	2,501,730,403	1,948,369,612	2,501,730,403
Dividend received from other companies	107,811,742	230,495,630	50,746,270	100,208,042
Proceeds from sales of land held for development	41,912,100	-	41,912,100	-
Proceeds from sales of properties	2,372,999,175	4,155,000,000	-	-
Proceeds from sales of property, plant and equipment	2,117,944	6,417,678	1,660,000	4,719,400
Cash paid for purchase of investment properties	(65,978,006)	(171,665,666)	(321,000)	(321,000)
Cash paid for purchase of leasehold rights, buildings, equipment and intangible assets	(1,332,615,382)	(951,579,728)	(52,450,068)	(83,843,598)
Cash received from interest income	34,250,059	80,007,133	890,835,489	142,300,459
Net cash flows from investing activities	3,015,542,921	5,869,831,100	2,052,552,603	4,458,613,259
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institution	6,375,000,000	(139,000,000)	5,875,000,000	-
Decrease in short-term loans from related parties	-	-	-	(30,000,000)
Cash received from issuance of debentures	8,400,000,000	13,000,000,000	8,400,000,000	13,000,000,000
Repayment of debentures	(14,000,000,000)	(14,250,000,000)	(14,000,000,000)	(14,250,000,000)
Cash received from long-term loans	5,812,000,000	855,000,000	4,520,000,000	-
Repayment of long-term loans	(1,016,182,999)	(24,290,022)	-	-
Payment of principal portion of lease liabilities	(839,175,658)	(4,954,677)	(48,232,260)	-
Interest paid	(1,398,998,893)	(1,350,136,049)	(1,184,463,656)	(1,142,462,932)
Subsidiaries paid dividend to non-controlling interests of subsidiaries	-	(72,289,237)	-	-
Dividend paid	(7,169,594,873)	(7,766,418,589)	(7,169,594,873)	(7,766,418,589)
Net cash flows used in financing activities	(3,836,952,423)	(9,752,088,574)	(3,607,290,789)	(10,188,881,521)
Exchange differences on translation of financial statements in foreign currency	51,716,225	100,769,426	-	-
Net increase (decrease) in cash and cash equivalents	2,558,891,139	(2,577,765,319)	2,811,529,319	(2,810,874,413)
Cash and cash equivalents at beginning of year	4,554,038,426	7,131,803,745	2,843,299,639	5,654,174,052
Cash and cash equivalents at end of year (Note 8)	7,112,929,565	4,554,038,426	5,654,828,958	2,843,299,639

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

Cash flow statement (continued)

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flow information				
Non-cash items				
Purchases of building and equipment and right-of-use assets recorded as liabilities	354,701,504	166,253,310	9,574,528	7,158,748
Transfer inventories to land held for development (net book value)	1,610,287,239	-	1,423,933,589	-
Interest expenses recorded as cost of projects	599,476,238	557,864,149	489,685,199	511,490,322
Interest expenses recorded as right-of-use assets for rent	3,595,984	43,068	-	-
Dividend receivable from other investment	7,853,469	-	7,853,469	-
Increase (decrease) in revaluation surplus on change in value of available-for-sale investments - net of income tax	-	263,456,709	-	(2,019,870)
Decrease in value of equity investments designated at fair value through other comprehensive income - net of income tax	(1,565,262,793)	-	(721,888,211)	-
Actuarial loss	(58,702,508)	-	(56,597,170)	-
Exchange differences on translation of financial statement in foreign currency	(12,367,052)	(86,332,737)	-	-
Share of other comprehensive income from subsidiaries	-	-	(856,893,624)	175,874,621
Share of other comprehensive income from associates	(890,786,393)	(48,386,218)	(890,786,393)	(48,386,218)
Increase in right-of-use assets due to new lease agreement	1,823,761,420	-	-	-
Increase (decrease) in right-of-use assets due to lease modification	(1,582,514)	-	13,463,759	-

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

Notes to consolidated financial statements

Land and Houses Public Company Limited and its subsidiaries
For the year ended 31 December 2020

1. General information

1.1 General information of the Company

Land and Houses Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in property development. The registered office of the Company is at No. 1, Q. House Lumpini Building, 37th Floor, South Sathon Road, Tungmahamek, Sathon, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used 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 Professions 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 Land and Houses Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (Percent)	2019 (Percent)
<u>Held by the Company</u>				
Atlantic Real Estate Co., Ltd.	Real estate business	Thailand	99.99	99.99
Land and Houses North Co., Ltd.	Real estate business	Thailand	99.99	99.99
Land and Houses Northeast Co., Ltd.	Real estate business	Thailand	99.99	99.99
Siam Tanee Property Co., Ltd. and its subsidiary	Real estate business	Thailand	99.99	99.99
L H Real Estate Co., Ltd.	Real estate business	Thailand	99.99	99.99
L H Asset Co., Ltd.	Real estate business	Thailand	99.99	99.99
L.H. Muang Mai Co., Ltd.	Real estate business	Thailand	55.00	55.00
LH Mall & Hotel Co., Ltd. and its subsidiaries	Real estate for lease business	Thailand	99.99	99.99
L&H Property Co., Ltd.	Real estate for lease business	Thailand	60.00	60.00
Land and Houses U.S.A., Inc.	Real estate for lease business	USA	100.00	100.00
Asia Asset Advisory Co., Ltd.	Investment advisor	Thailand	99.94	99.94
<u>Held by subsidiary companies</u>				
Siam Tanee Real Estate Co., Ltd. (99.99 percent held by Siam Tanee Property Co., Ltd.)	Real estate business	Thailand	99.99	99.99
L&H Retail Management Co., Ltd. (99.97 percent held by LH Mall & Hotel Co., Ltd.)	Project administration	Thailand	99.99	99.99
L&H Management Co., Ltd. (99.98 percent held by LH Mall & Hotel Co., Ltd.)	Project administration	Thailand	99.99	99.99
L&H Hotel Management Co., Ltd. (99.99 percent held by LH Mall & Hotel Co., Ltd.)	Hotel business	Thailand	99.99	99.99

- 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) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of non-listed equity investments - The Group has decided to measure these investments at fair value and classify them as financial assets at fair value through other comprehensive income.
- Classification and measurement of investments in available-for-sale equity securities - The Group has elected to irrevocably classify these investments as financial assets at fair value through other comprehensive income.
- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, and it is no longer necessary for a credit-impaired event to have occurred.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17, Leases, together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to fair value measurement of investments in unquoted equity instrument and reduction in lease payment.

In the fourth quarter of 2020, the Group has assessed some of the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of investments in unquoted equity instrument. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to fair value measurement of investments in unquoted equity instrument and recognised resulting losses of Baht 52 million in other comprehensive income for the year ended 31 December 2020 due to a decrease in the fair value of investments in unquoted equity instrument.

However, the Group has elected to continue to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The effect of		
		Financial reporting standards related		
	31 December 2019	to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	70,000	(70,000)	-	-
Other current financial assets	-	273,231	-	273,231
Other current assets	1,155,465	(787,889)	-	367,576
Non-current assets				
Other non-current financial assets	-	6,805,211	-	6,805,211
Investments in associates	24,405,367	40,097	(231,069)	24,214,395
Other long-term investments	6,036,836	(6,036,836)	-	-
Property, plant and equipment	687,747	-	(5,723)	682,024
Leasehold rights	5,729,782	-	(5,729,782)	-
Right-of-use assets	-	-	12,619,590	12,619,590
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	3,805,940	-	(98,392)	3,707,548
Current portion of lease liabilities	4,095	-	674,225	678,320
Non-current liabilities				
Lease liabilities, net of current portion	7,375	-	6,308,252	6,315,627
Deferred tax liabilities	1,817,413	11,687	-	1,829,100
Shareholders' equity				
Retained earnings - unappropriated	21,646,884	119,580	(231,069)	21,535,395
Other components of shareholders' equity	982,963	91,374	-	1,074,337
Non-controlling interests of subsidiaries	719,559	1,173	-	720,732

(Unit: Thousand Baht)

	Separate financial statements			
	The effect of			
	31 December	Financial reporting standards related to financial instruments	TFRS 16	1 January
	2019			2020
Statement of financial position				
Assets				
Current assets				
Other current financial assets	-	203,231	-	203,231
Other current assets	850,030	(774,268)	-	75,762
Non-current assets				
Other non-current financial assets	-	4,442,605	-	4,442,605
Investments in subsidiaries	7,192,501	48,507	-	7,241,008
Investments in associates	24,405,367	40,097	(231,069)	24,214,395
Other long-term investments	3,749,218	(3,749,218)	-	-
Right-of-use assets	-	-	311,125	311,125
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	41,314	41,314
Non-current liabilities				
Lease liabilities, net of current portion	-	-	269,811	269,811
Shareholders' equity				
Retained earnings - unappropriated	21,646,884	119,580	(231,069)	21,535,395
Other components of shareholders' equity	982,963	91,374	-	1,074,337

4.1 Financial instruments

- a) Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Retained earnings	Other components of shareholders' equity	Retained earnings	Other components of shareholders' equity
Recognition of derivatives at fair value through profit or loss	124,109	-	122,350	-
Recognition of derivatives at fair value through profit or loss from share gain of investment in subsidiary	-	-	1,759	-
Recognition of derivatives at fair value through profit or loss from share gain of investment in associates	(4,529)	-	(4,529)	-
Fair value measurement of non-listed equity investments	-	46,748	-	-
Fair value measurement of non-listed equity investments from share gain of investment in subsidiary	-	-	-	46,748
Fair value measurement of non-listed equity investments from share gain of investment in associates	-	44,626	-	44,626
Impacts of the adoption of financial reporting standards related to financial instruments	119,580	91,374	119,580	91,374

b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

Consolidated financial statements					(Unit: Thousand Baht)
	The former carrying amount	Classification and measurement in accordance with TFRS 9			Total
		Fair value through profit or loss	Fair value through comprehensive income	Amortised cost	
Financial assets as at 1 January 2020					
Cash and cash equivalents	4,554,038	-	-	4,554,038	4,554,038
Trade and other receivables	239,796	-	-	239,796	239,796
Other current financial assets					
- Fixed deposits receipt	70,000	-	-	70,000	70,000
- Derivative assets	170,432	203,231	-	-	203,231
Restricted bank deposits	10,757	-	-	10,757	10,757
Long-term loans to related parties	536,153	-	-	536,153	536,153
Other non-current financial assets					
- Investment in equity instruments	6,036,836	-	6,095,271	-	6,095,271
- Derivative assets	617,457	709,940	-	-	709,940
Deposit (shown under other non-current assets)	17,694	-	-	17,694	17,694
Total financial assets	12,253,163	913,171	6,095,271	5,428,438	12,436,880

	Separate financial statements				(Unit: Thousand Baht)
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	2,843,300	-	-	2,843,300	2,843,300
Trade and other receivables	484,995	-	-	484,995	484,995
Other current financial assets					
- Derivative assets	170,432	203,231	-	-	203,231
Long-term loans to related parties	12,137,085	-	-	12,137,085	12,137,085
Other non-current financial assets					
- Investment in equity instruments	3,749,218	-	3,749,218	-	3,749,218
- Derivative assets	603,836	693,387	-	-	693,387
Deposit (shown under other non-current assets)	12,375	-	-	12,375	12,375
Total financial assets	20,001,241	896,618	3,749,218	15,477,755	20,123,591

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating lease measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	4,202,958	62,714
Add: Option to extend lease term	5,022,335	274,912
Less: Deferred interest expenses	(2,242,816)	(26,501)
Increase in lease liabilities due to the adoption of TFRS 16	6,982,477	311,125
Liabilities under finance lease agreements as at 31 December 2019	11,470	-
Lease liabilities as at 1 January 2020	6,993,947	311,125
Incremental borrowing rate (percent per annum)	2.4 - 4.5	2.4
Comprise of:		
Current lease liabilities	678,320	41,314
Non-current lease liabilities	6,315,627	269,811
	6,993,947	311,125

5. Significant accounting policies

5.1 Revenue and expenses recognition

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 "Advances received from customers" in the statement of financial position.

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 the point in time, when the services are rendered. Sales are the invoice value, excluding value added tax of goods supplied and services rendered after deducting discounts.

Rental income

Rental of area in buildings are recognised as revenue on a straight line basis over the lease term on an accrual basis.

Project management income

Project management income is recognised when services have been rendered. Revenue are the invoice value, excluding value added tax, of service rendered.

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).

Finance cost

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

Dividends

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

5.2 Cost of real estate sales

In determining the costs 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 and residential condominium units on the basis of the saleable area.

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

5.3 Cash and cash equivalents

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

5.4 Real estate development costs (inventories)

Real estate development costs which are presented as inventories are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, designed fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development assets.

The Group recognises losses on diminution in value of projects (if any) in profit or loss.

5.5 Cost to obtain a contract with customer

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.

5.6 Investments in subsidiaries and associates

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

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

5.7 Land held for development

Land held for development is stated at cost less allowance for loss on diminution in value. It consists of cost of land, land improvement, public utilities cost, project development cost and borrowing cost which occurred during the developed period in the past.

5.8 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 5 - 40 years. Depreciation of the investment properties is included in determining income. No depreciation is provide on land.

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.

5.9 Property, plant and equipment/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 the straight-line basis over the following estimated useful lives:

Building and building improvement	20	years
Office equipment	3 - 10	years
Furniture, fixtures and equipment	5	years
Motor vehicles	5	years
Others	2 - 20	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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.

5.10 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Amortisation of intangible assets is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Computer software	5 and 10	years
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5.11 Borrowing costs

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

The interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year.

5.12 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.13 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.

The Group as a lessee

Accounting policies adopted since 1 January 2020

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.

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 and structures	29 - 34	years
Hotel buildings	5 - 9	years
Office building space	4 - 7	years
Motor vehicles	5	years

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.

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.

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.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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.

5.14 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 associated companies, 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.

5.15 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.

5.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. 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 (except for goodwill) 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.

5.17 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 its 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 it must make to employees upon retirement under labor 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 benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring - related costs.

5.18 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.

5.19 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 it recognises 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.

5.20 Financial instruments

Accounting policies adopted since 1 January 2020

Classification and measurement of financial assets

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.

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 designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

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 discounts or premiums on acquisition and 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 neither transferred nor retained substantially all the risks and rewards of the asset but 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 in 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. It is 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.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association or yield rate of government bond adjusted by an appropriate risk factor, as the case may be. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.21 Derivatives

The Group uses derivatives, such as cross currency and interest rate swaps to hedge its foreign currency risks and interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.22 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 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.

6. 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:

Allowance for diminution in value of real estate development costs (inventories) and land held for development

The Group treats real estate development costs (inventories) and land held for development as devaluation when a significant decline in the fair value is noted. The management determines the devaluation based on net realisable value. The determination of what is “significant” and the amount of devaluation requires the management to exercise judgement.

Provision for maintenance of housing and condominium units, and public utilities

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

Project development costs estimation

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

Contributions to housing estate juristic persons

The Group estimates its contributions to housing estate juristic persons using the rate specified by the law and regulations and the budgeted cost of public utilities as a basis for the calculation.

Property, plant and equipment / Investment properties / Right-of-use assets and Depreciation

In determining depreciation of building and equipment, investment properties and right-of-use assets, the management is required to make estimates of the useful lives and residual values of the building and equipment, investment properties and right-of-use assets and to review estimate useful lives and residual values when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to investment properties and right-of-use asset.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Litigations

The Group has contingent liabilities as a result of litigations. The Group's management has used judgement to assess of the results of the litigation and provision for the related liabilities which the management deem to be an appropriate amount has been recorded as at the end of reporting period. However, actual results could differ from the estimates.

7. Related party transactions

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
Atlantic Real Estate Co., Ltd.	Subsidiary
LH Mall & Hotel Co., Ltd.	Subsidiary
L&H Retail Management Co., Ltd.	Subsidiary (99.97 percent held by LH Mall & Hotel Co., Ltd.)
L&H Management Co., Ltd.	Subsidiary (99.98 percent held by LH Mall & Hotel Co., Ltd.)
L&H Hotel Management Co., Ltd.	Subsidiary (99.99 percent held by LH Mall & Hotel Co., Ltd.)
Land and Houses North Co., Ltd.	Subsidiary
Land and Houses Northeast Co., Ltd.	Subsidiary
Siam Tanee Property Co., Ltd.	Subsidiary
Siam Tanee Real Estate Co., Ltd.	Subsidiary (99.99 percent held by Siam Tanee Property Co., Ltd.)
L H Real Estate Co., Ltd.	Subsidiary
L H Asset Co., Ltd.	Subsidiary
L.H. Muang Mai Co., Ltd.	Subsidiary
L&H Property Co., Ltd.	Subsidiary
Land and Houses U.S.A., Inc.	Subsidiary
Asia Asset Advisory Co., Ltd.	Subsidiary
LH Financial Group Plc.	Associate
Land and Houses Bank Plc.	Associate (99.99 percent held by LH Financial Group Plc.)
Land and Houses Fund Management Co., Ltd.	Associate (99.99 percent held by LH Financial Group Plc.)
Quality Construction Products Plc.	Associate
Home Product Center Plc.	Associate
Land and Houses Property and Loan Fund-II	Associate
Quality Houses Plc.	Associate
Q.H. International Co., Ltd.	Associate (99.99 percent held by Quality Houses Plc.)
Quality Houses Leasehold Property Fund	Associate of Quality Houses Plc.
Muang Mai Property Co., Ltd.	Shareholder of subsidiary
Reco Resorts Pte Ltd.	Shareholder of subsidiary
Siam Retail Development Co., Ltd.	Common shareholder

Name of related parties	Relationship
Land and Houses Freehold and Leasehold Property Fund	Related company
LH Shopping Centers Leasehold Real Estate Investment Trust	Related company
LH Hotel Leasehold Real Estate Investment Trust	Related company
Trinity Securities Company Limited	Common director

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 Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	468	483	2.50% - 4.50% p.a. (2019: 3.00% - 4.50% p.a.)
Dividend income	-	-	-	1,728	Declared rate
Management income	-	-	24	9	Approximate cost
Purchase of land	-	-	19	177	Approximate cost
Sales of land	-	-	109	36	Approximate cost
Compensation for using of land	-	-	138	327	Approximate cost
Interest expenses	-	-	18	17	2.13% p.a. (2019: 1.65% - 2.13% p.a.)
<u>Transactions with associates</u>					
Interest income	17	53	11	36	The interest rate as declared by the bank
Dividend income	1,948	2,502	1,948	2,502	Declared rate
Purchases of goods	60	102	55	99	Market price
Purchase of land	-	11	-	11	Market price
Property rental expenses	19	176	-	-	Contract price
<u>Transactions with related companies</u>					
Property management income	199	261	-	-	Contract price
Human-resources management income	28	31	-	-	Contract price
IT management income	4	4	-	-	Contract price
Interest income	16	17	-	-	3.05% p.a. (2019: 3.05% - 3.10% p.a.)
Dividend income	99	194	51	73	Declared rate
Sale of assets to REIT	-	4,155	-	-	Contract price
Rental and services expenses	77	79	58	60	Baht 250 - 960 per square meter per month
Property rental expenses	185	816	-	-	Contract price

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related companies are as follows:

		(Unit: Million Baht)	
	Consolidated financial statements		Separate financial statements
	2020	2019	2020 2019
Deposits at financial institution			
(shown under cash and cash equivalents)			
<u>Associate</u>			
Land and Houses Bank Plc.	4,843.5	3,295.9	4,105.6 2,015.9
Other current financial assets / Current investments (Note 9)			
<u>Associates</u>			
Land and Houses Bank Plc.	30.0	70.0	- -
Land and Houses Fund Management Co., Ltd.	1,000.5	-	1,000.5 -
Total	1,030.5	70.0	1,000.5 -
Amounts due from and accounts receivables - related parties (Note 10)			
<u>Subsidiaries</u>			
(Eliminated from the consolidated financial statements)			
L H Asset Co., Ltd.	-	-	9.4 1.7
	-	-	9.4 1.7
<u>Related companies</u>			
Quality Houses Leasehold Property Fund	1.0	1.6	- -
Land and Houses Freehold and Leasehold Property Fund	-	1.3	- -
Siam Retail Development Co., Ltd.	16.3	21.1	- -
LH Shopping Centers Leasehold Real Estate Investment Trust	4.6	12.6	- -
	21.9	36.6	- -
Total	21.9	36.6	9.4 1.7
Accrued interest receivables - related parties (Note 10)			
<u>Subsidiaries</u>			
(Eliminated from the consolidated financial statements)			
Atlantic Real Estate Co., Ltd.	-	-	0.2 0.1
LH Mall & Hotel Co., Ltd.	-	-	8.4 -
L H Asset Co., Ltd.	-	-	0.5 61.2
Land and Houses Northeast Co., Ltd.	-	-	17.2 14.8
Siam Tanee Property Co., Ltd.	-	-	3.5 0.8
Land and Houses U.S.A., Inc.	-	-	- 366.9
	-	-	29.8 443.8
<u>Associate</u>			
Land and Houses Bank Plc.	2.5	2.2	2.3 0.3
	2.5	2.2	2.3 0.3
<u>Related company</u>			
Reco Resorts Pte Ltd.	13.7	13.8	- -
	13.7	13.8	- -
Total	16.2	16.0	32.1 444.1

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loans to related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses U.S.A., Inc.	-	-	6,266.2	-
Long-term loans to related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	30.0	30.0
LH Mall and Hotel Co., Ltd.	-	-	920.0	-
L H Asset Co., Ltd.	-	-	2,000.0	2,380.0
Land and Houses Northeast Co., Ltd.	-	-	1,620.0	715.0
Siam Tanee Property Co., Ltd.	-	-	322.0	115.0
Land and Houses U.S.A., Inc.	-	-	1,821.9	8,897.1
	-	-	6,713.9	12,137.1
<u>Related company</u>				
Reco Resorts Pte Ltd.	534.2	536.2	-	-
	534.2	536.2	-	-
Total	534.2	536.2	6,713.9	12,137.1
Deposits to related company				
(shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	15.7	15.7	12.3	12.4
Trade accounts payable - related parties (Note 24)				
<u>Associates</u>				
Quality Construction Products Plc.	4.5	6.7	4.5	6.7
Home Product Center Plc.	0.8	0.7	0.2	0.1
	5.3	7.4	4.7	6.8
<u>Related company</u>				
LH Shopping Centers Leasehold Real Estate Investment Trust	0.4	0.7	-	-
Land and Houses Freehold and Leasehold Property Fund	0.6	-	-	-
	1.0	0.7	-	-
Total	6.3	8.1	4.7	6.8
Amounts due to related parties (Note 24)				
<u>Associates</u>				
Home Product Center Plc.	6.2	7.8	5.7	7.4
Land and Houses Property and Loan Fund-II	-	43.5	-	-
	6.2	51.3	5.7	7.4
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.3	0.3	0.3	0.3
LH Hotel Leasehold Real Estate Investment Trust	-	233.6	-	-
	0.3	233.9	0.3	0.3
Total	6.5	285.2	6.0	7.7

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accrued interest payables - related party (Note 24)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	15.1	15.0
Long-term loan - related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	840.0	840.0
Lease liabilities				
<u>Associate</u>				
Land and Houses Property and Loan Fund-II	285.3	-	-	-
	285.3	-	-	-
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	326.1	-	283.3	-
LH Hotel Leasehold Real Estate Investment Trust	4,404.8	-	-	-
	4,730.9	-	283.3	-
Total	5,016.2	-	283.3	-

Short-term loans to related party are unsecured loans to subsidiary in the form of promissory notes without collateral. Interest is charged at the rate between 3.00% and 4.00% per annum. The loans are repayable in January and December 2021.

Long-term loans to related parties are unsecured loans to subsidiaries in the form of promissory notes without collateral. Interest charged at the rate between 2.50% and 3.55% per annum (2019: between 3.40% and 4.50% per annum). The loans amounting to Baht 4,892 million are due at call and the loans amounting to Baht 1,822 million are due within 2022. As at 31 December 2020, the loans of Baht 4,892 million (2019: Baht 3,240 million), which are due at call, are classified as long-term loans because the Company has no intention to call for such loans from subsidiaries within the next 12 months.

Long-term loan from related party is unsecured loan from L&H Property Co., Ltd. without collateral. Interest charged at the rate 2.13% per annum. The loan is repayable by 28 February 2022.

During the year 2020, movements of loans to/loans from between the Group and those related companies were as follows:

				(Unit: Million Baht)
Consolidated financial statements				
	1 January 2020	Increase	Decrease	31 December 2020
Long-term loan to related party				
<u>Related company</u>				
Reco Resorts Pte Ltd.	536.2	-	(2.0)	534.2
				(Unit: Million Baht)
Separate financial statements				
	1 January 2020	Increase	Decrease	31 December 2020
Short-term loans to related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	-	7,191.8	(925.6)	6,266.2
Long-term loans to related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	30.0	137.0	(137.0)	30.0
LH Mall & Hotel Co., Ltd.	-	920.0	-	920.0
L H Asset Co., Ltd.	2,380.0	975.0	(1,355.0)	2,000.0
Land and Houses Northeast Co., Ltd.	715.0	925.0	(20.0)	1,620.0
Siam Tanee Property Co., Ltd.	115.0	207.0	-	322.0
Land and Houses U.S.A., Inc.	8,897.1	116.6	(7,191.8)	1,821.9
Total	12,137.1	3,280.6	(8,703.8)	6,713.9
Long-term loan from related party				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	840.0	-	-	840.0

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

				(Unit: Million Baht)
Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019
Short-term employee benefits	225	246	158	165
Post-employment benefits	8	7	2	2
Total	233	253	160	167

Commitments and contingent liabilities of related parties

The Company had outstanding guarantee obligations with its related parties, as described in Note 38.3 to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	5,273	7,546	2,580	2,380
Bank deposits	1,884,822	2,293,875	833,309	1,335,606
Cheques in transit	348,581	8,842	318,940	5,314
Fixed deposits receipt	4,874,254	2,243,775	4,500,000	1,500,000
Total	7,112,930	4,554,038	5,654,829	2,843,300

As at 31 December 2020, bank deposits and fixed deposits receipt carried interests between 0.05% and 0.55% per annum (2019: between 0.10% and 1.30% per annum).

9. Other current financial assets / Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Financial assets measured at amortised cost</u>				
Fixed deposits over three months but not over one year	30,000	70,000	-	-
<u>Financial assets at FVTPL</u>				
Investments in LH Money Market Fund	1,000,460	-	1,000,460	-
<u>Derivative assets</u>				
Cross currency and interest rate swap	428,846	-	428,846	-
Total	1,459,306	70,000	1,429,306	-

10. Trade and other receivables

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade receivables - unrelated parties</u>				
Not yet due	64,835	116,422	-	-
Past due				
Less than 3 months	29,016	11,525	-	-
3 - 6 months	7,280	3,442	-	-
6 - 9 months	3,108	247	-	-
9 - 12 months	3,452	-	-	-
Over 12 months	12	11	-	-
Total trade receivables - unrelated parties	107,703	131,647	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivable - related parties	21,948	36,591	9,421	1,683
Accrued interest receivables - related parties	16,168	15,956	32,121	444,071
Others	41,191	55,602	33,987	39,241
Total other receivables	79,307	108,149	75,529	484,995
Total trade and other receivables	187,010	239,796	75,529	484,995

11. Real estate development costs (inventories)

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Land	30,107,248	32,019,672	25,463,909	28,120,317
Land improvements	2,264,408	2,333,771	1,849,985	2,032,965
Construction in progress	14,581,166	13,077,720	13,124,192	12,176,752
Interest cost	2,260,455	2,380,389	2,067,893	2,252,163
Public utilities	3,685,998	3,604,891	2,882,936	3,086,640
Houses held for sales	286,242	271,244	91,354	91,354
Total	53,185,517	53,687,687	45,480,269	47,760,191
Less: Allowance for loss on diminution in project value	(292,415)	(314,082)	(197,505)	(219,844)
Inventories - net	52,893,102	53,373,605	45,282,764	47,540,347

During the year 2020, the Group transferred-out inventories with net book value of Baht 1,610 million (the Company: Baht 1,424 million) to land held for development (2019: Nil).

During the years, the Group included borrowing costs in cost of land and construction in progress. These were determined by applying a capitalisation rate which is the weighted average of the financial charges on total borrowings as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Borrowing costs included in cost of land and construction in progress (Million Baht)	599	558	490	511
Capitalisation rate (Percent)	2.4	2.4	2.3	2.4

As at 31 December 2020 and 2019, the Group has mortgaged land and structures thereon to secure the Group's loans and the subsidiary's overdraft facilities with net book values as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value of land and structures thereon mortgaged as collateral	17,438	7,388	15,916	6,687

Movements in the allowance for loss on diminution in value of projects during the year ended 31 December 2020 are summarised below.

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	314,082	219,844
Add: Additional set up	672	-
Less: Reversal due to sales	(22,339)	(22,339)
Balance as at 31 December 2020	292,415	197,505

12. Cost to obtain contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	147,617	-	147,617	-
Addition from retain earning adjustment	-	121,089	-	121,089
Addition during the year	1,932	54,246	1,932	54,246
Record as selling expenses				
during the year	(8,103)	(27,718)	(8,103)	(27,718)
Net book value at end of year	141,446	147,617	141,446	147,617

13. Restricted bank deposit

The balance as at 31 December 2020 and 2019 represent saving account which a subsidiary pledged with SCB Asset Management Company Limited, trustee of LH Hotel Leasehold Real Estate Investment Trust (“LHHOTEL”), to secure land and building rental guarantees of Grande Centre Point Hotel Ratchadamri Project. The subsidiary sold this project to LHHOTEL in June 2017.

14. Other non-current financial assets

Details of other non-current financial assets as at 31 December 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
<u>Equity instruments designated at FVOCI</u>		
Listed equity instruments		
Land and Houses Freehold and Leasehold		
Property Fund	475,927	475,297
Quality Houses Leasehold Property Fund	285,178	285,178
LH Shopping Centers Leasehold Real		
Estate Investment Trust	496,364	-
LH Hotel Leasehold Real Estate Investment Trust	788,321	-
Vistamalls Inc.	2,085,753	2,085,753
Non-listed equity instruments	100,459	-
Total equity instruments designated at FVOCI	4,232,002	2,846,858

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Financial assets at FVTPL</u>		
Derivative assets - Cross currency and interest rate swap agreements (Note 40.1)	186,782	173,582
Total financial assets at FVTPL	186,782	173,582
Total other non-current financial assets	4,418,784	3,020,440

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Group considers these investments to be strategic in nature.

During the year 2020, the Group received dividends from the following companies.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate Financial statements
Land and Houses Freehold and Leasehold		
Property Fund	23,574	23,574
Quality Houses Leasehold Property Fund	27,172	27,172
LH Shopping Centers Leasehold Real Estate		
Investment Trust	19,986	-
LH Hotel Leasehold Real Estate Investment Trust	28,549	-
Vistamalls Inc.	7,854	7,854
Non-listed company	8,530	-
Total	115,665	58,600

As at 31 December 2020, a subsidiary has pledged unit trust of REITs, approximately Baht 1,206 million as collateral to secure short-term loan from a financial institution.

15. Investments in subsidiaries

15.1 Details of investments in subsidiaries as presented in the separate financial statements

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2020	2019	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)				
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(34,153)	(31,972)
LH Mall & Hotel Co., Ltd.								
and its subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	3,182,937	4,122,736
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,893	15,798
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	384,350	346,781
Siam Tanee Property Co., Ltd.								
and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	173,998	165,544
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	17,791	18,681
L H Asset Co., Ltd.	100,000	100,000	100.00	100.00	52,734	52,734	1,132,521	570,859
L.H. Muang Mai Co., Ltd.	900,000	900,000	55.00	55.00	495,000	495,000	648,398	672,246
L&H Property Co., Ltd.	130,000	130,000	60.00	60.00	174,000	174,000	204,836	209,326
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	1,075,604	1,100,626
Asia Asset Advisory Co., Ltd.	100	100	99.94	99.94	100	100	770	876
					<u>4,333,317</u>	<u>4,333,317</u>	<u>6,802,945</u>	<u>7,191,501</u>

(a) As at 31 December 2020 and 2019, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 40 million.

15.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in subsidiaries in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Share of profit (loss)		Share of other comprehensive income		Dividend received	
	2020	2019	2020	2019	2020	2019
Atlantic Real Estate Co., Ltd.	(2,181)	(5,935)	-	-	-	-
LH Mall & Hotel Co., Ltd.						
and its subsidiaries	(137,426)	2,612,746	(802,373)	265,477	-	1,620,001
Land and Houses North Co., Ltd.	95	17	-	-	-	-
Land and Houses Northeast Co., Ltd.	37,569	21,090	-	-	-	-
Siam Tanee Property Co., Ltd.						
and its subsidiary	3,210	2,287	(41,504)	-	-	-
L H Real Estate Co., Ltd.	(890)	(121)	-	-	-	-
L H Asset Co., Ltd.	561,662	99,203	-	-	-	-
L.H. Muang Mai Co., Ltd.	(23,198)	(17,625)	(650)	-	-	-
L&H Property Co., Ltd.	(6,249)	10,894	-	-	-	108,419
Land and Houses U.S.A., Inc.	(12,655)	(326,031)	(12,367)	(89,602)	-	-
Asia Asset Advisory Co., Ltd.	(106)	(117)	-	-	-	-
Total	<u>419,831</u>	<u>2,396,408</u>	<u>(856,894)</u>	<u>175,875</u>	<u>-</u>	<u>1,728,420</u>

15.3 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit or loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
L.H. Muang Mai Co., Ltd.	45	45	531	550	(19)	(14)	-	-
L&H Property Co., Ltd.	40	40	166	170	(4)	37	-	72

15.4 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	L.H. Muang Mai Co., Ltd.		L&H Property Co., Ltd.	
	2020	2019	2020	2019
Current assets	1,559	1,621	327	470
Non-current assets	131	131	1,701	1,408
Current liabilities	(132)	(114)	(130)	(141)
Non-current liabilities	(380)	(416)	(1,482)	(1,314)

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	L.H. Muang Mai Co., Ltd.		L&H Property Co., Ltd.	
	2020	2019	2020	2019
Revenue	166	236	138	1,572
Profit (loss)	(42)	(32)	(10)	93
Other comprehensive income	(1)	-	-	-
Total comprehensive income	(43)	(32)	(10)	93

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December			
	L.H. Muang Mai Co., Ltd.		L&H Property Co., Ltd.	
	2020	2019	2020	2019
Cash flow used in operating activities	(130)	(695)	(14)	(162)
Cash flow from investing activities	-	4	30	157
Cash flow from (used in) financing activities	(9)	443	(63)	(181)
Net decrease in cash and cash equivalents	(139)	(248)	(47)	(186)

16. Investments in associates

16.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated and separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020 (Percent)	2019 (Percent)	2020	2019	2020	2019
LH Financial Group Plc.	Holding company	Thailand	22.16	21.88	4,538,712	4,538,712	8,568,288	9,015,458
Quality Construction Products Plc.	Manufacture of Construction materials	Thailand	21.16	21.16	179,178	179,178	431,558	423,709
Home Product Center Plc.	Trading of construction materials	Thailand	30.23	30.23	1,489,020	1,489,020	7,138,358	7,009,218
Land and Houses Property and Loan Fund-II	Real estate business	Thailand	49.99	49.99	743,925	743,925	325,392	383,297
Quality Houses Plc.	Real estate business	Thailand	24.98	24.98	3,282,682	3,282,682	7,500,014	7,573,685
					<u>10,233,517</u>	<u>10,233,517</u>	<u>23,963,610</u>	<u>24,405,367</u>

As at 31 December 2020, the Company pledged a portion of shares of Home Product Center Public Company Limited with net book value of Baht 1,580 million as collateral to secure the short-term loan from a financial institution.

16.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit/loss from investments in associate companies in the consolidated financial statements and the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated and separate financial statements					
	Share of profit (loss)		Share of other comprehensive income		Dividend received	
	2020	2019	2020	2019	2020	2019
LH Financial Group Plc.	496,001	703,321	(769,268)	(14,486)	208,564	370,781
Quality Construction Products Plc.	24,121	38,018	(1,038)	(931)	15,234	5,078
Home Product Center Plc.	1,558,666	1,867,480	1,486	(26,369)	1,232,523	1,471,075
Land and Houses Property and Loan Fund-II	(20,766)	56,808	-	-	37,139	92,848
Quality Houses Plc.	530,350	716,883	(121,966)	(6,600)	454,911	561,949
Total	<u>2,588,372</u>	<u>3,382,510</u>	<u>(890,786)</u>	<u>(48,386)</u>	<u>1,948,371</u>	<u>2,501,731</u>

16.3 Fair values of investments in listed associates

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

(Unit: Million Baht)

Company's name	Fair values as at 31 December	
	2020	2019
LH Financial Group Plc.	4,867	6,303
Quality Construction Products Plc.	386	440
Home Product Center Plc.	54,072	63,614
Quality Houses Plc.	6,208	6,797
Total	65,533	77,154

16.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	LH Financial Group Plc.		Home Product Center Plc.		Quality Houses Plc.	
	2020	2019	2020	2019	2020	2019
Current assets	249,307	240,731	15,828	15,696	25,224	27,503
Non-current assets	-	-	40,262	36,353	22,440	23,395
Current liabilities	(210,681)	(199,568)	(20,610)	(22,289)	(8,663)	(10,860)
Non-current liabilities	-	-	(13,916)	(8,622)	(12,436)	(13,178)
Net assets	38,626	41,163	21,564	21,138	26,565	26,860
Shareholding percentage (%)	22.16	21.88	30.23	30.23	24.98	24.98
Share of net assets	8,559	9,006	6,519	6,390	6,636	6,710
Goodwill	9	9	619	619	864	864
Carrying amounts of associates based on equity method	8,568	9,015	7,138	7,009	7,500	7,574

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December					
	LH Financial Group		Home Product Center		Quality Houses Plc.	
	Plc.		Plc.		Plc.	
	2020	2019	2020	2019	2020	2019
Revenue	7,747	7,904	61,765	67,424	9,377	12,876
Profit for the year	2,057	3,214	5,155	6,176	2,123	2,853
Other comprehensive income	(3,468)	(66)	5	(87)	(488)	(26)
Total comprehensive income	(1,411)	3,148	5,160	6,089	1,635	2,827

16.5 Aggregate amount of share of comprehensive income from other associates (exclude associates named in Note 16.4)

(Unit: Million Baht)

	For the year ended 31 December	
	2020	2019
Share of comprehensive income:		
Profit from continuing operations	3	95
Other comprehensive income	(1)	(1)
Total comprehensive income	2	94

16.6 The Company's consolidated and separate financial statements for the years ended 31 December 2020 and 2019 included investments in the following associates accounted for under the equity method, and share of profit from investments in associates under the equity method, determined based on financial statements of those companies which have been audited as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Investments under the equity method as at 31 December		Share of profit from investments under the equity method for the year ended 31 December	
	2020	2019	2020	2019
Audited by auditor and other auditors of the same firm				
LH Financial Group Plc.	8,568,288	9,015,458	496,001	703,321
Home Product Center Plc.	7,138,358	7,009,218	1,558,666	1,867,480
Land and Houses Property and Loan Fund-II	325,392	383,297	(20,766)	56,808
Quality Houses Plc.	7,500,014	7,573,685	530,350	716,883
Audited by other auditor				
Quality Construction Products Plc.	431,558	423,709	24,121	38,018
Total	23,963,610	24,405,367	2,588,372	3,382,510

17. Other long-term investments

Details of other long-term investments as at 31 December 2019 were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Available-for-sale securities		
Equity securities - Overseas	2,368,704	2,368,704
Unit trust - Domestic	2,381,276	1,091,343
Add: Changes in fair value of securities	1,192,952	289,171
Available-for-sale securities - net	5,942,932	3,749,218
Other investments		
Equity securities - Domestic	204,239	26,000
Unit trust - Domestic	165	-
Less: Allowance for impairment	(110,500)	(26,000)
Other investments - net	93,904	-
Total	6,036,836	3,749,218

As at 31 December 2019, a subsidiary has pledged unit trust of REITs approximately Baht 2,194 million as collateral to secure short-term loan from a financial institution.

18. Land held for development

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land held for development	3,664,148	2,061,503	3,276,459	1,860,169
Less: Allowance for loss on diminution in value	(724,301)	(724,301)	(652,509)	(652,509)
Land held for development - net	2,939,847	1,337,202	2,623,950	1,207,660

During the year 2020, the Company transferred-in inventories with net book value of Baht 1,610 million (the Company only: Baht 1,424 million) to land held for development (2019: Nil).

During the year 2018, the Company engaged an independent valuer to appraise the fair value of certain plots of land held for development of the Group, using the Market Comparison Approach as the basis of determining the valuation of assets. The fair values of land held for development appraised by the independent appraiser exceeded their net carrying amount.

As at 31 December 2020 and 2019, the Company has mortgaged some of the land held for development to secure long-term loans with net book value as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2020	2019
Net book value of mortgaged land		
held for development to secure loans	2,053	689

19. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Vacant land	Apartments for rent	Total	Vacant land	Apartments for rent	Total
As at 31 December 2020:						
Cost	212,074	11,742,792	11,954,866	212,074	-	212,074
Less: Accumulated depreciation	-	(994,195)	(994,195)	-	-	-
Net book value	212,074	10,748,597	10,960,671	212,074	-	212,074
As at 31 December 2019:						
Cost	211,753	14,002,566	14,214,319	211,753	-	211,753
Less: Accumulated depreciation	-	(950,106)	(950,106)	-	-	-
Net book value	211,753	13,052,460	13,264,213	211,753	-	211,753

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	13,264,213	14,406,733	211,753	211,432
Acquisition of assets	65,978	171,666	321	321
Disposals - net book value	(1,984,550)	-	-	-
Depreciation charged	(346,055)	(314,719)	-	-
Translation adjustment	(38,915)	(999,467)	-	-
Net book value at end of year	<u>10,960,671</u>	<u>13,264,213</u>	<u>212,074</u>	<u>211,753</u>

In November 2020, Land and Houses U.S.A., Inc. which is the Company's 100% owned subsidiary, sold an apartment in the United States of America to a non-related party at the amount of USD 80 million. The subsidiary had gain on such transaction approximately USD 13 million, and recognised such transaction in the profit or loss for the current year.

The additional information of the investment properties as at 31 December 2020 and 2019 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
The fair value of vacant land	220	220	220	220
The fair value of apartments for rent	10,991 ⁽¹⁾	13,482 ⁽¹⁾	-	-

⁽¹⁾ As at 31 December 2020, the fair value is USD 366 million (2019: USD 447 million).

As at 31 December 2020 and 2019, the fair values of investment properties have been determined using the following approach.

- Apartments for rent which are acquired in the year 2017 have been determined based on acquisition cost. The management believes that there are no material differences between the book value and its fair value.
- Vacant land and apartments for rent which are acquired before the year 2017 have been determined by an accredited independent valuer in the year 2018 using the Market Comparison Approach and the Income Approach.

As at 31 December 2020, a subsidiary pledged its apartments with a total net book value of Baht 3,389 million (2019: Baht 5,486 million) have been pledged as collateral for long-term loans from overseas financial institutions.

20. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Building and building improvement	Office equipment	Furniture, fixture and equipment	Motor vehicles	Others	Assets under construction
Cost							
1 January 2019	28,857	70,883	199,132	650,397	148,445	256,100	158,345
Additions	-	109	8,624	19,721	13,301	22,284	61,192
Disposals/write-off	-	(7,954)	(7,662)	(178,285)	(13,882)	(74,511)	-
Transfer in (out)	-	-	-	56,406	-	32	(56,438)
Translation adjustment	-	-	(35)	(72)	-	-	(1,591)
31 December 2019	28,857	63,038	200,059	548,167	147,864	203,905	161,508
Transfer to right-of-use assets due to TFRS 16 adoption	-	-	-	-	(25,254)	-	-
Additions	-	-	7,800	422	3,318	3,340	66,859
Disposals/write-off	-	(12,237)	(277)	(5,705)	(5,711)	-	-
Transfer in (out)	-	62,001	-	47,465	-	-	(109,466)
Translation adjustment	-	-	(2)	(123)	-	-	-
31 December 2020	28,857	112,802	207,580	590,226	120,217	207,245	118,901
Accumulated depreciation							
1 January 2019	-	39,810	124,681	286,055	89,233	108,956	-
Depreciation for the year	-	5,139	23,222	102,472	22,761	45,885	-
Depreciation on disposals/write-off	-	(4,793)	(5,093)	(115,121)	(9,588)	(48,148)	-
Translation adjustment	-	-	(26)	(128)	-	-	-
31 December 2019	-	40,156	142,784	273,278	102,406	106,693	-
Transfer to right-of-use assets due to TFRS 16 adoption	-	-	-	-	(19,531)	-	-
Depreciation for the year	-	5,853	22,112	82,745	16,713	34,560	-
Depreciation on disposals/write-off	-	(12,236)	(270)	(5,705)	(5,371)	-	-
Translation adjustment	-	-	(5)	(167)	-	-	-
31 December 2020	-	33,773	164,621	350,151	94,217	141,253	-
Allowance for impairment							
1 January 2019	334	-	-	-	-	-	-
31 December 2019	334	-	-	-	-	-	-
31 December 2020	334	-	-	-	-	-	-
Net book value							
31 December 2019	28,523	22,882	57,275	274,889	45,458	97,212	161,508
31 December 2020	28,523	79,029	42,959	240,075	26,000	65,992	118,901
Depreciation for the year							
2019 (Baht 110 million included in cost of hotel operations and the balance in administrative expenses)							199,479
2020 (Baht 68 million included in cost of hotel operations and the balance in administrative expenses)							161,983

(Unit: Thousand Baht)

	Separate financial statements							
	Land	Building and improvement	Office equipment	Furniture, fixture and equipment	Motor vehicles	Other	Assets under construction	Total
<u>Cost</u>								
1 January 2019	1,860	47,752	120,374	291,426	111,892	58,318	135,585	767,207
Additions	-	-	6,367	16,207	13,044	1,358	45,570	82,546
Disposals/write-off	-	-	(1,242)	(17,807)	(10,719)	(551)	-	(30,319)
Transfer in (out)	-	-	-	27,063	-	32	(27,095)	-
31 December 2019	1,860	47,752	125,499	316,889	114,217	59,157	154,060	819,434
Additions	-	-	2,978	32	3,050	1,712	45,939	53,711
Disposals/write-off	-	(12,237)	-	(4,478)	(4,824)	-	-	(21,539)
Transfer in (out)	-	62,001	-	41,755	-	-	(103,756)	-
31 December 2020	1,860	97,516	128,477	354,198	112,443	60,869	96,243	851,606
<u>Accumulated depreciation</u>								
1 January 2019	-	30,555	102,573	185,264	67,823	50,539	-	436,754
Depreciation for the year	-	1,778	9,359	34,307	16,308	2,703	-	64,455
Depreciation on disposals/write-off	-	-	(1,240)	(15,027)	(7,518)	(518)	-	(24,303)
31 December 2019	-	32,333	110,692	204,544	76,613	52,724	-	476,906
Depreciation for the year	-	3,898	8,857	41,452	15,974	2,653	-	72,834
Depreciation on disposals/write-off	-	(12,236)	-	(4,478)	(4,802)	-	-	(21,516)
31 December 2020	-	23,995	119,549	241,518	87,785	55,377	-	528,224
<u>Allowance for impairment</u>								
1 January 2019	334	-	-	-	-	-	-	334
31 December 2019	334	-	-	-	-	-	-	334
31 December 2020	334	-	-	-	-	-	-	334
<u>Net book value</u>								
31 December 2019	1,526	15,419	14,807	112,345	37,604	6,433	154,060	342,194
31 December 2020	1,526	73,521	8,928	112,680	24,658	5,492	96,243	323,048
<u>Depreciation for the year</u>								
2019 (The balance included in administrative expenses)								64,455
2020 (The balance included in administrative expenses)								72,834

As at 31 December 2020 and 2019, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Building and equipment items were				
fully depreciated but are still in use	430	431	355	382

21. Leases

21.1 The Group as a lessee

The Group has lease contracts for various items used in its operations. Leases generally have lease terms between 3 - 40 years.

a) Right-of-use assets / Leasehold rights

Movement of right-of-use assets / leasehold rights for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land and structures	Hotel buildings	Office building space	Motor vehicles	Total
31 December 2019	5,729,782	-	-	-	5,729,782
Adjustments of right- of-use assets due to IFRS 16 adoption	1,154,634	5,363,382	364,300	1,769	6,884,085
Transfer from property, plant and equipment due to IFRS 16 adoption	-	-	-	5,723	5,723
1 January 2020	6,884,416	5,363,382	364,300	7,492	12,619,590
Additions	3,263,596	-	-	-	3,263,596
Increase (decrease) from lease modification	65,217	(41,474)	14,457	-	38,200
Depreciation for the year	(233,802)	(135,431)	(57,846)	(5,251)	(432,330)
Variance from rental reduction	-	(578,516)	-	-	(578,516)
31 December 2020	9,979,427	4,607,961	320,911	2,241	14,910,540

	(Unit: Thousand Baht) Separate financial statements
	Office building space
31 December 2019	-
Adjustments of right-of-use assets due to TFRS 16 adoption	311,125
1 January 2020	311,125
Increase from lease modification	13,464
Depreciation for the year	(44,985)
31 December 2020	279,604

During the current year, the subsidiaries, have been granted a reduction of hotel building lease payments for a period from March to December 2020 by the lessor totaling Baht 661 million. The subsidiaries reversed the depreciation of right-of-use assets and interest expenses on lease liabilities which were recognised in the current year in proportion to the reduction in accordance with Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic.

In June 2020, L&H Hotel Management Company Limited (“LHH”), the Company’s subsidiary, entered into a new lease agreement to lease assets of Grande Centre Point Hotel Ratchadamri as the previous lease agreement ended in June 2020, for a term of 3 years. The lease agreement can be extended in accordance with the conditions stipulated in the agreement. The Company agreed to pay a fixed rental fee totaling Baht 234 million plus variable rental fee in accordance with the conditions stipulated in the agreement. The difference of the fixed rental fee between the former lease agreement and the new lease agreement is treated as lease modification. LHH recorded the difference from lease modification of Baht 41 million as right-of-use assets in the statement of financial position.

In September 2020, LH Mall & Hotel Company Limited (“LHMH”), the Company’s subsidiary, adjusted rental fee in land lease agreement. LHMH recorded the difference from lease modification of Baht 65 million as right-of-use assets in the statement of financial position.

In October 2020, the Company and LHMH entered into new lease agreements to lease office building space as the previous lease agreements ended in 2020. The Group recorded the difference from lease modification of Baht 14 million as right-of-use assets in the statement of financial position.

Borrowing costs amounting to Baht 3.60 million were capitalised during the year ended 31 December 2020. The weighted average rate of 2.5% - 3.3% has been used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2020, a subsidiary has pledged its land leasehold rights with structures thereon with a total net book value of Baht 7,590 million (2019: Baht 5,116 million) as collateral for bank overdrafts and long-term loans.

Grande Centre Point Hotel Sukhumvit 55

In November 2019, LH Mall & Hotel Company Limited (“LHMH”), the Company’s 99.99% owned subsidiary, entered into an agreement to transfer the leasehold rights (lease agreement has a term of 27 years) and an agreement to sell movable assets of Grande Centre Point Hotel Sukhumvit 55 Project to LH Hotel Leasehold Real Estate Investment Trust (“LHHOTEL”) at a total price of Baht 4,155 million. LHMH had gains on such transactions totaling Baht 2,418 million (net of relevant expenses), and recognised such transactions in the profit or loss for the year 2019.

In addition, the Company provided letter of comfort to the lenders of LHHOTEL, relating to maintain the percentage of unit holding in LHHOTEL by LHMH and maintain the period of the sublease of the Grande Centre Point Hotel Terminal 21 and the Grande Centre Point Hotel Ratchadamri by LHH.

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease payments	10,685,329	302,902
Less: Deferred interest expenses	(3,061,921)	(19,624)
Total	7,623,408	283,278
Less: Portion due within one year	(764,937)	(44,551)
Lease liabilities - net of current portion	6,858,471	238,727

A maturity analysis of lease payments is disclosed in Note 40.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	432,330	44,985
Interest expense on lease liabilities	126,682	6,922
Expense relating to short-term leases	5,214	2,925
Expense relating to leases of low-value assets	17,722	14,934
Expense relating to variable lease payments	48,785	-

Variable leases

The Group has lease contracts for hotel buildings that contains variable payments based on net hotel operating income, after deducting fixed rental fee. The lease term is 3 years and can be extended in accordance with the conditions stipulated in the agreement.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 911 million, including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 1,824 million. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 38.1.3 to the financial statements.

21.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of apartments for rent (see Note 19) of the lease terms are between 1 and 8 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 and 2019 as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Within 1 year	556,432	699,752
Over 1 and up to 5 years	105,236	101,344
Over 5 years	22,056	47,160
Total	<u>683,724</u>	<u>848,256</u>

22. Other intangible assets

The net book value of intangible assets (computer software) as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost	92,704	100,827	57,267	56,112
Less: Accumulated amortisation	(59,454)	(59,554)	(44,804)	(40,909)
Net book value	<u>33,250</u>	<u>41,273</u>	<u>12,463</u>	<u>15,203</u>

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	41,273	45,286	15,203	16,645
Acquisition of computer software	3,087	8,394	1,155	2,375
Disposal and write-off during the year				
- net book value as at disposal date	(203)	(549)	-	-
Amortisation	(11,080)	(10,620)	(3,895)	(3,817)
Translation adjustment	173	(1,238)	-	-
Net book value at end of year	<u>33,250</u>	<u>41,273</u>	<u>12,463</u>	<u>15,203</u>

23. Short-term loans from financial institutions

	Interest rate		Consolidated		(Unit: Thousand Baht)	
	(percent per annum)		financial statements		Separate	
	2020	2019	2020	2019	financial statements	
Promissory notes	1.50 - 1.90	2.50 - 2.75	6,845,000	470,000	5,875,000	-
Total			6,845,000	470,000	5,875,000	-

The Company's short-term loans are secured by the pledge of a portion of shares of Home Product Center Public Company Limited.

The subsidiary's short-term loans are secured by the pledge of unit trusts of LH Shopping Centers Leasehold Real Estate Investment Trust and LH Hotel Leasehold Real Estate Investment Trust and guaranteed by the Company.

24. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	financial statements	
Trade payables - unrelated parties	2,106,080	2,129,647	1,414,578	1,493,519
Trade payables - related parties	6,283	8,093	4,724	6,821
Other payables - related parties	6,462	285,216	5,999	7,733
Accrued interest payable				
- related parties	-	-	15,098	15,049
Accrued expenses	980,000	1,211,131	818,594	939,210
Others	41,457	171,853	35,305	70,510
Total trade and other payables	3,140,282	3,805,940	2,294,298	2,532,842

25. Long-term loans

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	financial statements	
Long-term loans	15,010,388	10,221,585	8,520,000	4,000,000
Less: Current portion	(226,267)	(1,203,187)	-	-
Long-term loans, net of current portion	14,784,121	9,018,398	8,520,000	4,000,000

As at 31 December 2020 and 2019, long-term loans of the Group from financial institutions are shown below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Interest rate per annum (%)	Principal repayments	Guaranteed by
	2020	2019	2020	2019			
<u>The Company</u>	4,000	4,000	4,000	4,000	2.2%	Within April 2022	Land and premises of project
	1,600	-	1,600	-	2.2%	Within April 2024	Land and premises of project
	660	-	660	-	2.2%	Within September 2025	Land and premises of project
	550	-	550	-	2.2%	Within October 2024	Land and premises of project
	1,710	-	1,710	-	2.4%	Within October 2025	Land and premises of project
<u>Subsidiaries</u>							
LH Mall & Hotel Co., Ltd.*	3,360	2,950	-	-	MLR - 2.50	First repayment at end of March 2020 to December 2029	Leasehold and premises of project
	207	5	-	-	MLR - 2.75	First repayment at end of March 2023 to December 2032	Leasehold and premises of project
Land and Houses U.S.A., Inc.	-	1,007	-	-	3% or 5 years Swap Rate (Bloomberg) +1.29 whichever is higher rate	Repayment within 5 years from the first drawdown date (USD 35 million)	Apartment of project
	1,802	1,809	-	-	3.83%	Repayment within 5 years from the first drawdown date (USD 60 million)	Apartment of project
L H Muangmai Co., Ltd.	441	450	-	-	MLR - 2.25	Repayment of principal upon transfer of house of the project to customer or within 5 years from the first drawdown date	Land and premises of project
LH Asset Co., Ltd.*	680	-	-	-	2.4%	Within October 2025	Land and premises of project
Total	15,010	10,221	8,520	4,000			
Less: Current portion	(226)	(1,203)	-	-			
Net	14,784	9,018	8,520	4,000			

* The Company, as shareholders of LH Mall & Hotel Co., Ltd. ("LHMH") and L H Asset Co., Ltd. ("LA") holding 99.99% of shares, agreed to provide assurance to the lender of LHMH and LA whereby there are certain covenants pertaining to, among other things, the maintenance of the Company's level of shareholding, the provision of financial support. In addition, the Company needs to obtain the written consent from the lender should the Company sells, transfers or pledges the shares of LHMH and LA.

Movement of the long-term loans account during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	10,221,585	4,000,000
Add: Additional borrowings	5,812,000	4,520,000
Less: Repayment	(1,016,183)	-
Less: Translation adjustment	(7,014)	-
Balance as at 31 December 2020	15,010,388	8,520,000

As at 31 December 2020 and 2019, the Group has pledged part of land and structures thereon of projects, investment properties, land held for development and land leasehold rights as collateral for long-term loans.

In March 2020, a subsidiary entered into an amendment of loan agreement with a bank to extend the principal repayment period and request the grace period from March 2020 to February 2021. After the grace period ends, the principal will be paid from March 2021 onwards.

In November 2020, Land and Houses U.S.A., Inc., the Company's subsidiary, entered into a long-term loan agreement with a foreign financial institution granting a credit limit of USD 42 million with the interest charged at prime rate - 0.30% per annum. The subsidiary has mortgaged its apartment as collateral to secure this credit limit. The long-term loan was drawn down in January 2021.

Most loan agreements contain certain covenants and restrictions imposed by the lenders regarding, the proportion of shareholding of the major shareholders, changes in management, guarantees to loans or aval to promissory notes of any other persons or other companies, dividend payments, merger or consolidation with any other companies, the maintenance of certain financial ratios and formal reporting when the Company has a legal case which may affect its ability to repay loan.

As at 31 December 2020 and 2019, there were available long-term loan facilities from financial institutions as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Undrawdown loan facilities	9,925	2,620	4,125	-

26. Debentures

Details of approval to issue the debenture of the Company are as follows:

Approved by	The Annual General Meeting of the Company's shareholders held on 27 April 2017
Amount	Revolving amount of Baht 60,000 million or the equivalent in any other currencies
Term	Maximum terms of 10 years
Type	Any types of debentures such as unsubordinated and/or subordinated, unsecured and/or secured, with and/or without debenture holder representation
Method of issuance	To be issued in Thailand and/or offshore

As at 31 December 2020, the Company has unissued debentures under the above mentioned approval totaling Baht 26,400 million (2019: Baht 20,800 million).

The outstanding balance of debentures as at 31 December 2020 and 2019 are detailed below.

No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and separate financial statements			
					Number of debenture		Amount (Thousand Baht)	
					(Shares)			
					2020	2019	2020	2019
<u>Unsubordinated and unsecured debentures</u>								
No. 2/2015 (2)	Fixed rate 3.31%	5 years	At maturity	2 April 2020	-	1,000,000	-	1,000,000
No. 3/2015 (3)	Fixed rate 2.99%	5 years	At maturity	8 October 2020	-	1,000,000	-	1,000,000
No. 1/2017	Fixed rate 2.48%	3 years	At maturity	28 April 2020	-	6,000,000	-	6,000,000
No. 3/2017	Fixed rate 2.13%	3 years	At maturity	5 October 2020	-	6,000,000	-	6,000,000
No. 1/2018	Fixed rate 2.96%	7 years	At maturity	7 March 2025	1,200,000	1,200,000	1,200,000	1,200,000
No. 2/2018	Fixed rate 1.98%	3 years	At maturity	7 May 2021	6,000,000	6,000,000	6,000,000	6,000,000
No. 3/2018	Fixed rate 3.02%	3 years	At maturity	5 October 2021	5,000,000	5,000,000	5,000,000	5,000,000
No. 1/2019	Fixed rate 2.62%	3 years	At maturity	26 April 2022	6,000,000	6,000,000	6,000,000	6,000,000
No. 2/2019	Fixed rate 2.12%	3 years	At maturity	15 October 2022	7,000,000	7,000,000	7,000,000	7,000,000
No. 1/2020 (1)	Fixed rate 2.30%	2 years	At maturity	12 May 2022	3,000,000	-	3,000,000	-
No. 1/2020 (2)	Fixed rate 2.60%	3 years	At maturity	12 May 2023	2,400,000	-	2,400,000	-
No. 2/2020	Fixed rate 2.03%	3 years	At maturity	20 October 2023	3,000,000	-	3,000,000	-
Total					<u>33,600,000</u>	<u>39,200,000</u>	<u>33,600,000</u>	<u>39,200,000</u>
Less: Current portion of debentures							(11,000,000)	(14,000,000)
Net							<u>22,600,000</u>	<u>25,200,000</u>

Movement of the debentures account during the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2020	39,200,000
Add: Issue of new debenture	8,400,000
Less: Redemption	(14,000,000)
Balance as at 31 December 2020	<u>33,600,000</u>

Prospectus contains certain covenants and restrictions regarding the maintenance of certain financial ratios, dividend payments and formal reporting when the significant events occurred such as a legal case.

27. Provisions

(Unit: Thousand Baht)

Consolidated financial statements							
	After-sale maintenance expenses	Legal cases	Contributions to housing estate juristic persons	Public utilities maintenance	Damages from projects	Other	Total
As at 1 January 2019	91,646	852,274	291,165	131,489	31,805	15,000	1,413,379
Increase during the year	77,320	18,933	32,309	117,048	-	10,000	255,610
Reversal of provisions	-	(352,702)	-	-	(493)	-	(353,195)
Utilised	(73,332)	(57,041)	(29,881)	(88,654)	(13,756)	-	(262,664)
As at 31 December 2019	95,634	461,464	293,593	159,883	17,556	25,000	1,053,130
Increase during the year	71,268	8,895	41,190	88,813	-	457	210,623
Reversal of provisions	-	(349,090)	-	-	(17,556)	-	(366,646)
Utilised	(83,353)	-	(14,567)	(97,085)	-	-	(195,005)
As at 31 December 2020	83,549	121,269	320,216	151,611	-	25,457	702,102

(Unit: Thousand Baht)

Separate financial statements							
	After-sale maintenance expenses	Legal cases	Contributions to housing estate juristic persons	Public utilities maintenance	Damages from projects	Other	Total
As at 1 January 2019	88,998	852,274	282,510	130,718	31,805	-	1,386,305
Increase during the year	75,581	18,933	30,289	115,497	-	-	240,300
Reversal of provisions	-	(352,702)	-	-	(493)	-	(353,195)
Utilised	(71,260)	(57,041)	(27,574)	(87,860)	(13,756)	-	(257,491)
As at 31 December 2019	93,319	461,464	285,225	158,355	17,556	-	1,015,919
Increase during the year	61,944	8,895	33,750	78,058	-	-	182,647
Reversal of provisions	-	(349,090)	-	-	(17,556)	-	(366,646)
Utilised	(81,735)	-	(14,410)	(93,009)	-	-	(189,154)
As at 31 December 2020	73,528	121,269	304,565	143,404	-	-	642,766

28. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Provision for long-term employee benefits				
at beginning of year	527,693	508,831	380,376	380,348
Included in profit or loss:				
Current service cost	30,413	37,395	17,439	22,031
Interest cost	15,667	13,739	8,984	10,269
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	23,836	-	22,496	-
Experience adjustments	34,866	-	34,101	-
Benefits paid during the year	(37,625)	(32,272)	(29,910)	(32,272)
Provision for long-term employee benefits				
at end of year	<u>594,850</u>	<u>527,693</u>	<u>433,486</u>	<u>380,376</u>

The Group expects to pay Baht 33.6 million (2019: Baht 15.1 million) of long-term employee benefits during the next year (the Company only: Baht 33.3 million, 2019: Baht 14.7 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 22 years (2019: 21 years) (the Company only: 21 years, 2019: 19 years).

Significant actuarial assumptions are summarised below:

	Consolidated		(Unit: percent per annum)	
	financial statements		Separate	
	2020	2019	2020	2019
Discount rate	1.1% - 2.7%	2.8% - 3%	1.1%	3%
Salary increase rate	5% - 6.5%	6% - 6.5%	5.5%	6.5%
Turnover rate	0% - 30%	0% - 25%	0% - 17.5%	0% - 20%

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

(Unit: Million Baht)

	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	(28)	30	30	(28)	(11)	12
Separate financial statements	(18)	19	18	(17)	(6)	6

(Unit: Million Baht)

	2019					
	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	(25)	27	29	(27)	(11)	11
Separate financial statements	(16)	17	18	(17)	(6)	6

29. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to the Thai Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the subsidiaries pay out a dividend, until such reserve reaches ten percent of their registered share capital. The statutory reserve cannot be used for dividend payment.

30. Revenue from contracts with customers

30.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods or service:				
Revenue from sales of real estate	27,481,217	25,151,365	24,319,359	24,267,048
Revenue from hotel operations	976,268	2,970,202	-	-
Infrastructure service income	398,073	349,501	356,759	317,495
Project management income	230,054	296,325	-	-
Total revenue from contracts with customers	<u>29,085,612</u>	<u>28,767,393</u>	<u>24,676,118</u>	<u>24,584,543</u>
Rental income	1,210,900	1,639,995	-	-
Interest income	39,858	75,827	484,281	523,809
Dividend income	115,665	230,496	58,600	100,208
Gain on sales of properties	405,275	2,418,306	-	-
Gain on sales of land held for development	34,269	-	34,269	-
Gain on exchange	2,138	-	8,623	-
Others	163,966	175,332	120,829	67,908
Total Revenue	<u>31,057,683</u>	<u>33,307,349</u>	<u>25,382,720</u>	<u>25,276,468</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	28,457,485	28,121,567	24,319,359	24,267,048
Revenue recognised over time	628,127	645,826	356,759	317,495
Total revenue from contracts with customers	<u>29,085,612</u>	<u>28,767,393</u>	<u>24,676,118</u>	<u>24,584,543</u>

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 35 relating to the segment information:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
External customers	29,085,612	28,767,393	24,676,118	24,584,543
Inter-segment	124,127	431,050	-	-
Total	29,209,739	29,198,443	24,676,118	24,584,543
Adjustments and eliminations	(124,127)	(431,050)	-	-
Total revenue from contracts with customers	29,085,612	28,767,393	24,676,118	24,584,543

30.2 Revenue recognised in relation to contract balances

During the years, the Group has recognised revenue from contracts with customers that was included in contract liabilities at the beginning of the year as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from sales of real estate recognised during the year that was included in advances received from customers at the beginning of the year	319,959	329,093	312,552	318,296
Revenue from hotel operations recognised during the year that was included in advances received from customers at the beginning of the year	4,501	8,049	-	-

30.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue from sales of real estate totaling Baht 3,356 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (2019: Baht 2,852 million) (the Company only: Baht 3,132 million, 2019: Baht 2,753 million). The Group expects to satisfy these performance obligations within 2 years.

31. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	760,991	830,342	667,623	679,672
Interest expenses on lease liabilities	126,682	5,106	6,922	-
Finance cost on provision for decommissioning	457	-	-	-
Total	888,130	835,448	674,545	679,672

32. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Purchase of land and land held for development and payment of construction in progress during year	18,068	20,386	14,145	16,358
Changes in land, constructions in progress and land held for development	(1,122)	(5,130)	842	(1,640)
Salaries and wages and other employee benefits	1,283	1,398	1,114	1,203
Depreciation and amortisation expenses	951	737	122	68

33. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	1,295,370	1,380,115	1,006,163	1,005,235
Deferred tax:				
Relating to origination and reversal of temporary differences	(79,634)	338,679	40,874	58,969
Income tax expenses reported in the statements of income	1,215,736	1,718,794	1,047,037	1,064,204

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on gain (loss) from the change in value of available-for-sale investments	-	(65,864)	-	505
Deferred tax on loss from the change in value of financial assets measured at FVOCI	391,316	-	180,472	-
Deferred tax on actuarial losses	11,740	-	11,319	-
	<u>403,056</u>	<u>(65,864)</u>	<u>191,791</u>	<u>505</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	<u>8,337,510</u>	<u>11,766,487</u>	<u>8,191,954</u>	<u>11,089,110</u>
Applicable tax rate	17% and 20%	20% and 28%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,667,941	2,318,256	1,638,391	2,217,822
Adjustment in respect of income tax of previous year	4,814	(5,433)	-	-
Effects of:				
Change in value of investments accounted for the equity method	(517,674)	(676,502)	(601,640)	(1,155,784)
Exempt dividend income	-	(10,495)	-	(10,484)
Non-deductible expenses	21,976	17,141	11,255	14,223
Additional expense deductions allowed	(2,736)	(20,518)	(1,368)	(1,208)
Unused tax losses	10,111	5,761	-	-
Reversal deferred tax asset as previously recorded	-	2,839	-	-
Items treated as revenue under the Revenue Code	30,390	86,019	-	-
Utilise of tax losses	(8)	(11)	-	-
Others	922	1,737	399	(365)
Total	<u>(457,019)</u>	<u>(594,029)</u>	<u>(591,354)</u>	<u>(1,153,618)</u>
Income tax expenses reported in the statement of income	<u>1,215,736</u>	<u>1,718,794</u>	<u>1,047,037</u>	<u>1,064,204</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for diminution in value of inventories and land held for development	180,574	184,334	170,003	174,470
Allowance for impairment of other investments	5,200	5,200	5,200	5,200
Allowance for asset impairment	67	1,774	67	1,067
Accumulated depreciation - Clubhouse and pool	165,458	132,700	150,700	124,544
Accumulated amortisation - Leasehold rights	1,186,722	1,240,745	-	-
Accumulated amortisation - Intangible assets	2,079	3,772	-	-
Provisions	93,975	169,468	85,200	163,699
Provision for long-term employee benefits	116,976	102,853	86,697	76,075
Unused tax losses	360,074	316,435	-	-
Accrued land rental	70,637	71,044	-	-
Accrued interest payable	4,028	104,953	-	-
Interest expenses capitalised as costs of projects	27,105	11,339	27,106	11,339
Lease	22,196	1,166	735	-
Loss on change in value of equity instruments	144,451	-	122,536	-
Total	2,379,542	2,345,783	648,244	556,394
Deferred tax liabilities				
Rental income received in advance	(8,977)	(835)	-	-
Gain on change in value of available-for-sale investments	-	(235,076)	-	(57,834)
Accumulated depreciation - Investment property	(295,633)	(366,016)	-	-
Advance payment	(1,433)	(1,079)	-	-
Advance received from sale of assets to REIT	(2,833,087)	(2,971,713)	-	-
Cost to obtain contracts with customers	(28,289)	(29,523)	(28,289)	(29,523)
Total	(3,167,419)	(3,604,242)	(28,289)	(87,357)
Deferred tax assets (liabilities) - net	(787,877)	(1,258,459)	619,955	469,037

As at 31 December 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 1,028 million (2019: Baht 840 million) (the Company only: 2020 and 2019: Nil), on which deferred tax assets have not been recognised as the Group believes that the temporary differences and unused tax losses will not be used.

As at 31 December 2020, the subsidiaries' unused tax losses amounting to Baht 78 million (2019: 41 million) will expire by 2022.

34. 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.

Consolidated and separate financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2020	2019	2020	2019	2020	2019
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the parent					
7,144,917	10,024,906	11,949,713	11,949,713	0.60	0.84

35. 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. The chief operating decision maker has been identified as the Company's Board of Directors

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows:

- Real estate business segment which consists of houses, townhouses and residence condominium projects for sale.
- Rental and service business segment which consists of shopping mall, apartment for rent, hotel and project management.

The chief operating decision maker monitors the operating results of its 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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2020 and 2019 are as follows:

(Unit: Million Baht)

	For the year ended 31 December 2020					
	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	27,481	2,187	-	29,668	-	29,668
Project management income	-	230	-	230	-	230
Inter-segment revenue	62	62	-	124	(124)	-
Interest income	486	40	-	526	(486)	40
Infrastructure service income	398	-	-	398	-	398
Finance cost	(705)	(666)	-	(1,371)	483	(888)
Depreciation and amortisation	(123)	(828)	-	(951)	-	(951)
Reversal of provision for legal cases	349	-	-	349	-	349
Gain on sales of properties	-	405	-	405	-	405
Gain on sales of land held for development	34	-	-	34	-	34
Share of profit from investments in associates accounted for by the equity method	554	(21)	2,055	2,588	-	2,588
Segment profit	6,228	(280)	2,055	8,003	174	8,177
Unallocated revenue and expenses:						
Other income						280
Gain on exchange						2
Loss on derivatives						(121)
Income tax expenses						(1,216)
Non-controlling interests of the subsidiaries						23
Profit for the year						7,145

The following table present assets information regarding the Group operating segments for the year ended 31 December 2020.

(Unit: Million Baht)

	Real estate business	Rental and service business	Others	Total reportable segments	Unallocated assets	Consolidated financial statements
Segment assets	56,939	25,889	-	82,828	39,736	122,564
Investments in associates accounted for by the equity method	7,932	325	15,707	23,964	-	23,964
Increase (decrease) in non-current assets other than financial instruments and deferred tax assets	(2,405)	4,411	-	2,006	-	2,006

(Unit: Million Baht)

For the year ended 31 December 2019

	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	25,151	4,611	-	29,762	-	29,762
Project management income	-	296	-	296	-	296
Inter-segment revenue	220	211	-	431	(431)	-
Interest income	528	48	-	576	(500)	76
Infrastructure service income	350	-	-	350	-	350
Finance cost	(710)	(625)	-	(1,335)	500	(835)
Depreciation and amortisation	(70)	(669)	-	(739)	-	(739)
Reversal of provision for legal cases	353	-	-	353	-	353
Gain on sales of properties	-	2,418	-	2,418	-	2,418
Share of profit from investments in associates accounted for by the equity method	755	57	2,571	3,383	-	3,383
Segment profit	5,598	2,797	2,571	10,966	407	11,373
Unallocated revenue and expenses:						
Other income						406
Loss on exchange						(12)
Income tax expenses						(1,719)
Non-controlling interests of the subsidiaries						(23)
Profit for the year						10,025

The following table present assets information regarding the Group operating segments for the year ended 31 December 2019.

	(Unit: Million Baht)					
	Real estate business	Rental and service business	Others	Total reportable segments	Unallocated assets	Consolidated financial statements
Segment assets	55,928	19,314	-	75,242	37,897	113,139
Investments in associates accounted for by the equity method	7,997	383	16,025	24,405	-	24,405
Increase (decrease) in non-current assets other than financial instruments and deferred tax assets	846	(1,927)	-	(1,081)	-	(1,081)

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Thailand	29,210	29,413
United States of America	688	645
Total	<u>29,898</u>	<u>30,058</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	43,293	38,977
United States of America	10,783	13,093
Total	<u>54,076</u>	<u>52,070</u>

Major customers

For the years 2020 and 2019, the Group has no major customer with revenue of 10% or more of an entity's revenues.

36. Provident fund

The Company and its employees and the subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and employees of each company contribute to the fund monthly at the rate of 5 to 7 percent of basic salary. The fund, which is managed by Land and Houses Fund Management Company Limited, will be paid to

employees upon termination in accordance with the fund rules. The contributions for the years 2020 and 2019 were recognised as expenses are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Contribution to provident fund	58	58	36	35

37. Dividends

Dividends	Approved by	Approved dividend per share	Interim dividend per share	Additional dividend paid per share	Total additional dividend paid	Portion belonging to shareholders not entitled to dividend	Net dividend paid
		(Baht)	(Baht)	(Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Final dividend for 2018	Annual General Meeting of the shareholders on 25 April 2019	0.75	(0.40)	0.35	4,183	(1)	4,182
Interim dividend for 2019	Board of Directors' Meeting on 14 August 2019	0.30	-	0.30	3,585	(1)	3,584
							<u>7,766</u>
Interim dividend for 2019	Board of Directors' Meeting on 23 April 2020	0.70	(0.30)	0.40	4,780	-	4,780
Interim dividend for 2020	Board of Directors' Meeting on 13 August 2020	0.20	-	0.20	2,390	-	2,390
							<u>7,170</u>

On 19 June 2020, the 2020 Annual General Meeting of the Company's shareholders acknowledged the above interim dividends for 2019, which were paid from the operating results from 1 January 2019 to 31 December 2019. In this regard, there is no any further dividend payment for the year 2019.

38. Commitments and contingent liabilities

38.1 Commitments

38.1.1 As at 31 December 2020 and 2019, the Group has commitments to purchase of land and complete projects on hand as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Commitment to purchase of land	1,992	2,522	1,992	2,522
Commitment under construction contracts	4,254	5,385	1,767	3,228
Commitment in respect of the installation of public utilities of projects on hand	1,498	1,389	1,062	1,287

38.1.2 As at 31 December 2020, the Group have servitude over land of approximately 177 rai (2019: 126 rai) of which the cost is included in the cost of projects.

38.2 Lease commitments

As at 31 December 2020, the Group has future lease payments required under these non-cancellable leases contracts that have not yet commenced as follows:

	(Unit: Million Baht)
	Consolidated financial statements
Within 1 year	-
Over 1 and up to 5 years	1,054
Over 5 years	1,857
Total	2,911

38.3 Bank guarantees

As at 31 December 2020 and 2019, there were the following 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.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Letter of guarantees for arrangement and maintenance of public utilities	4,738	4,474	3,986	3,996
Letter of guarantees for electricity usage	46	70	25	40
Letter of guarantees for building construction	33	-	-	-
	<u>4,817</u>	<u>4,544</u>	<u>4,011</u>	<u>4,036</u>

38.4 Guarantees

38.4.1 As at 31 December 2020 and 2019, the Company has the following obligations in respect of guarantees.

(Unit: Million Baht)			
Guarantor	Guarantee	2020	2019
Land and Houses Plc.	Customers	<u>7</u>	<u>7</u>

38.4.2 The Company has contingent liabilities to a bank in relation to the financial support in form of issuance of a letter of comfort to provide to the subsidiaries for loans and guarantee facilities obtained for development of the subsidiaries' projects. As at 31 December 2020, the subsidiaries have outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 5,217 million (2019: Baht 3,245 million).

38.5 Litigation

- 1) In 2010 - 2016, a housing estate juristic person and residents filed totaling 10 lawsuits against the Company for the construction of a kindergarten in the project with an amount in dispute of Baht 494 million. Details are below:
 - a) Case 1 has the amount in dispute of Baht 338 million. The Court of First Instance ordered the Company to pay for damages of Baht 27 million plus interest at a rate of 7.5% per annum, commencing from 18 January 2008 until the full amount is paid. In September 2013, the Appeal

Court altered the judgement of the Court of First Instance, whereby the Company shall pay for damages of Baht 13.8 million plus interest at a rate 7.5% per annum, commencing from 18 January 2008 until the full amount is paid. Subsequently, in August 2020, the Supreme Court altered the judgement of the Appeal Court, whereby the case was dismissed. Therefore, this case was finalised.

- b) From October to November 2020, the Court dismissed Case 2 and issued an order to dispose of Case 3 to Case 7 with a total amount in dispute of Baht 40 million. Therefore, these cases were finalised.
- c) For Case 8 and Case 9 with a total amount in dispute of Baht 113 million, the Court's adjudication was based on the points of fact as same as Case 1 and scheduled to here the judgement on 10 March 2021.
- d) For Case 10 with a total amount in dispute of Baht 1.2 million, the talking of evidence of the plaintiff and the defendant was scheduled for March 2021.

During the current year, the Company has reversed the provision of previously recorded liabilities for the above lawsuit totaling Baht 349 million.

In addition, in 2018, the housing estate juristic person and residents filed 2 additional lawsuits against the Company for the construction of a kindergarten in the project with an amount in dispute totaling Baht 23 million. In August 2020, plaintiffs had withdrawn the lawsuits.

- 2) As at 31 December 2020, the Company has been sued for breach of agreements, claiming for a total of Baht 96 million (2019: Baht 70 million).

As at 31 December 2020, the Company has set aside a provision of Baht 121 million for liabilities arising as a result of the legal cases (2019: Baht 461 million).

39. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,000	-	1,000
Equity investments measured at FVOCI	4,132	-	100	4,232
Derivatives - Cross currency and interest rate swaps	-	616	-	616
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	65,533	-	-	65,533
Investment properties	-	-	11,211	11,211
Liabilities for which fair value are disclosed				
Long-term loans from financial institutions	-	-	15,480	15,480
Debentures	-	31,729	-	31,729

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	2,579	-	-	2,579
Investment units - Domestic	3,364	-	-	3,364
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	77,154	-	-	77,154
Investment properties	-	-	13,702	13,702
Favourable cross currency and interest rate swaps	-	913	-	913

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2019

	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Long-term loans from financial institutions	-	-	9,633	9,633
Debentures	-	36,783	-	36,783

(Unit: Million Baht)

Separate financial statements

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,000	-	1,000
Equity investments measured at FVOCI	2,847	-	-	2,847
Derivatives - Cross currency and interest rate swaps	-	602	-	602
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	65,533	-	-	65,533
Investment properties	-	-	220	220
Liabilities for which fair value are disclosed				
Long-term loan from related party	-	-	803	803
Long-term loans from financial institutions	-	-	8,116	8,116
Debentures	-	31,729	-	31,729

(Unit: Million Baht)

Separate financial statements

As at 31 December 2019

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other long-term investments - Available-for-sale securities				
Equity securities - Overseas	2,579	-	-	2,579
Investment units - Domestic	1,170	-	-	1,170
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	77,154	-	-	77,154
Investment properties	-	-	220	220
Favourable cross currency and interest rate swap	-	897	-	897

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Long-term loan from related party	-	-	763	763
Long-term loans from financial institutions	-	-	3,955	3,955
Debentures	-	36,783	-	36,783

40. Financial instruments

40.1 Derivatives

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Derivative assets				
Derivative assets not designated as hedging instruments				
Cross currency and interest rate swaps	615,628	-	602,428	-
Total derivative assets	<u>615,628</u>	<u>-</u>	<u>602,428</u>	<u>-</u>

Derivatives not designated as hedging instruments

The Group uses cross currency and interest rate swaps to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 2 to 60 months.

40.2 Financial risk management objectives and policies

The Group's financial instruments, principally comprise cash and cash equivalents, trade and other receivables, loans, investments, trade and other payables, borrowings and debentures. The financial risks associates with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

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 receivables are regularly monitored. 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 customer type and rating, and coverage by deposits. 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 may be updated throughout the year. 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.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into derivatives to manage its risk exposure i.e., cross currency and interest rate swaps to mitigate the risk of rising foreign currency rates and interest rates.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its loans that are denominated in foreign currency. The Group seeks to reduce this risk by entering into cross currency and interest rate swaps when it considers appropriate. Generally, the cross currency and interest rate swaps mature within 5 years.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Philippines Peso	3,395	4,422	-	-	0.6261	0.5946
US Dollar	6	3	60	93	30.0371	30.1540

Foreign currencies	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Philippines Peso	3,395	4,422	-	-	0.6261	0.5946
US Dollar	272	309	-	-	30.0371	30.1540

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax	
		Consolidated	Separate
		financial statements	financial statements
	(%)	(Thousand Baht)	(Thousand Baht)
US dollar	+3	(50,768)	(66,794)
	- 3	50,768	66,794

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans to, loans from and debentures. 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 2020 and 2019, 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)

	Consolidated financial statements							
	2020							
	Fixed interest rates				Floating			
	Within	1 - 5	Over	Floating	Non-interest		Effective	
	At call	1 year	years	5 years	interest	bearing	Total	interest rate
					rate			(% p.a.)
<u>Financial assets</u>								
Cash and cash equivalents	137	4,830	-	-	1,537	609	7,113	Note 8
Trade and other receivables	-	-	-	-	-	187	187	-
Restricted bank deposit	-	-	-	-	11	-	11	0.05
Loans to related party	-	-	534	-	-	-	534	3.05
Debt investments measured at amortised cost	-	30	-	-	-	-	30	0.70
Financial assets measured at FVTPL	-	-	-	-	-	1,000	1,000	-
Equity investments measured at FVOCI	-	-	-	-	-	4,232	4,232	-
Derivatives - Cross currency and interest rate swaps	-	429	187	-	-	-	616	2.42 - 3.64
<u>Financial liabilities</u>								
Short-term loans from financial institution	-	6,845	-	-	-	-	6,845	Note 23
Trade and other payables	-	-	-	-	-	3,140	3,140	-
Long-term loans from financial institutions	-	-	11,002	-	4,008	-	15,010	Note 25
Debentures	-	11,000	22,600	-	-	-	33,600	Note 26
Lease liabilities	-	765	3,084	3,774	-	-	7,623	2.25 - 4.48

(Unit: Million Baht)

	Separate financial statements							
	2020							
	Fixed interest rates				Floating			
	Within	1 - 5	Over	interest	Non-interest		Effective	
	At call	1 year	5 years	rate	bearing	Total	interest rate	
							(% p.a.)	
<u>Financial assets</u>								
Cash and cash equivalents	-	4,500	-	-	818	337	5,655	Note 8
Trade and other receivables	-	-	-	-	-	76	76	-
Loans to related parties	4,892	6,266	1,822	-	-	-	12,980	2.5 - 4.0
Financial assets measured at FVTPL	-	-	-	-	-	1,000	1,000	-
Equity investments measured				-				
at FVOCI	-	-	-	-	-	2,847	2,847	-
Derivatives - Cross currency								
and interest rate swaps	-	429	173	-	-	-	602	2.42 - 3.64
<u>Financial liabilities</u>								
Short-term loans from financial								
institution	-	5,875	-	-	-	-	5,875	Note 23
Trade and other payables	-	-	-	-	-	2,294	2,294	-
Loan from related party	-	-	840	-	-	-	840	2.13
Long-term loans from financial								
institutions	-	-	8,520	-	-	-	8,520	Note 25
Debentures	-	11,000	22,600	-	-	-	33,600	Note 26
Lease liabilities	-	44	239	-	-	-	283	2.25 - 2.4

(Unit: Million Baht)

	Consolidated financial statements						
	2019						
	Fixed interest rates			Floating	Non-interest		Effective
	At call	Within 1 year	1 - 5 years	interest rate	bearing	Total	interest rate
							(% p.a.)
<u>Financial assets</u>							
Cash and cash equivalents	214	2,030	-	2,068	242	4,554	Note 8
Current investments	-	70	-	-	-	70	1.90
Trade and other receivables	-	-	-	-	240	240	-
Restricted bank deposit	-	-	-	11	-	11	0.375
Other investments							
- Available-for-sale securities	-	-	-	-	5,943	5,943	-
Loans to related party	-	-	536	-	-	536	3.10
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	3,806	3,806	-
Short-term loans from financial institutions	-	470	-	-	-	470	Note 23
Long-term loans from financial institutions	-	-	4,000	6,222	-	10,222	Note 24
Debentures	-	14,000	25,200	-	-	39,200	Note 26

(Unit: Million Baht)

	Separate financial statements						
	2019						
	Fixed interest rates			Floating		Total	Effective interest rate (% p.a.)
	At call	Within 1 year	1 - 5 years	interest rate	Non-interest bearing		
<u>Financial assets</u>							
Cash and cash equivalents	-	1,500	-	1,320	23	2,843	Note 8
Trade and other receivables	-	-	-	-	41	41	-
Loans to related parties	-	-	12,137	-	-	12,137	3.12 - 4.50
Other investments							
- Available-for-sale securities	-	-	-	-	3,749	3,749	-
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	2,518	2,518	-
Loans from related party	-	-	840	-	-	840	2.13
Long-term loans from financial institutions	-	-	4,000	-	-	4,000	Note 25
Debentures	-	14,000	25,200	-	-	39,200	Note 26

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 loans from affected as at 31 December 2020.

Currency	Increase/decrease (%)	Effect on profit before tax	
		Consolidated financial statement (Thousand Baht)	Separate financial statement (Thousand Baht)
Loan from in Baht	+1	(35,615)	-
	-1	35,615	-

The above analysis has been prepared assuming that the amounts of the floating rate loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, trade payable, bank loans, debentures and lease contracts. Approximately 34% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 37%) (the Company only: 38%, 2019: 36%) 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 and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows which comprise of principal and interest:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	6,930,438	-	-	6,930,438
Trade and other payables	3,140,282	-	-	3,140,282
Retention guarantees	530,382	-	-	530,382
Long-term loans from financial institutions	603,376	13,695,082	2,167,891	16,466,349
Debentures	11,210,325	23,760,099	-	34,970,424
Lease liabilities	983,165	3,690,406	6,011,758	10,685,329
Total non-derivatives	23,397,968	41,145,587	8,179,649	72,723,204

(Unit: Thousand Baht)

	Separate financial statements			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	5,941,878	-	-	5,941,878
Trade and other payables	2,294,298	-	-	2,294,298
Retention guarantees	373,812	-	-	373,812
Loan from related party	17,892	842,982	-	860,874
Long-term loans from financial institutions	191,906	8,850,941	-	9,042,847
Debentures	11,210,325	23,760,099	-	34,970,424
Lease liabilities	50,484	252,418	-	302,902
Total non-derivatives	20,080,595	33,706,440	-	53,787,035

40.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position, except for the following financial liabilities.

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2020	2019	2020	2019	2020	2019	2020	2019
<u>Financial liabilities</u>								
Loan from related party	-	-	-	-	840	840	803	763
Long-term loans from financial institutions	15,010	10,222	15,480	9,633	8,520	4,000	8,116	3,955
Debentures	33,600	39,200	31,729	36,783	33,600	39,200	31,729	36,783

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

- For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and short-term loans to related parties and accounts payable and short-term loan from related parties, the carrying amounts in the statement of financial position approximate their fair value.
- The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- The fair value of fixed rate debentures and long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- The carrying amounts of loans to and loans from carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

- f) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Group considers to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

40.4 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Non-listed equity investment	Non-listed equity investment
Balance as of 1 January 2020	152,174	-
Net loss recognised into other comprehensive income	(51,880)	-
Balance as of 31 December 2020	100,294	-

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investment in non-listed equity instruments	Stock valuation by dividend discounted model	Risk premium	8.5%	2% increase (decrease) in the risk premium would result in Baht 22 million decrease (increase) in fair value

41. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.44:1 (2019: 1.13:1) and the Company's was 1.09:1 (2019: 0.95:1).

42. Events after reporting period

On 24 February 2021, the meeting of the Company's Board of Directors passed the resolution to propose Annual General Meeting of the Company's shareholders for approval the payment of a dividend for the year 2020 of Baht 0.50 per share. However, since the Board of Directors previously approved an interim dividend from profit of the year 2020 amounting to Baht 0.20 per share, the Board will propose the remaining dividend payment of Baht 0.30 per share, amounting to Baht 3,585 million. The payment of such dividend shall be made within May 2021.

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.

Financial Ratio

Land and Houses Public Company Limited and its subsidiaries

Financial Ratio

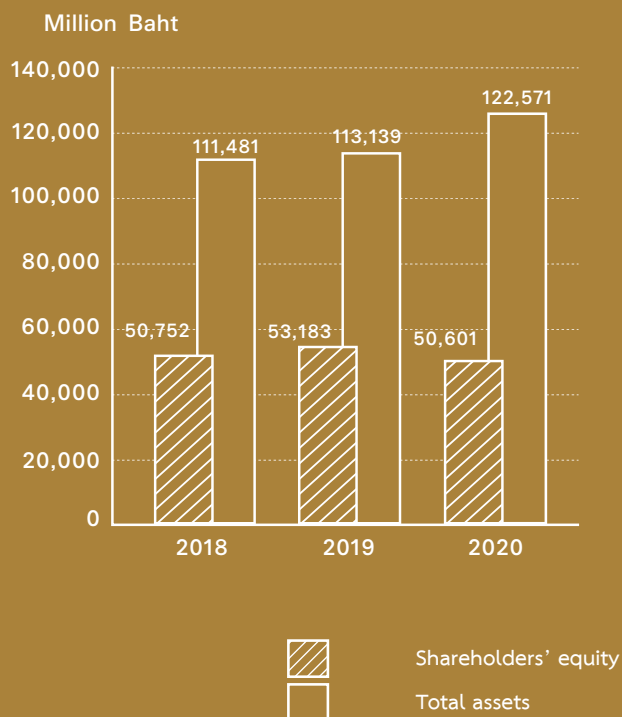
As at 31 December 2020, 2019 and 2018

		31-Dec-20	31-Dec-19	31-Dec-18
Liquidity Ratio				
Current Ratio	(Times)	2.53	2.65	2.55
Quick Ratio	(Times)	0.29	0.21	0.36
Quick Ratio (Cash Basis)	(Times)	0.26	0.12	0.45
Account Receivable Turnover	(Times)	-	-	-
Average Collection Period	(Days)	-	-	-
Inventory Turnover	(Times)	0.35	0.33	0.40
Average Sales Period	(Days)	1,019	1,076	895
Account Payable Turnover	(Times)	5.40	4.53	5.46
Payment Period	(Days)	67	80	66
Cash Cycle	(Days)	955	1,000	831
Profitability Ratio				
Gross Profit Margin	(%)	30.62%	32.28%	35.07%
Operating Profit Margin	(%)	18.32%	19.86%	21.43%
Other Profit Margin	(%)	12.07%	19.91%	15.38%
Operating Profit Margin (Cash Basis)	(%)	84.57%	44.69%	141.21%
Net Profit Margin	(%)	23.01%	30.10%	28.74%
Return on Equity	(%)	13.96%	19.57%	20.94%
Basic Earnings Per Share	(Baht/Share)	0.60	0.84	0.88
Diluted Earnings Per Share	(Baht/Share)	-	-	-
Efficiency Ratio				
Return on Assets	(%)	6.06%	8.93%	9.48%
Return on Fixed Assets	(%)	52.24%	51.74%	50.93%
Total Assets Turnover	(Times)	0.26	0.30	0.33
Financial Policy Ratio				
Debt to Equity Ratio	(Times)	1.42	1.13	1.20
Interest Coverage Ratio	(Times)	5.01	5.05	11.26
Obligation Coverage Ratio	(Times)	2.19	0.85	1.35
Dividend Payout	(%)	83.63%	83.44%	85.53%

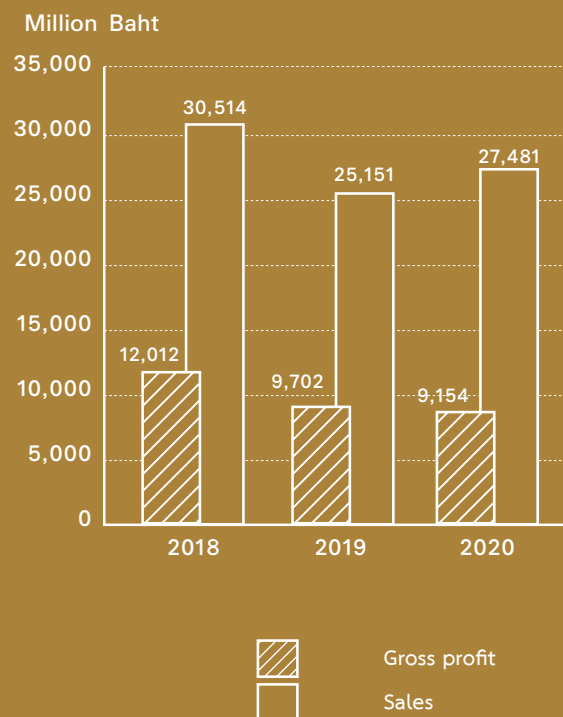
Comparative 3 Years Financial Statistics

	2020	2019	2018
Assets (Million Baht)			
Total Assets	122,571	113,139	111,481
Inventories	52,893	53,374	48,243
Investment	28,382	30,442	29,280
Liabilities and Shareholders' Equity (Million Baht)			
Short Term Loan (Interest Bearing Debt)	18,071	15,677	14,887
Long Term Loan (Interest Bearing Debt)	37,384	34,218	35,781
Total Liabilities	71,970	59,956	60,729
Paid up Share Capital	11,950	11,950	11,950
Shareholders' Equity	50,601	53,183	50,752
Result of Operation (Million Baht)			
Sales	27,481	25,151	30,514
Total Revenues	31,058	33,307	36,447
Gross Profit	9,154	9,702	12,012
Net Profit	7,145	10,025	10,475
Per Share Figure (Baht)			
Book Value	4.18	4.39	4.18
Earning Per Share	0.60	0.84	0.88
Ratio			
Current Ratio	2.53	2.65	2.55
Quick Ratio	0.29	0.21	0.36
Profitability Ratio			
Gross Profit Margin	30.62%	32.28%	35.07%
Operation Profit Margin	18.32%	19.86%	21.43%
Net Profit Margin	23.01%	30.10%	28.74%
Return on Equity	13.96%	19.57%	20.94%
Efficiency Ratio			
Return on Assets	6.06%	8.93%	9.48%
Financial Policy Ratio			
Debt to Equity Ratio	1.42	1.13	1.20
Interest Coverage Ratio	5.01	5.05	11.26
Number of Outstanding Shares (Million Shares)	11,950	11,950	11,950

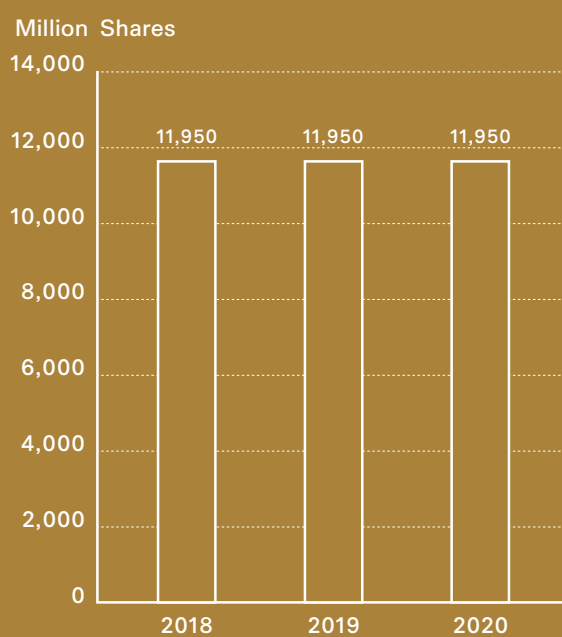
Total assets and Shareholders' equity



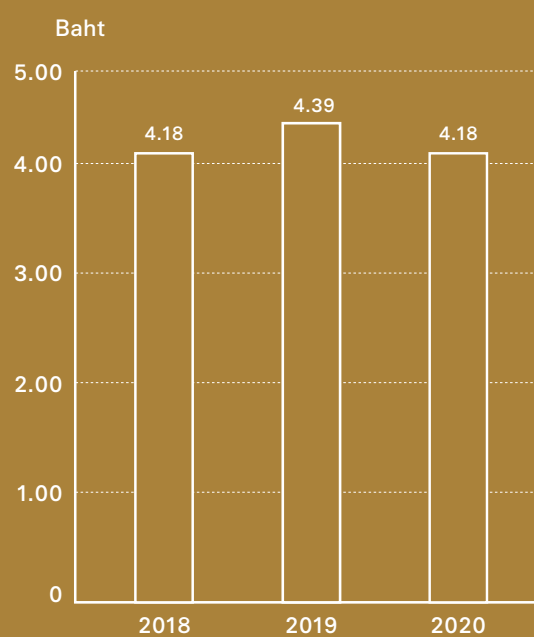
Result of Operation



Number of Outstanding Shares



Book value



Management Discussion and Analysis

a) Overall picture of the past performances

Operating results

During the year 2018-2020, the Company recorded its total revenue at 30,513.64, 25,151.36, and 27,481.22 million Baht consecutively. Due to the economic slowdown from the political situation in the country, the trade war between China and United States and also the outbreak of the virus COVID-19, all which resulted in the decrease in total revenue of 5,362.28 million Baht from the year 2018 before the increase of 2,329.86 million Baht in the year 2020.

For the year 2018, decision making to purchase in residential housing was slow down due to the rigid credit limit measures from the public sector, which caused the decision to purchase the residential in the second half of 2018 has decelerated and thus cause the Company's revenue to decrease when comparing to the same period of the prior year. The revenue has declined from 31,724.30 million Baht in the year 2017 30,513.64 million Baht in 2018, a decrease of 1,210.66 million Baht or down 3.82% In 2019 from the economic slowdown and the trade war between China and United State thus affected the total revenue decrease to 25,151.36 million Baht, a decrease of 5,362.28 million Baht or 17.57%. In 2020, because of the return of the purchasing power from the year 2019, though there was an outbreak of COVID-19 but the Company still earned total revenue of 27,481.22 million Baht, an increase of 2,329.86 million Baht or an increase of 9.26% from the year 2019.

Gross Profit of the Company and its subsidiaries during the past three years were as follows :

(Unit : Million Baht)

	2018	2019	2020
Gross Profit	12,011.51	9,701.87	9,154.19
Gross Profit Margin	35.07%	32.28%	30.62%

The gross profit in 2020 has decreased by 547.68 million Baht from the gross profit margin which decreased from 32.28% in 2019 to 30.62% as a result of the closed down of the Hotel and shopping mall in some period of time in 2020 and also because of the economic slowdown due to the foreign tourists cannot our country.

The operating performance of each business group

More than 80% of the consolidated revenue of the Company and its subsidiaries came from the real estate business. In the year 2018 2019 and 2020, the Company and its subsidiaries earned revenue from the real estate business at the percentage of 83.72%, 75.51% and 88.48% of total revenue consecutively. The second in line was revenue from the rental and services which in 2018, 2019 and 2020 was at 10.24%, 14.73% and 7.78 % of total revenue, respectively.

In 2018, the Company had recorded the profit from sale of apartment for rent in United State at the selling price of USD 140 million with the profit of approximately USD 41 million which equaled to 1,335.49 million Baht or 3.66% of total revenue.

In 2019, the Company had recorded the profit from sale of the Grande Centre Point Sukhumvit 55 at the price of 4,155 million Baht with the profit of 2,418.31 million Baht which equaled to 7.26% of total revenue.

In 2020, the Company had recorded the profit from sale of apartment for rent in United State at the selling price of USD 80 million with the profit of USD 13 million which equaled to 405.28 million Baht or 1.30% of total revenue.

Revenue from Sale :

consisted of revenue from selling single-detached house, twonhouse and Condominium. The Company will recognize the revenue only when the ownership has been completely transferred to the customers. Revenue from sale in the year 2018, 2019 and 2020 mainly came from the sale of single detached house at the percentage of 68.7%, 75.8% and 77.1% respectively. The Company and its subsidiaries had the policy to emphasize on the single-detached houses for sale, at the same time they also expanded their customer base into residential for sale in types of townhouses and residential condominium to meet their customers' requirement. However, as the demand of Condominium was fluctuate during the economic situation and also the competition, the Company then had to consider to launch the new project to properly fit to such situation at that time.

Revenue from sale of the Company in 2018, 2019 and 2020 were as follows:

In 2018, revenue from sales equaled to 30,513.64 million Baht, a decrease from last year (YoY) of 1,210.66 million Baht or 3.82% decrease from the reduction in confidence and purchasing power.

In 2019, revenue from sales equaled to 25,151.36 million Baht, a decrease from last year (YoY) of 5,362.28

million Baht or 17.57% decrease as a result of the economic slowdown due to the trade war between China and United State.

In 2020, revenue from sales equaled to 27,481.22 million Baht, an increase from 2019 (YoY) of 2,329.86 million Baht, an increase of 9.26% from the return of the purchasing power from the year 2019, though there was an outbreak of COVID-19.

Rental and Services Income :

Rental and Services Income of the Company had tendency to increase consecutively in 2018-2020 as follows :

(Unit : Million Baht)

	2018	2019	2020
Rental Income	3,733.32	4,906.52	2,417.22
% of total Revenue	10.24	14.73	7.78
Increase (Decrease) from prior year	536.31	1,173.20	(2,489.30)
% increase (decrease)	16.77	31.43	(50.73)
% Gross margin	24.03	31.49	18.20

The rental and services income had increased consecutively as the Company had invested more in the leasehold and investment properties. However, the income had decreased in 2020 due to the outbreak of Covid-19.

In 2018, the Company had rental and services income of 3,733.32 million Baht or 10.24% of total revenue, an increase from 2017 (YoY) of 536.31 million Baht or an increase of 16.77%.

In 2019, the Company had rental and services income of 4,906.52 million Baht or 14.73% of total revenue, an increase from 2018 of 1,173.20 million Baht or an increase of 31.43%.

In 2020, the Company had rental and services income of 2,417.22 million Baht or 7.78% of total revenue, a decrease from 2019 of 2,489.30 million Baht or a decrease of 50.73% from the announcement of the Emergency Decree in Emergency Situations to control the epidemic of virus COVID-19.

Share of profit from investment in the associated companies:

In 2018, the Company recorded the share of profit from its associated companies of 3,404.49 million Baht, an increase from 2017 (YoY) of 267.58 million Baht, an increase of 8.53%.

In 2019, the Company recorded the share of profit from its associated companies of 3,382.51 million Baht, a slightly decrease from last year of 21.98 million Baht.

In 2020, the Company recorded the share of profit from its associated companies of 2,588.37 million Baht, a decrease of 794.14 million Baht or 23.48%.

Share of profit from investments in associated companies Of the year 2018, 2019 and 2020.

(Unit : Million Baht)

Name of Company	2018	2019	2020
LH Financial Group Plc.	680.04	703.32	496.00
Quality Construction Products Plc.	12.12	38.02	24.12
Home Product Center Plc.	1,696.82	1,867.48	1,558.67
Land and Houses Property and Loan Fund II	66.28	56.81	(20.77)
Quality Houses Plc.	949.23	716.88	530.35
Total	3,404.49	3,382.51	2,588.37
Increase (Decrease)	267.58	(21.98)	(794.14)
% increase (decrease) from last year	8.53	(0.65)	(23.48)

Other Incomes :

Comprise of gain on sales of properties, gain from reversals of losses from the project impairment, interest income, utility services, dividend income and other incomes. Details of other incomes were as follows :

In 2018, other income was at 2,200.18 million Baht, a decrease from the same period of the prior year of 1,663.99 million Baht or 43.06% down. Incomes comprised of gain from sales of properties 1,335.49 million Baht (from sale of the apartment for rent in United State at USD 140 million and had gain on sales of USD 41 million). Utility services income of 327.27 million Baht, dividend received 227.89 million Baht, sale from selling project of the 115.73 million Baht, interest income and other incomes of 193.80 million Baht.

In 2019, other income in total was 3,249.47 million Baht, an increase from year 2018 (YoY) 1,049.29 million Baht or an increase of 47.69% comprised of gain on sales of properties of 2,418.31 million Baht (which was from the sale of the Grande Center Point Sukhumvit 55 to the LH Hotel Leasehold real estate Investment trust at 4,155 million Baht) Utility services income of 349.50 million Baht, dividend received 230.50 million Baht, interest income and other incomes of 251.16 million Baht.

In 2020, Other income in total was 1,159.24 million Baht, a decrease from the same period of last year of 2,090.23 million Baht, a decrease of 64.33%, comprised of gain on sales of properties of 439.54 million Baht (which was gain from sale of apartment in United State of 405.28 million Baht) Utility services income of 398.07 million Baht, dividend

received 115.67 million Baht, interest income and other incomes of 205.96 million Baht.

Gross Profit Margin :

In 2018, the gross profit margin was at 35.07% with the profit margin of the revenue from sale of Company's products at 36.42% and the gross profit margin of rental and services income at 24.03%.

In 2019, the gross profit margin was at 32.28% with the profit margin of the revenue from sale of Company's products at 32.43% and the gross profit margin of rental and services income at 31.49%.

In 2020, the gross profit margin was at 30.62% with the profit margin of the revenue from sale of Company's products at 31.71% and the gross profit margin of rental and services income at 18.20%.

Administrative Expenses :

In 2018, the Company had administrative expenses of 2,681.09 million Baht, less the reversal of provision for legal cases of 273.23 million Baht, thus net administrative expenses was only 2,407.86 million Baht or 6.61% to total revenue , Compared to last year, this expense had decreased by 394.42 million Baht or equaled to down 14.07% from the reversal of provision for legal cases of 273.23 million Baht

In 2019, the administrative expenses was 2,367.72 million Baht, less the reversal of provision for legal cases of 352.70 million Baht thus the remaining net administrative expense equaled to 2,015.02 million Baht or 6.05% of

total revenue. The expense decrease from last year (YoY) of 392.84 million Baht or down 16.31% from the reversal of provision for legal cases 352.70 million Baht and the decrease in salary and remuneration of 123 million Baht.

In 2020, the administrative expenses was 2,224.99 million Baht less the reversal of provision for legal case of 349.09 million Baht, so net administrative expenses was 1,875.90 million Baht or at 6.04% of total revenue. The administrative expense decrease from the year 2019 (YoY) of 139.12 million Baht or 6.90% decrease.

Selling Expenses :

Selling expenses, excluding special business taxes and transfer fees.

In 2018, selling expenses was 1,095.55 million Baht or 3.01% of total revenue, the selling expense was higher when comparing to the same period of last year of 108.10 million Baht or an increase of 10.95%

In 2019, selling expenses was 728.32 million Baht or 2.19% of total revenue. The significant decrease in selling expenses from last year (YoY) of 367.23 million Baht or 33.52% decrease was due to the implementation of the TFRS 15 so that the Company had to bring the promotion expenses which prior was recorded in the selling expense of 378 million Baht to be recorded netting of the revenue from sale instead.

In 2020, the selling expense was equaled to 636.82 million Baht or only 2.05% of total revenue. The selling expense this year decrease from last year (YoY) of 91.5 million Baht or a decrease of 12.56%.

Special Business Taxes and Transfer Fees :

In 2018 Special Business Taxes and Transfer Fees was at 1,166.60 million Baht or 3.20% of the revenue. Comparing to the same period of last year, this item decrease 54.65 million Baht or a decrease of 4.47% in line with the decrease in sale in 2018.

In 2019 Special Business Taxes and Transfer Fees was at 974.71 million Baht or 2.93% of the revenue. Comparing to the same period of last year, this item decrease 191.89 million Baht or a decrease of 16.45% according to the decrease in sale in 2019.

In 2020 Special Business Taxes and Transfer Fees was at 1,041.99 million Baht or 3.36% of total revenue.

Comparing to the same period of last year, this item increase of 67.28 million Baht or an increase of 6.90% according to the increase in sale in 2020.

Earnings before finance cost and income tax expenses :

In 2018, the Company had earnings before finance cost and income tax expenses of 9,537.98 million Baht, a decrease of 1,010.07 million Baht or 9.58% when compared to last year on YoY basis.

In 2019, the Company had earnings before finance cost and income tax expenses of 9,219.41 million Baht, a decrease of only 318.57 million Baht or 3.34% when compared to last year on YoY basis.

In 2020, the Company had earnings before finance costs and income tax expenses of 6,637.27 million Baht, a significant decrease of 2,582.14 million Baht or equaled to a decrease of 28.01 % when compared to last year.

Earnings before corporate income tax expenses :

In 2018, the Company had Earnings before corporate income tax expenses of 12,211.89 million Baht, slightly decrease of 831.82 million Baht or a decrease of 6.38% comparing to the year 2017, YoY.

In 2019, the Company had Earnings before corporate income tax expenses of 11,766.48 million Baht, a decrease of 445.41 million Baht or a decrease of 3.65% comparing to the year 2018, YoY.

In 2020, the Company had Earnings before corporate income tax expenses of 8,337.51 million Baht, a decrease of 3,428.97 million Baht or a decrease of 29.14% comparing to the amount in year 2019 YoY.

Net Profit :

In 2018, the Company had net profit of 10,475.43 million Baht, an increase of 12.21 million Baht or a slight increase of 0.12%.

In 2019, the Company had net profit of 10,024.90 million Baht, a decrease of 450.53 million Baht or a decrease of 4.30%.

In 2020, the Company had net profit of 7,144.91 million Baht, a decrease of 2,879.99 million Baht or a decrease of 28.73% from the previous year.

From the above-mentioned performance, when considered at the profitability ratio of the Company in 2018, 2019 and 2020, the Company has the gross profit margin ratio stood at 35.07%, 32.28% and 30.62 respectively while the net profit margin ratio during 2018-2020 was 28.74%, 30.10% and 23.00 consecutively.

Dividend paid :

As from the Company's performance, the Company had considered the dividends payment from its performances in 2017-2020 as follows :

	Dividend Rate (%)	Dividend Payments (million Baht)	Payment Date
Dividends paid for the 2017 operations	85.65	4,780 4,182	September 6, 2017 May 22, 2018
Dividends paid for the 2018 operations	85.53	4,780 4,182	September 11, 2018 May 21, 2019
Dividends paid for the 2019 operations	83.44	3,585 4,780	September 11, 2019 May 22, 2020
Dividends paid for the 2020 operations	83.63	2,390 3,585	September 11, 2020 May 21, 2021

The dividend payments for the year 2018 operations : The Board of Directors had approved on August 14, 2018, for the payment of the interim dividend of the first six months operation of the year 2018 at the rate of 0.40 Baht (at the one-Baht par) in totaling of 4,780 million Baht which was paid on September 11, 2018 and on February 27, 2019, the Board of Directors then asked for the approval from the Shareholders' meeting for the total dividend of the operation year 2018 at the rate of 0.75 Baht, leaving the outstanding dividend to be paid of 0.35 Baht per share or in total sum of 4,182 million Baht which was paid on May 21, 2019. Total dividends paid for the year 2018 operations was at the rate of 85.53% of net earnings.

The dividend payments for the year 2019 operations : The Board of Directors had approved on August 14, 2019, for the payment of the interim dividend of the first six months operation of the year 2019 at the rate of 0.30 Baht (at the one-Baht par) in totaling of 3,585 million Baht which was paid on September 11, 2019. And on February 27, 2020, the Board of Directors also asked the approval for the total

Earning per share :

Total number of shares in 2018, 2019 and 2020 remained constant at 11,950 million shares. Thus earning per share in each year 2018, 2019 and 2020 were at 0.87, 0.84 and 0.60 Baht per share consecutively.

dividend for the 2019 operations at the rate of 0.70 Baht (at one-Baht par) to be approved at the shareholders' meeting, leaving the outstanding dividend to be paid at the rate of 0.40 Baht per share or in total sum 4,780 million Baht, to be paid on May 22, 2020. Thus total dividends paid for the year 2019 operations were at the rate of 83.44% of net earnings.

The dividend payments for the year 2020 operations : The Board of Directors had approved on August 13, 2020, for the payment of the interim dividend of the first six months operation of the year 2020 at the rate of 0.20 Baht (at the one-Baht par) in totaling of 2,390 million Baht which was paid on September 11, 2020. And on February 24, 2021, the Board of Directors also asked the approval for the total dividend for the 2020 operations at the rate of 0.50 Baht (at one-Baht par) to be approved at the shareholders' meeting, leaving the outstanding dividend to be paid at the rate of 0.30 Baht per share or in total sum 3,585 million Baht, to be paid on May 21, 2021. Thus total dividends paid for the year 2020 operations were at the rate of 83.63% of net earnings.

b) Financial Position

Assets

Total Assets of the Company and its subsidiaries at the end of the year 2018, 2019 and 2020 were recorded at 111,480.89 million Baht, 113,139.05 million Baht and 122,571.07 million Baht consecutively. As the Company operates in the business of developing real estate by selling the “pre-built” houses and also keeps on launching new projects regularly, the core assets are in form of inventories which comprises of land and projects under development. In addition, the assets next in line of importance are the investment in both subsidiaries and associated companies and investment properties. Details of the assets are as follows :

Inventories :

Inventories at the end of the year 2018, 2019 and 2020 were 48,243.27 million Baht, 53,373.60 million Baht and 52,893.10 million Baht respectively, which representing 43.27%, 47.18 % and 43.15 % of the total assets in each year. The Company had separately showed the accounts of Land held for development of the Company and its subsidiaries including its related expenses as at the end of 2018, 2019 and 2020 as 1,337.20, 1,337.20 and 2,939.85 million Baht respectively which are lands held for future development and shown under the non-current asset, until when these lands are used to start development that it will be shown under inventories.

(Unit : Million Baht)

	2018	2019	2020
Net inventories	48,243.27	53,373.60	52,893.10
Increase (Decrease)	45.35	5,130.33	(480.50)
% of total Assets	43.27	47.18	43.15

Net Trade Receivables :

as at the end of 2018, 2019 and 2020 : The Company had trade and other receivables as follows : 228.57 million Baht, 239.80 million Baht and 187.01 million Baht respectively from the leasing and services business.

Investment in associated Companies :

The details of these items were as follows:

Table : Investment under the equity method of associated companies as at December 31, 2018-2020

(Unit : Million Baht)

Name of Company	2018	2019	2020
LH Financial Group Plc.	8,697.40	9,015.46	8,568.29
Quality Construction Products Plc.	391.70	423.71	431.56
Home Product Center Plc.	6,639.18	7,009.22	7,138.36
Land & Houses Property and Loan Fund II	419.34	383.29	325.39
Quality House Plc.	7,425.35	7,573.69	7,500.01
Total	23,572.97	24,405.37	23,963.61
Percentage of total Assets	21.15	21.57	19.55

Long term Investment / Non - current financial assets as at the end of 2018-2020 were as follows : 5,707.52, 6,036.84 and 4,418.78 million Baht which was accounted for 5.12%, 5.34% and 3.61% consecutively.

In 2018, the Company had long-term investment of 5,707.52 million Baht, a decrease of 1,448.96 million Baht from 2017 as a result of the increase in purchase of

investment in unit trust - Domestic of 307.78 million Baht while the changes in fair value of securities had decreased by 1,756.74 million Baht, mainly from the decrease in value of shares of vistamall Inc. in Philippines.

In 2019, the Company had long term investment of 6,036.84 million Baht, an increase of 329.32 million Baht from the increase in value of the investment in 2018.

In 2020, the Company had non-current financial assets of 4,418.78 million Baht, a decrease of 1,618.06 million Baht from the value of investment which decrease from the year 2019 according to the outbreak of the virus COVID-19.

Land held for development : As at the end of 2018, 2019 and 2020, land held for development was valued at 1,337.20 million Baht, 1,337.20 million Baht and 2,939.85 million Baht, representing 1.20%, 1.18% and 2.40% of total assets respectively.

At the end of 2018, Land held for development was totaled 1,337.20 million Baht after an impairment allowance of 720.13 million Baht. In this year, the Company had transferred land held for development of total 1,171 million Baht to the inventories account.

At the end of 2019, Land held for development was totaled 1,337.20 million Baht after an impairment allowance of 724.30 million Baht.

At the end of 2020, Land held for development was totaled 2,939.85 million Baht after an impairment allowance of 724.30 million Baht, an increase from 2019 of 1,602.65 million Baht

During the fiscal year 2018, the Company has engaged the independent appraisal valuer to appraise the fair value of some certain plots of land held for development of the Company and its subsidiaries by using the Market Comparison Approach as the basis of determining the valuation of the assets. The fair values of land held for development appraised by the independent appraiser exceeded their net carrying book value :

(Unit : Million Baht)

As at December 31,	2018	2019	2020
Net book value of land held for development which were mortgaged secured loan	689	689	2,053

Investment Properties

In 2018 2019 and 2020, the Company had investment properties of 14,406.73, 13,264.21 and 10,960.67 million Baht respectively.

In 2018, LH USA had sold the apartment for rent in California, USA at the price of USD 140 million with the profit of USD 41 million and had recognized this transaction as revenue for the fiscal year in the amount of 1,335.49 million Baht.

In 2019, there is no transaction regarding the acquisition or sale of investment properties in the United States.

In 2020, LH USA had sold the apartment for rent in United States at the price of USD 80 million, with the profit from sales of USD 13 million and had recognized this transaction as revenue for the fiscal year in the amount of 405.28 million Baht.

The fair value of the investment properties at December 31, were stated as below

(Unit : Million Baht)

	2018	2019	2020
Fair Value	14,508	13,482	10,991

In 2018, 2019 and 2020, the rental income and direct operating expense arising from its apartment for rent of LH USA which are recorded in the Profit & Loss are as follows :

(Unit : Million Baht)

	2018	2019	2020
Rental Revenue	715	645	688
Direct operating Expenses	647	575	607

Property, plant and equipment - Net during the past three years (2018 -2020) were stated as follows :

(Unit : Million Baht)

	2018	2019	2020
Net Book Value	863.09	687.75	601.48
Increase (Decrease)	294.14	(175.34)	(86.27)

Leasehold Rights / Leasehold Asset

In 2018, 2019 and 2020, The Company and its subsidiaries had leasehold rights of 6,652.6, 5,729.78 and 14,910.54 million Baht accordingly. In the year 2020, there was an adjustment to the leasehold and the adoption of new financial reporting standard TFRS 16 to be used in January of 2020 as the first year. As at December 31, 2020 , the value of right of use of asset / Leasehold rights is 14,910.54 million Baht and had lease liabilities of 7,623.41 million Baht. The leasehold rights comprised of

(Unit : Million Baht)

	2018	2019
Grande Centre Point Hotel Ratchadamri	-	-
Grande Centre Point Hotel Sukhumvit 55	1,530.38	-
Grande Centre Point Hotel and Terminal 21 Shopping center Pattaya	4,436.41	4,246.38
Terminal 21 Rama 3 Shopping center	445.17	869.53
Vacant Land	240.64	613.87
Total	6,652.60	5,729.78

Right of Assets in 2020 comprised of

(Unit : Million Baht)

Name of Company	Project	Location	Net Book Value (million Baht)	Obligation
LHMH	Grande Centre Point Hotel and Terminal 21 Shopping center Pattaya	Pattaya, term of 28 years	4,671	Mortgaged as collateral for Bank's Loan
LHMH	Terminal 21 Rama 3 Shopping center	Rama 3, term of 33 years	2,221	Mortgaged as collateral for Bank's Loan
LHMH	Leasehold under construction	Bangkok and Pattaya	3,086	-None-
LHMH	Rights over 3 hotels	Bangkok Term 5-8 years	4,328	-None-
LHP	Right over 1 hotel	Bangkok Term 4 years	280	-None-
LH and LHMH	Right over office building and other	Bangkok Term 4-8 years	325	-None-

LH = Land and Houses Pcl. LHMH = LH Mall and Hotel Co.,Ltd. LHP = L&H Property Co.,Ltd.

In 2018, the Company has provided the letter of comfort to the Lenders of LH Hotel Leasehold Real Estate Investment Trust ("LHHOTEL") with regard to the maintainance of the percentage holding in LHHOTEL by LH Mall and Hotel Co.,Ltd. and also maintainance of the peiod of sublease of the Grande Centre Point Ratchadamri and Terminal 21 Shopping Mall by L&H Hotel Management.

In 2019, the Company had sold Grande Centre Point Hotel Sukhumvit 55 to the LH Hotel Leasehold Real Estate Investment Trust at the price of 4,155 million Baht with the profit of 2,418.31 million Baht.

In 2020, there is no transaction of selling the lease asset.

Liquidity

Cash from operation: The Company is very cautious in its spending when use the cash from operation in order to maintain the Company's liquidity by carefully considering the investment in residential project such as land acquisitions and construction of the projects to meet with its business environment including to repay the Company's liabilities. The Company has a policy to manage its cash and cash equivalent to match with its operating environment and situation.

(Unit : Million Baht)

	2018	2019	2020
Cash flow from (used in) operating activities	8,652.33	1,203.72	3,328.58
Cash flow from (used in) Investing activities	2,082.87	5,869.83	3,015.54
Cash flow from (used in) Financing activities	(8,582.61)	(9,752.09)	(3,836.95)

In 2018, the Company had cash and cash equivalents increased of 2,348.79 million Baht from the increase of cash flow from operating activities of 8,652.33 million Baht, an increase from the cash flow from investing activities of 2,082.87 million Baht and a spending in financing activities of 8,582.61 million Baht.

In 2019, the Company had cash and cash equivalents decreased of 2,577.77 million Baht from the increase in cash flow from operating activities of 1,203.72 million Baht, an increase from cash flow from investing activities of 5,869.83 million Baht and the spending on financing activities of 9,752.09 million Baht.

In 2020, the Company had cash and cash equivalents increased of 2,558.89 million Baht from the increase in cash flow from operating activities of 3,328.58 million Baht, from the increase in investing activities of 3,015.54 million Baht and the decrease in the spending in financing activities of 3,836.95 million Baht.

Cash flow from Operating activities

In 2018, cash flow from operating activities was a surplus of 8,652.33 million Baht, mainly came from the earning before income tax expenses of 12,211.89 million Baht less the non-operating profits; the share of profit from investments in associates of 3,404.49 million Baht and gains on sales of investment property of 1,335.49 million Baht. The surplus was also underpinned by the decrease in inventories of 1,333.08 million Baht, from the depreciation and provision of liabilities in total sum of 1,119.5 million Baht and non-operating interest expenses of 693.5 million Baht. The Company also paid the corporate income tax of 1,709.17 million Baht.

In 2019, cash flow from operating activities was a surplus of 1,203.72 million Baht, mainly from the earning before income tax expenses of 11,766.49 million Baht, less the non-operating profit from the investment in the associated companies of 3,382.51 million Baht and also the gain on sales of investment property of 2,418.31 million Baht. The cash flow decreased from the increase in inventories of 4,572.46 million Baht and from the depreciation of 739.11 million Baht, an increase from the non-operating interest expenses of 819.69 million Baht and decrease from the payment of corporate income tax of 1,464.00 million Baht.

In 2020, cash flow from operating activities was a surplus of 3,328.58 million Baht. Mainly was from the profit before income tax expenses of 8,337.51 million Baht less the share of profit from the investment in the associated companies of 2,588.37 million Baht and gain on sales of properties of 405.28 million Baht which was not operating profit. It also decreased from the investment in inventories which increased by 530.31 million Baht, the decrease from the increase in other current financial assets of 960.46 million Baht, decrease in trade & other payables of 713.08 million Baht and the increase from the depreciation of 951.45 million Baht, an increase from the non-operating interest expense of 874.01 million Baht and the payment of corporate income tax of 1,304.44 million Baht.

Cash flows from investing activities

In 2018, the cash flows from investing activities was a surplus of 2,082.87 million Baht, mainly from the sales in investment properties of total 4,436.79 million Baht, dividends received from the associated companies of 2,266.92 million Baht and decrease from the investment in leasehold rights of Grande Centre Point and Terminal 21 Shopping Mall Pattaya of 3,799.51 million Baht and investment property of 581.37 million Baht.

In 2019, Cash flow from investing activities was a surplus of 5,869.83 million Baht, mainly from the sale of assets which was Grande Center Point Hotel Sukhumvit 55 of 4,155 million Baht, dividends received from associated companies of 2,501.73 million Baht and dividend from other companies of 230.50 million Baht and the decrease from the increase in investment in leasehold rights of 951.58 million Baht.

In 2020, the Cash flow from investing activities was a surplus of 3,015.54 million Baht, mainly from the sale of properties of 2,373 million Baht, dividend received from the associated companies of 1,948.37 million Baht and also dividends from other companies of 107.81 million Baht and decrease from the increase in investment in leasehold rights, buildings, equipment and intangible assets of 1,332.62 million Baht.

Cash flow from financing activities

In 2018, the cash flow from financing activities was decrease by 8,582.61 million Baht. The importance items were from the payment of dividends of 8,961.19 million Baht, the repayment of debenture of 13,000 million Baht and also repayment of loan of 6,078.38 million Baht including the payment of interest of 1,314.11 million Baht. The Company received cash from the issuance of local debentures of 12,200 million Baht and the draw down of loan from financial institutions of 7,967.00 million Baht.

In 2019, the cash flow from financing was decrease by 9,752.09 million Baht mainly from the payment of dividend of total 7,766.42 million Baht, repayment of debenture of 14,250 million Baht and repayment of loan of 139 million Baht. The Company paid interest of 1,350.14 million Baht while received cash from the issuance of local debentures of 13,000 million Baht and also cash received from long term loan of 855 million Baht.

In 2020, the cash flow from financing activities was decrease by 3,836.95 million Baht, mainly from the payment of dividend of 7,169.60 million Baht, the repayment of debenture of 14,000 million Baht and long-term loan of 1,016.18 million Baht and repayment of principal portion of lease liabilities of 839.18 million Baht and interest paid of 1,399.00 million Baht. The Company had received fund from the issuance of local debenture of 8,400 million Baht, overdraft and short-term loan from banks of 6,375.00 million Baht and cash received from long-term loan from financial institutions of 5,812.00 million Baht.

Significant Liquidity Ratios

Liquidity Ratio in 2018-2020 was 2.55, 2.65 and 2.53 times respectively. The quick ratio at the same time was 0.36, 0.21 and 0.29 times accordingly.

In 2018, Liquidity ratio was equal to 2.55 times while the quick ratio was only 0.36 times, The liquidity ratio increased from the year 2017 because the current assets increased of 2,348.35 million Baht while the current liabilities decreased by 1,275.54 million Baht. For the quick ratio, which was 0.36 times, an improvement from previous year because the cash and cash equivalent had increased by 2,348.79 million Baht while the current portion of long term loans and debentures had decrease 1,865.00 million Baht, thus the quick ratio had increase from the year 2017.

In 2019, the liquidity ratio was 2.65 times whereas the quick ratio was at only 0.21 times. The quick ratio for this period was decrease from 0.36 in 2018 to 0.21 times, as a result of the decrease in cash and cash equivalents from the previous year of 2,577.76 million Baht and decrease in the short-term investments of 630.63 million Baht.

In 2020, the liquidity ratio was 2.53 times while the quick ratio was only 0.29 times. The quick ratio improved from the year 2019 from 0.21 to 0.29 times because the cash and cash equivalent in this year had increased from the amount in 2019 of 2,558.89 million Baht and the short-term investment decreased of 70.00 million Baht.

The Creditor Ratio

In 2018 the creditor ratio was 5.5 times with the repayment periods was at 66 days.

In 2019 the creditor ratio was 4.5 times with the repayment periods was at 80 days.

In 2020 the creditor ratio was 5.4 times with the repayment periods was at 67 days.

Investment Expenses

During the past few years, the Company has increased its investment in land plots which located in high potential area at the price which was reasonable to acquire for further development into the housing projects which is the core business of the Company and also invests in other business which related to the core business of the Company.

In 2018, the Company had cash surplus from the investing activities of 2,082.87 million Baht. Mainly was cash received from the sale of apartment for sale in USA at the price of USD 140 million (approximately 4,436.79 million Baht). The Company also invested in leasehold rights, investment property, building and equipment and other assets in total sum 4,380.88 million Baht and received dividends from associated companies of 2,266.92 million Baht.

In 2019, the Company had cash surplus from investing activities of 5,869.83 million Baht. The significant transaction was the cash received from the sale of assets, The Grande Centre Point Sukhumvit 55 of 4,155.00 million Baht, and dividends received of 2,732.23 million Baht.

In 2020, the Company had cash surplus from the investing activities of 3,015.54 million Baht which mainly was the cash received from the sale of the apartment for rent in USA at the price of USD 80 million (approximately 2,373.00 million Baht). the dividend received from the associated companies of 1,948.37 million Baht and used in the investment in leasehold rights, investment property, building and equipment and other assets in total sum 1,332.62 million Baht.

Sources of Fund

The Company's Debt-to-Equity Ratio at the end of 2018, 2019 and 2020 equaled to 1.20, 1.13 and 1.42 times consecutively.

In 2018, The shareholders' equity included minority interest stood at 50,751.72 million Baht, a slightly decrease of 57.15 million Baht from the net operating profit 10,475.43 million Baht, after dividend payment of 8,961.19 million Baht

and the decrease from the revaluation surplus on change in value of available - for sale investments of 1,940.24 million Baht from the Starmill Inc., Phillipines.

In 2019, Shareholders' equity included the minority interest of the Company stood at 53,182.87 million Baht, an increase of 2,431.15 million Baht from the net -operating profit of 10,024.90 million Baht less by the dividend payment of total 7,766.42 million Baht.

In 2020, Shareholders' equity included the minority interest stood at 50,600.69 million Baht, a decrease of 2,582.18 million Baht from the net - operating profit of 7,144.91 million Baht, from the payment of dividend of 7,169.60 million Baht and other component of the shareholders' equity decrease by 2,399.91 million Baht from the decrease of the value of equity investment during the pandemic of COVID-19.

Liabilities

Total liabilities of the Company as at the end of 2018 2019 and 2020 was at 60,729.17 million Baht, 59,956.18 million Baht and 71,970.38 million Baht consecutively. At the end of year 2020, Major liabilities comprised of Short-term and long-term loan of total 21,855.39 million Baht, debenture of 33,600.00 million Baht, trade and other payable of 3,140.28 million Baht, Lease liabilities of 6,858.47 million Baht and other liabilities of 6,516.24 million Baht. The Company and its subsidiaries can pay all the repayment of debts duly on schedule.

Details of liabilities of the Company and its subsidiaries as at December 31, 2020.

Company	Type of liability	Currency	Amount (million Baht)	Interest Rate	Collateral	Maturity date
LH	Overdraft	Baht	-	MOR	None	Upon Call
	Promissory Note	Baht	5,875.0	1.50-1.90%	None	Upon Call
	Long-term Loan	Baht	4,000.0	Fixed 2.2 %	Land and Building of the Project	Within April 2022
	Long-term Loan	Baht	1,600.0	Fixed 2.2 %	Land and Building of the Project	Within April 2024
	Long-term Loan	Baht	660.0	Fixed 2.2 %	Land and Building of the Project	Within April 2025
	Long-term Loan	Baht	550.0	Fixed 2.2 %	Land and Building of the Project	Within April 2024
	Long-term Loan	Baht	1,710.0	Fixed 2.4 %	Land and Building of the Project	Within April 2025

Company	Type of liability	Currency	Amount (million Baht)	Interest Rate	Collateral	Maturity date
LH	Local Debentures 1/2018	Baht	1,200.0	Fixed 2.96 %	None	To be redeemed, March 7, 2025
	Local Debentures 2/2018	Baht	6,000.0	Fixed 1.98 %	None	To be redeemed, May 7, 2021
	Local Debentures 3/2018	Baht	5,000.0	Fixed 3.02 %	None	To be redeemed, October 5, 2021
	Local Debentures 1/2019	Baht	6,000.0	Fixed 2.62 %	None	To be redeemed, April 26, 2022
	Local Debentures 2/2019	Baht	7,000.0	Fixed 2.12 %	None	To be redeemed, October 15, 2022
	Local Debentures 1/2020 No.1	Baht	3,000.0	Fixed 2.30 %	None	To be redeemed, May12, 2022
	Local Debentures 1/2020 No. 2	Baht	2,400.0	Fixed 2.60 %	None	To be redeemed, May 12, 2023
	Local Debentures 2/2020	Baht	3,000.0	Fixed 2.03 %	None	To be redeemed, October 20, 2023
LA	Long-term Loan	Baht	680.0	2.4%	Land and Building of the Project	Within October 2025
LHM	Long-term Loan	Baht	441.0	MLR-2.25	Land and Building of the Project	Repaid when the rights in project has been transferred or within 5 years from the first drawdown date
LHMH	Promissory Note 096-6300045	Baht	500.0	1.90%	None	To be redeemed, March 17, 2021
	Promissory Note 096-6300046	Baht	100.0	1.90%	None	To be redeemed, March 17, 2021
	Promissory Note 096-6307732	Baht	370.0	1.90%	None	To be redeemed, January 6, 2021
	Long-term Loan	Baht	3,360.0	MLR-2.50	Land and Building of the Project	First installment March 2020 – December 2029
	Long-term Loan	Baht	207.0	MLR-2.75	Land and Building of the Project	First installment March 2025 – December 2032
LH-USA	Long-term Loan	Baht	1,802.0	3.83%	Apartment for rent of the Project	Repaid in full within 5 years from the first drawdown
	Total	Baht	55,455.0			

LH = Land and Houses Pcl.

LA = LH Asset Co.,Ltd.

LHMH = LH Mall & Hotel Co.,Ltd.

LH-USA = Land and Houses U.S.A.,Inc.

LHM = LH Muang Mai Co.,Ltd.

As at December 31, 2020, The Company and the subsidiaries had available undrawdown loan facilities of 9,925 million Baht (at the end of year 2019 = 2,620 million Baht).

c) Major factors and influences that may affect future operations or financial position

Future Obligations and liabilities

1. As at December 31, 2020, the Company and its subsidiaries had obligations regarding the acquisition of land and Building and utility contract agreement as follows :

(Unit : Million Baht)

	2019	2020
Obligations of land acquisition	2,522	1,992
Obligations of construction Agreement	5,385	4,254
Obligations under construction contract to the installation of utility of the project	1,389	1,498

2. As at December 31, 2020, the Company and its subsidiaries had forecasted the liabilities which may incur of 702.1 million Baht, details as follows :

(Unit : Million Baht)

	2019	2020
After Sale - cost of repair	95.6	83.5
Litigation charges	461.5	121.3
Contribution to Village juristic entity fund	293.6	320.2
Utility maintenance expenses	159.9	151.6
Damages from the project	-	-
Other miscellaneous	42.6	25.5
Total	1,053.2	702.1

3. As at December 31, 2020, the Company and its subsidiaries had right-of-use assets / leasehold rights assets of the group which have lease terms of 3- 40 years as follows :

3.1 The Group as a Lessee

- Right-of-use assets / Leasehold rights

(Unit : Million Baht)

	2019	2020
Land and structures	5,729.8	9,979.4
Hotel Buildings	-	4,608.0
Office building space	-	320.9
Vehicles	-	2.2
Total	5,729.8	14,910.5

- Lease Liabilities

As at December 31, 2020, the subsidiaries had the obligation to pay the lease payment of 10,685 million Baht (throughout the Contract) less the deferred interest expenses of 3,062 million Baht, made the total remaining net lease payments was 7,623 million Baht.

3.2 Group as a Lessor

The Group has entered into operating leases for its investment property portfolio which consisted of apartments for rent of the lease with the terms of 1-8 years and has minimum rentals receivable under non-cancellable operating leases as follows :

(Unit : Million Baht)

	2019	2020
Within 1 year	699.7	556.4
Over 1 year but up to 5 years	101.3	105.2
Over 5 years	47.2	22.1
Total	848.2	683.7

4. As at December 31, 2020, the provision for long-term employee benefits (compensation payable to the employees after they retire) was as follows :

(Unit : Million Baht)

	2019	2020
Compensation expected to be paid within 1 year	15.1	33.6
Provision for long term employee	527.7	594.9

5. Bank guarantee : As at December 31, the Company and its subsidiaries had the Bank guarantee outstanding in respect of the certain obligation performance bonds as required in the normal course of business. The remaining amounts were as follows :

(Unit : Million Baht)

	2018	2019	2020
Letter of guarantees for arrangement and maintenance of public utilities	4,183	4,474	4,738
Other guarantees	68	70	79
Total	4,251	4,544	4,817

6. The Company has contingent liabilities to a bank in relation to the financial support in form of issuance of a letter of comfort to provide to the subsidiaries company for loans and guarantee facilities obtained for development of the subsidiaries' projects which as at December 31, 2020, the amount remaining which was subject to the portion of guarantee in the letter to the Bank was 5,217 million Baht

Maintenance of Debt-to-Equity Ratio

The debenture of the Company which were issued before 2/2018 will calculated the ratio by using the interest-bearing liabilities only which can be calculated as follows :

(Unit : Million Baht)

Transaction	31/12/18	31/12/19	31/12/20
Interest bearing Liabilities	50,680.15	49,902.77	55,455.39
Shareholders' Equity	50,751.72	53,182.87	50,600.69
Debt-to-Equity Ratio	1.00	0.94	1.10

For the debenture after the lot No. 2/ 2018, the ratio will calculate by using the liabilities which has net interest bearing (The liabilities of which the interest will be deducted by cash and cash equivalent) which can be calculated as follows :

(Unit : Million Baht)

Transaction	31/12/18	31/12/19	31/12/20
Net interest bearing Liabilities (after the cash and cash equivalent)	42,847.74	45,278.73	48,342.46
Shareholders' Equity	50,751.72	53,152.87	50,600.69
Debt-to-Equity Ratio	0.84	0.85	0.96

According to the Consolidated Financial statement as at December 31, 2018, 2019 and 2020, the Company's Debt-to-Equity Ratio was in compliance with the covenants stated in the agreement of such debentures.

Summary of key factors and main influences that may affect operations or financial position in the future

1. Returns on investments in associated companies.

Since the Company has invested in associated companies as at December 31, 2020 amounted to 23,963.61 million Baht or equivalent to 19.55% of total assets and had profit sharing of 36.23% of profit of the Company. In case that the associated companies have any problems in operations, thus it may have affect to the Company's operation. However, the Company has concerned in this matter and thus has invested in different business so as to expand and decrease the risk in investment of the Company.

2. Litigation cases that the Company was sued and has set aside the provisions are as follows;

2.1 A housing estate juristic person and residents have filed the Company for the construction of a kindergarten in the project totaling 10 lawsuits, details as follows.

Case 1 : The plaintiff had sued for the dispute of 517 million Baht. The Court of First Instance ordered the Company to pay for the damages of 27 million Baht plus interest. The Appeal Court then altered the judgment of the Court of the first instance, whereby the Company shall pay for the damages of 13.8 million Baht plus interest rate of 7.5% p.a. commencing from January 18, 2008 until the full amount is paid. Subsequently the Supreme Court has altered the judgment of the Appeal Court, whereby the case was dismissed. Therefore, this case was then finalised.

For Cases number 2 - 7, from October - November 2020, the Court dismissed case number 2 and issued an order to dispose case number 3 - 7 which has a total dispute of 40 million Baht, so these case were also finalised.

For Cases number 8 - 9, with a total amount in dispute of 113 million Baht, the Court's adjudication was based on the points of fact as same as case number 1 and scheduled to hear the judgment on March 10, 2021

For Case number 10 with a total amount of dispute 1.2 million Baht, The Court has ordered to take the evidence of the plaintiff and defendant on March 2021.

During the year 2020, the Company has reversed the provision of previously recorded liabilities for the above lawsuits against the Company which were now finalized, of totaling of 349 million Baht. In addition, the housing estate juristic person and residents had filed additional 2 cases in connection of the construction of a kindergarten in the project with the amount in dispute of 23 million Baht in August 2020 and then the housing estate juristic person and residents had already withdrawn the lawsuits.

2.2 There were other lawsuits which the Company was the defendant with the claims for damage due to the breach of contract which the total capital amounted to 96 million Baht.

As at December 31, 2020, the Company has set aside the provision of 121 million Baht for the liabilities arising from the above legal cases and the maximum damages which may incur from those cases to the Company will be as the capital of 210.2 million Baht.



- Section 4 -

Other Related Information



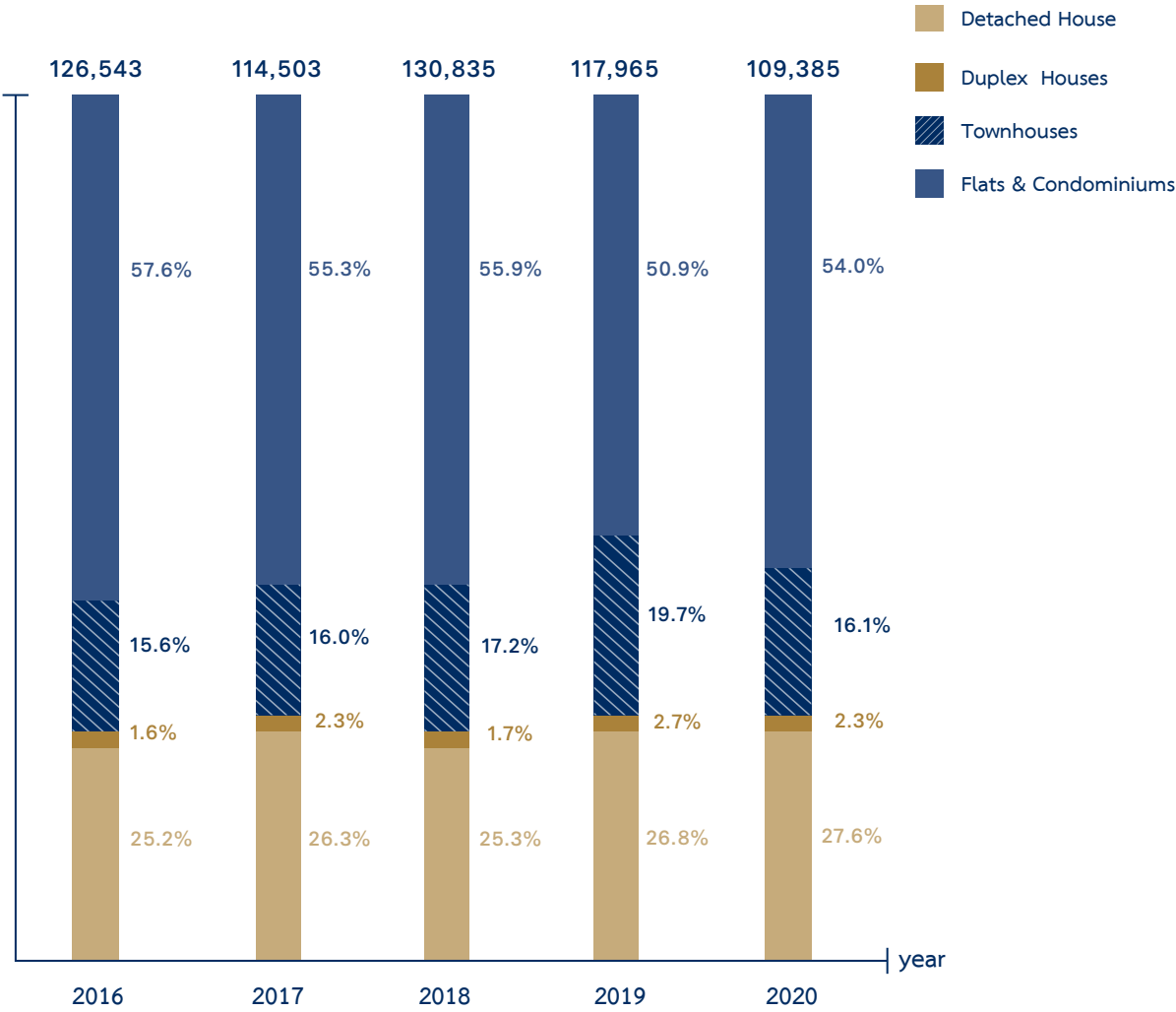
Number of Housing Registered Units in Greater Bangkok During 2016-2020

Unit : Unit

Type	2016	2017	2018	2019	2020
Housing Registered by Built Type					
Owner - Built	21,915	20,206	19,999	20,127	21,356
Developer - Built	104,628	94,297	110,836	97,838	88,029
Total Housing Registered (Owner & Developer)	126,543	114,503	130,835	117,965	109,385
Classified by Type - Owner Built					
Detached House	19,156	17,964	17,507	18,029	19,188
Duplex Houses	119	142	107	130	83
Townhouses	2,640	2,100	2,385	1,968	2,085
Flats & Condominiums	-	-	-	-	-
Total Housing Registered by Owner - Built	21,915	20,206	19,999	20,127	21,356
Classified by Type - by Developer Built					
Detached House	12,736	12,183	15,563	13,552	11,010
Duplex Houses	1,895	2,533	2,101	3,024	2,472
Townhouses	17,111	16,262	20,051	21,274	15,535
Flats & Condominiums	72,886	63,319	73,121	59,988	59,012
Total Housing Registered by developer Built	104,628	94,297	110,836	97,838	88,029

Source : Housing Registered from Government Housing Bank.
Greater Bangkok : Bangkok provinces and 5 Perimeter area included.

Total Housing Registered (Owner & Developer)



Summary of Form 56-2's Required Items in Land and House Plc.'s 2020 Annual Report

The items including in this Annual Report are in line with the Notification of the Capital Market Supervisory Board Tor Chor 44/2556 on the Rules, Conditions and Procedures for disclosure regarding Financial Information and Operating Results of Securities Issuers, effective January 1, 2015. They are as follows:

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Investors can find additional securities issuer information in the Company's Form 56-1 disclosed at www.sec.or.th or the Company's website at www.lh.co.th



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