



ANNUAL REPORT 2020

AQ ESTATE PUBLIC COMPANY LIMITED

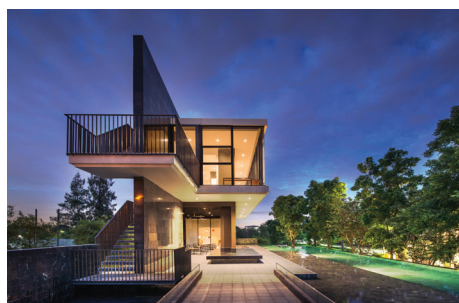
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โรงแรมใจกลางเมืองระดับ 4 ดาวภายใต้คอนเซ็ปต์ Cozy Retreat Hotel อยู่ห่างจากโรงพยาบาลกรุงเทพ โดยใช้เวลาเดินเพียง 2 นาที และตั้งอยู่ห่างจากโรงพยาบาลชั้นนำอื่นๆในกรุงเทพฯเพียงไม่กี่กิโลเมตร ห้องพักเหมาะกับการพักอาศัยทั้งระยะสั้นและระยะยาวให้ความรู้สึกเหมือนอยู่บ้าน พร้อมสิ่งอำนวยความสะดวกแบบครบครัน นอกจากนี้ทางโรงแรมได้จัดพื้นที่ใช้สอยและส่วนบริการให้ตอบโจทย์ทุกความต้องการของผู้เข้าพัก ไม่ว่าจะเป็นบริการอำนวยความสะดวกตลอด 24 ชั่วโมง, ห้องอาหาร THE KITCHEN, ฟิตเนส, สระว่ายน้ำ และห้องประชุมทำให้มั่นใจว่าคุณจะได้รับความสะดวกสบายอย่างมีระดับ

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Message from the Chairman

Dear Shareholders

In 2020, the Thai economy opens a new era in the Rat Year with the hope of returning to expand better than the Pig Year. But "VUCAWorld" conditions make the Thai economy tend to slow down and below the potential level for another year. Because the first month of the year has not crossed yet, it had the outbreak of COVID-19 in many countries, especially China. It affects business operations and employment of the private sector involved in many tourism sectors. If you compare it for a clear picture, it is the same as the person who originally expected to go jogging, but it turns out to be only walking to support the body.

If we check the availability of the Thai economy engines in 2020, found that each engine has both support factor and threat factor as follows;

Tourism: Small engines, but big problems

For service exports, especially in the tourism sector, it is small in the economy compared to the export sector but over the past years, the tourism sector played an important role in supporting the Thai economy when the main engine of the country is failing. Although the tourism sector continued to face problems and obstacles, it can recover quickly every time. In 2020, the tourism sector will face more serious problems than ever from the coronavirus outbreak that was beyond expectation. It makes the number of tourists decreased considerably, having a severe impact on tourism-related businesses which was accounted for approximately 23.5% of employment in 2019. Therefore the challenge of recovery this time depends on how severe and long the epidemic. Because it affects the confidence of both Thai and foreign tourists. The tourism sector this year is for survival. It is imperative to receive liquidity assistance from both the government and financial institutions. As a result, the hotel business of the Company has reduced a lot of revenue.

Real estate businesses are one of the industries most affected by the COVID-19 epidemic severely from the economic situation that affects the purchasing power and confidence in making decision to buy a residence of people. The year 2020 is a challenging time that causes the market to not grow as it should, from the spread of COVID-19 that made the economic slowdown.

Sales in 2020 are lower than 2019 because in 2020 there are few sales. The Company is looking at the market direction in 2020. The Company has a single house project that can still make sales, but the Company will have a lower gross profit than condominiums. And the legal issue of the Court's Criminal Division for Persons Holding Political Positions has not been achieved yet.

If the Company can clear any problems successfully, the Board of Directors is ready to launch a new real estate project. Because the Company has the remaining capital increase fund to expand the business. The Company will return to growth. The Board of Directors and all employees put their effort into making the Company return to its strong business operations for the benefit of shareholders.



Mr. Auychai Kultipmontre

Chairman of the Board of Directors

AQ Estate Public Company Limited

1. Policy and Overview of the Business

1.1 Background

AQ Estate Public Company Limited founded on November 9, 1982 first establish name is "Kritsada Investment Co., Ltd." The company has a registered capital of 1 million baht was established with the aim to engage the housing. Trading land houses, townhouses, commercial buildings and property as real estate. Under trade name "Krisda Nakorn".

In January 1984 the company was changed its name to "Krisda Mahanakorn Company Limited".

The Company was registered as a listed company in group of Industrial and real estate commercial with securities symbol "KMC" start trading on the Stock Exchange on May 10, 1991.

On June 14, 1993 the company operated as a public company incorporated under the Companies Act 2535 and the company was renamed Krisda Mahanakorn Public Company Limited and execute the capital increase from 1,050 million baht to 5,000 million baht.

On the April 30, 2014, the Company changed its name from the original "AQ Estate Company Limited (Public) and the Company's symbol is the "AQ".

At present AQ Estate Public Company Limited operates real estate commercial and development business. Both horizontal and vertical include Rental Property with the registered capital of Baht 147,006,012,651.50, Fully paid Baht 42,662,405,722.00 divided into 85,324,811,444 shares at par value of Baht 0.50.

1.2 Overview of the Business

AQ Estate Public Company Limited and its subsidiaries operates business of real estate commercial and development by focusing on real estate development, primarily for housing. Either in the form of single detached houses, townhouses, commercial buildings and residential high-rise condominium with the amenities. different And home construction to its clients, which bought Land Company, the subsidiary of the Company. Also operates another Related to real estate development. The summary nature of business of the Group is as follows.

- 1) Buying- Land acquisition is characterized by large land then divided into plots allocated. Then, the management and development of projects to be completed before the roads and utilities. Then sell to retail buyers.

- 2) The land and buildings This includes the allocation of land area. Designing buildings Contractors To servicedifferent To add value to the land, such as the allocation of land, which is a house divided. Semi-detached houses, commercial buildings and condominiums.
- 3) Construction of houses for customers who buy land of the company by hiring a small contractor under the supervision of the company's officer.
- 4) Sales management for other real estate development projects, with revenue from sales management based on sales proportion.
- 5) Hotels and Resorts Business.
- 6) Operation of storage space rental business.

Status of the Company

- a) On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Company Limited ("Golden") (the 19th defendant) and K & V SRS Garden Home Company Limited ("Garden Home") the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of land net of commission fee on sales would be Baht 8,924.30 million and in year 2016. The management expects that the forced sale value of land would be Bath 5,800 million. The Legal Execution Department has set a date for the sale of collateral on December 27, 2017 however on that date, the Enforcement Officer has been notified of the order refraining from enforcement of the Supreme Court Criminal Division of Political Position ("Supreme Court"), dated December 25, 2017. The abstention of the case will be effective until the Supreme Court to change the order so, the Enforcement Officer has rescinded the sale of collateral under the order of the Supreme Court.

The Supreme Court has no order to enforce the case because the third defendant filed a petition to stay execution to the Supreme Court on December 21, 2017. The Supreme Court held a hearing on the petition on December 25, 2017 and has ordered the copy of the petition to the Enforcement Officer and all stakeholders for acknowledge and they can filing an objection period related parties know the partner involved to object to the petition within 15 days from the date of receiving a copy of the petition and also to postpone the hearing of case to investigate the petition on 5 and 8 March 2018 and ordered to stop the execution during the Supreme Court ruling on the petition until the Supreme Court orders otherwise changed. The Supreme Court Criminal Division politicians had canceled the execution of the lawsuit on that day (March 5, 2018) in accordance with the docket on December 25, 2017 and cancel hearing date on March 8, 2018. On April 9, 2018, the Legal Execution Department has set a date for the sale of collateral on the first times on June 6, 2018 and second on June 27, 2018, the third on July 18, 2018 and the fourth on August 8, 2018. The initial price, is set by the Committee of set the price of assets, amounted to Baht 8,950.78 million. The initial price will be equal to the price set by the committee in the first auction. If anyone bid, the Legal Execution officer will reduce the initial price 10% at each time but will not be lower than 70% of the first price. In case of sale with collateral, the Legal Execution officer will deduct the current debt form the referred price and round up as the announcement. On July 26, 2018, the Supreme Court's Criminal Division for Persons Holding Political Position ordered for the black case no. Aor Mor Kor 1/2018 to cancel the suspension order for legal execution according to the report of the proceeding dated May15, 2018 and to allow the legal execution officer to process for the land auction except for the disputed land. On September 14, 2018, that Company received the announcement from the Legal Execution Department dated August 17, 2018 and the Legal Execution officer announced the public auction for the assets in the case for 4 schedules as following schedules 1 on October 17, 2018, schedules 2 on November 7, 2018, schedules 3 on November 28, 2018 and schedules 4 on December 19, 2018, On October 17, 2018, the public auction and it sold the collateralized assets to the purchaser at the price of Bath 8,914.07 million. At the present, the Legal Execution officer is preparing of accounts and the Bidders has filed an application for the postponement of the period of payment to be on February 1, 2019. The properties sold at the auction were divided into 3 groups as follows:

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor Mor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was Bath 4,019.62 million. The

buyer had placed the deposit of Bath 201 million. The remaining would be paid within February 1, 2019 and on January 24, 2019, the buyer paid Bath 3,818.62 million.

The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho. 59/ 2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of Bath 1,261.02 million, deposit of Bath 65 million and on September 15, 2020, the buyer paid amount of Baht 1,196.02 million. The petitioner, K&V SRS Company Limited held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition, and the court made an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account on August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account. (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

The third group was the case of Central Bankruptcy Court in decided case No. L. 1249/2012. The property sold at auction from this case of 1,868-3-97.72 rai and land ownership belongs to K&V SRS Company Limited. The auction buyer purchased price amount of Baht 3,633.43 million and deposit amount of baht 182.50 million. On March 23, 2020, the buyer paid amount of Baht 3,450.93 million K&V filed the objection, causing the buyer to submit such matter to court against the petition of K&V Company, which was between the three objections and divided as follow.

1. Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of Miss Charoen Yukongtham in the ratio of 800.66 and proceeded to sell the auction. In this case the petitioner had applied for revocation as the auction unlawful. The court accepted the petition as objection and called the Golden Company as the third objector, then completed the examination witnesses and made the appointment to hear order on March 5, 2019. The case result was dismissed by the court.
2. Central Bankruptcy Court in undecided case No. SL. 388/2018, the petitioner filed claiming that bring the property of petitioner was sold together with land Golden Company unlawful and to suspend temporarily the auction. The court had ordered the petition and attached documents to the petition. In the event that was no legal reason to suspend the auction, according to petition. The court therefore ordered to dismiss the petition. Later, on March 20, 2019, K&V SRS Garden Home Company Limited, the petitioner filed an appeal. Later on April 23, 2019, the official receiver, the objector No. 1, filed an objection to the appeal requesting the appeal and on May 2, 2019, Krung Thai Bank Public Company Limited, the objector No. 2 filed an appeal against the appeal which the Central Bankruptcy Court ordered the appointment of the Court of Appeals for Special Cases dated September 3, 2019. Court denied such appeal, the preliminary case result was terminated by the court.
3. Undecided case No. SL.438/2018 regarding the revocation auction of the second debtor's land (K&V SRS Garden Home Company Limited). In this case, the objector had submitted the request to revoke as unlawful auction and requested to the temporarily suspend enforcement on February 4, 2019. The court ordered the company attorneys, the stakeholders (Golden Company) and called the second objector which will appoint witnesses on April 25, 2019 and April 26, 2019. The court appointed the witness examination on May 14, 2019. The case result was dismissed by the court.

- b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Company Limited (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.
- c) On October 16, 2015, the Company, "Golden" and Progress Property Management Company Limited ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company

and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition, the board of directors meeting No12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore, the officer will report to the court to lift this bankruptcy case according.

On June 22, 2017, the Company was filed the lawsuit in the civil court and the plaintiff filed (1) to nullify the Asset Management and Profit Sharing Agreement (the "Agreement") dated October 16, 2015 (2) to nullify the appointment and registration of directors (3) to nullify the resolution of the Board of Directors from April 8, 2016 and (4) to nullify the resolution of the Board of Directors from October 19, 2015. The Court scheduled to settle issues in court and to determine the litigation process guideline on August 28, 2017. The legal advisor of the Company has the opinion for this litigation that the purpose of the Asset Management and Profit Sharing Agreement is for the Company to have the right to manage for the 3rd Defendant in order for the debt restructuring and the sale of land for payment of damage to the Bank and to minimize the impact from the capital increase to pay for the damages to the Bank. However, after the date of the Agreement in October 2015, there has not been any impact. In consideration for the fact that the land is mortgaged to the Bank, the sale of land depends on (1) the 3rd Defendant as the owner of the land can process with the consent from the Bank as the creditor or (2) the Bank can enforce the asset seizure and sale of land according to the Supreme Court's judicial order which is final and enforceable. From the past, the Company has negotiated with the Bank and mutually agreed for the guideline for debt restructuring including the sale of land without the consent from the 3rd Defendant. Even if the Agreement is nullified, it will not affect the debt restructuring plan or the status financial of the Company. In addition, it will release the Company from the profit sharing under the Agreement. Due to the appointment On May 21, 2018 the plaintiff filed a petition to withdraw the lawsuit and the court allowed the plaintiff to withdraw the lawsuit and distribute the case from the directory.

On January 17, 2018, according to Case No. P. 240/ 2018, requesting to cancel the Asset management profit sharing between the Company and Progressive Company. The Company proposes that the three defendants did not default the contract. The contract has the above mention conditions of clear duty for each party. The Court's hearing will be hold on November 23, 2018. The court read the verdict on March 18, 2019 the court therefore ordered to dismiss the petition.

On June 17, 2019, the plaintiff appealed the judgment and on July 18, 2019, the three defendants filed a petition, Later, on June 4, 2020, the Supreme court read the judgment of the Court of

Appeals, which reversed judgment that the 1st defendant transfer the shares held by Golden Technology Industrial Park Company Limited amount to 5,440,000 shares return to the plaintiff. If 1st defendant does not take action, the judgment shall be taken of the court instead of intention. Any other request to cancels costs fee for both court on July 1, 2020, the lawyers of the three defendants filed a petition to extend the period on the 1st and the court permit to extend the period till the date on August 4, 2020. And as at July 31, 2020, AQ Estate Public Company Limited with the three defendants filed a petition to extend the period on the 2nd that the court permit to extend the period till the date on September 3, 2020. The three defendants not to filed a petition. The case had terminated.

On August 3, 2018, Case NO. P.4393/2018. AQ Estate Public Company Limited sue Golden Technology Industrial Park Company Limited and Progress Property Company Limited (co-defendant) to be a civil case, to refund advance which AQ has paid reservation according to the property management agreement, amounting of Baht 74,999,995 million.

On August 6, 2019, the co-defendant filed a petition to postpone the case, claiming that the Golden company was sued by the Krung Thai Bank in bankruptcy cases. The bankruptcy court will consider on August 20, 2019. Therefor the civil court has agreed to wait for the outcome of the bankruptcy case and then postponed the appointment to hear the results on September 17, 2019. Later, the Krung Thai Bank bankruptcy case of discontinued Golden Technology Industrial Park Company Limited, so the civil case will be continuing. The courts on January 14, 2021, sentenced the case, the defendant is Golden Company pay to AQ Estate Public Company Limited amount Baht of 52,381,259.93 million plus 7.5% of interest per year. A lawyer fee of Baht 30,000. Which is currently expand to file the appeal of the plaintiff and the defendant.

- d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million, respectively was presented as loans considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have

temporary suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

The board of direction meeting No. 12/2016, dated October 13, 2016, acknowledged that the company submitted the regent of debt restructure to one bank. The Company was non-performing land additional pledge value Baht 1,000 million. And complete the debt restructure within one year. The Company request the right to sell the pledged land to repay bank loan. However, the company in waiting bank approved. In additions the meeting acknowledged that the surveyor reported that there are 177 land intruders the company recorded additional production of Baht 51.93 million for selling this land.

And then, according to minute of board of director's meeting No. 15/2016, dated on November 24, 2016 acknowledged that on November 22, 2016, the Company has met and acknowledged bank requirement to changes the conditions of debt restructure. The bank would like Golden to enter into debt restructure at civil case in whole amount (approximately by Baht 20,000 million) and pay for Baht of 1,000 million, and then allow the Company ask for a party in civil case in order to manage sell the pledged land. Also, the meeting acknowledged if Golden could not enter into debt restructure above within November 2016, the bank will send the case into office of the Attorney, Office of the National Anti - Corruption Commission, Office of the Auditor General of Thailand, and night being legal execution of assets of the Company. At present, Golden has not yet entered the debt restructure and the Company has not been informed about legal execution of assets of the Company.

On January 5, 2017, the bank informed the Company and Golden that the bank cannot accept the proposals of the Company regarding debt restructuring. And on April 5, 2017, the bank informed (1) Golden has enter the debt restructuring as civil black case number Tor.268/2006 in whole amount, under the condition of Por-Kor-Sor.007/2017 dated on January 5, 2017 within April 2017. (2) The Company has following the judgmental of the Supreme Court's Criminal Division for Persons Holding Political Positions as case red number. Aor-Mor.55/2015 and repayment for damage fee amount of Baht 10,004,467,480 to the bank within June 2017. If there have non proceeding, the bank might proceed the legal execution for every case.

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be enough for payment of damages to the bank and/or mutually discuss the terms and conditions for the

payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

On August 10, 2017, the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the company.
3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank.

The attorney general has filed a request for confiscation at Supreme Court on August 24, 2017, and the court issued the enforcement order to seize and freeze the defendant's property. The plaintiff has investigated the defendant's property and found the nineteenth defendant (Golden Technology Industrial Park Company Limited), which the court sentenced to joint liability in the amount of Baht 8,368.73 million holds ownership of land located in Samutprakarn province, totaling 97 plots. However, the legal advisor of company explained that the enforcement is just one step in the execution of this case because the process will also require a collateral land survey, draw map of property, set the final auction date and open auction. In this case, the collateral land is in the jurisdiction of Samutprakarn province. Therefore, the plaintiff must ask the court to have order to court of Samutprakarn for acting instead. By lawsuit has ended, the debt or owed amount that the court sentenced the company to repay the debt to the financial institution is the same amount with civil case. This amount is the balance that the financial institution has been filed at the Civil Court according to the report of proceedings. In case of selling collateral, the money must be paid to settle the judgment of court first because the court issue writ of execution. When the financial institutions receive such funds, it must be offset against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

Thus, the civil case which Krungthai Bank Public Company Limited as a plaintiff accused Golden Technology Industrial Park Company Limited. (the 1st defendant) and others, totaling 4 persons

(according to Black Case No. Tor. 268/2006, Red Case No. Tor.2687/2007) is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100 at the rate of 15% per annum, since the date after filing date until completion of debt repayment and on September 28, 2017 Sentenced Golden Technology Industrial Park Company Limited to pay 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from May 31, 2004 until payment is completed and bring Golden Technology Industrial Park Company Limited money paid on November 1, 2004 amounting to Baht 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 9, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it makes another confiscation of Golden Technology Industrial Park Company Limited. On May 5, 2020, the preliminary case result was terminated by the court.

As disclosed in Note 30 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12, 2017 to July 14, 2017 and Baht 1,925 million on July 17, 2017 to July 21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2020 as follows:

	(Unit: Million Baht)
Compensation as per Court sentence	10,004.47
<u>Add</u> Necessary expenses for selling land as per a contract for the asset management	128.90
Specific Business Tax (At forced sale value)	191.40
Withholding income tax (At forced sale value)	58.00
Transferring fee (At Land Department price)	110.61
<u>Less</u> Forced sale value*	(5,800.00)
Compensation for damages	(1,635.74)
Estimated the damage - net	3,057.64

* The Company appraise the valuation of collateral land by appraisal report of SL. Standard Appraisal Co., Ltd. dated on May 5, 2017, comparative market price method amounts of appraised price Baht 11,600 million and amount of forced sale value by Baht 5,800 million. (In year 2015 the appraised value and the forced sale value of such collateral land as appraisal report dated on May 25, 2016, amount by Baht of 12,749 million and 8,924 million, respectively).

The actual damage will substantially depend on the Company's ability to sell such collateral land at the estimated price and Garden Home will not make a claim against the Company and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million and Garden Home will not exercise recourse against the company and the outcome of the negotiation with the bank.

On October 17, 2018 the Company sold the collateral. Bidders are bidding for Baht 8,914.07 million which is higher than the estimated sales force. Currently, the Company cannot reverse its provisioning provision. It is waiting for the bidder to pay the remaining price and bidders has paid in full.

On August 24, 2020, the company received a notice to repay the debt. According to the decided case Aor mor No.55/2015, The Company still has a debt obligation under the aforementioned judgment pending with Krungthai Bank Public Company Limited amount of Baht 8,368,732,100 million. The Krungthai Bank wishes to collect all the debts and the Company must pay Baht 8,368,732,100 million within 30 days from the date the Company received this letter.

The Company has sent a letter to Krungthai Bank Public Company Limited dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case No. Aor Mor. 55/2015 or pay as principal in the civil court in decided case No. Thor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders The Company reserves the right to take any action in according to the law or protect the legitimate rights in all cases ,if Krungthai Bank Public Company Limited take any action that causes damage to the Company to the end.

- e) On September 25, 2019, AQ Estate Public Company Limited sued Krung Thai Bank Public Company Limited (the 1st defendant) and others, totaling 13 persons to be a civil case, financial statements revision for 1st quarter 2019 of Krung Thai Bank to claim the refund 3,898,704,840 Baht to pay for damages in lawsuit of the Supreme Court's Criminal Division for persons Holding Political Positions (according to Black Case No. Aor-Mor. 3/2012, according to Red Case No. Aor-Mor. 55/2015), if the defendant fails to comply with payment of damages amount. The court are meeting of settlement of issue and define prosecution guidelines or the courts meeting schedule the hearing

date on November 18, 2019. The totaling of defendant filed to expand the time on February 9, 2020. The lawyer has comment to the court should be consider trend and judgment for conditional in contract on August 10, 2017. The court has postponed the date of arbitration to April 27, 2020 due to the issue of COVID-19. The court has cancelled and has postponed the date of arbitration to September 30, 2020. On September 30, 2020, the 13 defendant's attorney asked the plaintiff's attorney to withdraw the second to thirteenth defendant because they are director of the first defendant and acting on behalf of the first defendant. The plaintiff's attorney accepts the matter and has proposed the plaintiff's management and the court has determined day of settlement of issues or making a decision on the law on November 19, 2020. The court has postponed the date of arbitration to June 14, 2021.

1.3 Goals and Strategies for Operation

Visions

AQ Estate aim not only develop projects or build buildings, we plan your future. We believe in a philosophy of timeless yet functional design since, our goal is to create things that will stand the test of time, to provide our clients, their great investment returns.

Missions

- 1) To develop finest real estate projects to serve the current needs of market and those of the future.
- 2) To be amongst Thailand's leading real estate public listed companies.
- 3) To provide exceptional management services to clients as in a service provider and also as in a business partner.

1.4 Changes and key developments.

1.4.1 Change in share capital and the issuance of securities

Year 2016

- ☐ On June 6, 2016 the Company registered the change in paid-up capital to increase from the original amount of 711,582 shares, which made paid-up capital to be Baht 6,337,341,767.50, (divided into ordinary shares 12,674,683,535 shares, at the par value of Baht 0.50).

Year 2017

- ☐ The company holds the Extra General Meeting of shareholders No.1/2017 on June 30, 2017 as following :

- 1) Approve by decreasing the unsold and unpaid of the registered capital of Baht 5,321,839,806.50, divided into 10,643,679,613 ordinary shares, Baht 0.50.
- 2) Approve the amendment of the company's memorandum of association in item 4 regarding the registered capital to comply with the capital reduction in accordance with agenda 1. The details are as follows. Item 4 Registered Capital Baht 6,337,341,767.50, Divided into Baht 12,674,683,535 shares par value Baht 0.50 per shares Divided into 12,674,683,535 ordinary shares ,Preference Shares -None-

- 3) The capital increase- option 2, in case of the company increases the capital to private placement prior to the capital increase for right offering. The details are as follows:

- ☐ Approve the capital increase in the amount of Baht 140,668,670,884 by issuance of newly issued ordinary shares of 281,337,341,768 shares at the par value of Baht 0.50. After the capital increase, the Company will have the registered capital of Baht 147,006,012,651.50 comprised of ordinary shares in total of 294,012,025,303 shares at par value of Baht 0.50.

- ☐ Approved to amend the memorandum of association in item 4: Item Registered Capital, to comply with the increase of the registered share capital by cancelation of the previous sentences and use these new sentences as following: Item 4 Registered Capital Baht 147,006,012,651.50 Comprised of 294,012,025,303 shares par value Baht 0.50 Comprised of: Ordinary Shares 294,012,025,303 shares Preferred shares -None-

- ☐ Approved to consider the issuance and offering the warrants to purchase ordinary shares of AQ Estate Plc.no. 4 (AQ-W4) for not exceeding 56,337,341,768 unit.

- ☐ Approved to consider the allotment of newly issued ordinary shares of the Company of 281,337,341,768 shares at par value of Baht 0.50 per share in the following order:

- (1) Allotment of newly issued ordinary shares of 100,000,000,000 shares, Baht 0.50 par value for private placement by empowerment the Board of Directors or the person assigned by the Board of Directors to determine offering price and number of allocated shares for one year. However, the offering price must be (1) the price calculated by weighted average in the past consecutive 7 working days but not

more than 15 consecutive working days prior to the date to determine the offering price with the price discount of not more than 10%. At present, the company has no reference price because in the period of trading suspension (SP). Therefore, the company must have to find next price. (2) The company conducts a price determination through a process that allows institutional investors to express their wish to acquire newly issuance shares at book building price. At the date of the Board of Directors approved the share allotment and pricing, the company will take book building price to consider in the allocation. In case of the price according to (1) and book building according to (2) does not reflect the true value of shares, the company will use the appraised value by the Financial Advisor Company for consideration. The company will employ S14 Advisory Company Limited, the financial advisor in the list of the SEC. to appraise preliminary information for shareholders acknowledge and the appraised value is Baht 0.05.

- (2) Allotment of newly issued ordinary shares of not exceeding 56,337,341,768 shares at par value of Baht 0.50 per share to reserve for the exercise of warrants to subscribe the ordinary shares of AQ Estate Plc. no. 4 (AQ-W4).
- (3) Allotment of newly issued ordinary shares of not exceeding 125,000,000,000 shares, Baht 0.50 par value for existing shareholders in proportion to each existing shareholding.
- (4) Allotment of remaining newly issued ordinary shares from the existing shareholders in (3) and remaining newly issued ordinary shares for private placement in (1) to the existing shareholders as right offering again and empowerment the Board of Directors or the person assigned by the Board of Directors to determine all related details such as the ratio of allotment, the offering price, the subscription period, the Record date, and etc. which details and conditions will be informed to the shareholders in advance. However, the offering price for the right offering, specified by the Board of Directors or the person assigned by the Board of Directors will not exceed the offering price for private placement in 1 and not exceed the offering price for right offering in 3

- ☐ Board of Directors' meeting no. 10/2017 on July 11, 2017, Approved for the allotment of newly issued ordinary shares for private placement no. 1 "(No.1)" and Board of Directors' meeting no. 11/2017 on July 14, 2017, Approved for the allotment of newly issued ordinary shares for private placement no. 2 "(No.2)" as detail shown below:

Reference is made to the approval from the Extraordinary General Meeting of Shareholders no. 1/2017 on June 30, 2017 for the allotment and offering of the newly issued ordinary shares of the Company for the amount of 100,000,000,000 shares for private placement. The Shareholders' meeting empowered the board of directors of the Company to determine the offering price at the market price. However, due to :

- (1) The market price calculated from the weighted average of share price of not less than the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price as specified in item 8(1) of The Notification of the Capital Market Supervisory Board no. Tor Jor 72/2558, Re: Approval for the Listed Company to offer new shares to specific investors ("The Notification - Tor Jor 72/2558"), does not reflect the true value of shares of the Company because the shares of the Company has been suspended from trading in the Stock Exchange of Thailand; and
- (2) The offering price cannot be determined by the opened process to the institutional investors who intend to subscribe for the newly issued shares at the preferred price level (book building) processed by the securities company as specified in item 8(2) of The Notification - Tor Jor 72/2558 because of no proposed bidding price from the institutional investors to purchase newly issued shares of the Company. Therefore, the fair value is appraised by S14 Advisory Co., the financial advisor approved in the list of the SEC consideration which appraised from the latest financial Statement on December 31, 2016, on July 11, 2017 equal to Baht 0.04 and it can be regard as substation of market price equal to Baht 0.04.

In accordance with the Notification of the SET, Re: Listing of ordinary shares or preferred shares as listed securities, B.E. 2558 (2015), the Company shall disclose the weight average share price of 7-15 consecutive business days prior to the first date of subscription payment of investors or the fair value of share price as appraised by the financial advisor approved in the list of the SEC in case that the shares are not traded in the SET. Therefore, the Company shall use the fair value from the report of the financial advisor, S14 Advisory Co., Ltd., appraised on July 11, 2017 using the same criteria as the report dated May 31, 2017. The latest report, the financial advisor adjusted the appraisal to reflect the current situation based on the financial statement as at December 31, 2016, the updated financial statement, and the appraised share price is Baht 0.04 per share.

Thus, the Board of Directors determined the offering price at Baht 0.05 per share which is higher than the fair price as appraised by S14 Advisory Company Limited, the financial advisor approved in the list of the Securities and Exchange Commission (the "SEC") instead of the offering price in (1) and (2) mentioned above and according to item 8 second paragraph of The Notification - Tor Jor 72/2558.

The share offering price of newly issued ordinary shares for private placement at Baht 0.05 per share when compared to the fair value at Baht 0.04 per share is not considered as the offering price lower than 90 percent of the market price according to the Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (2015). Therefore, the mentioned newly issued ordinary shares are not subjected to the silence period.

In addition, the Board of Directors has the guideline to determine the specific investors by considering the investors who submitted the letter of intent to subscribe the newly issued ordinary shares for the allotment to private placement which has the large number of shares and for the Company to raise sufficient fund from capital increase and the detail is as following:

- (1) The offering price for the specific investors is Baht 0.05 per share and is considered as the allotment at price instead of market price in accordance with the Notification - Tor Jor 72/2558 which is the fair price as appraised by the financial advisor approved in the list of the SEC because the shares of the Company has been suspended from trading in the SET since November 16, 2015, and there has no bidding from the institutional investors from book building processed by Country Group Securities Plc. as appointed by the company to manage and process for book building to the institutional investors. Therefore, the fair price, appraised by the financial advisor approved in the list of the SEC, is considered as the price instead of market price. The allotment at the offering price of Baht 0.05 per share is considered as the allotment at the market price according to the resolution from the Extraordinary General Meeting of Shareholders no. 1/2017.

Effect to shareholders (Dilution Effect) (No.1):

Effects from the allotment for private placement when the investors subscribe for the newly

issued ordinary shares of 34,140,000,000 shares are:

No. of existing shares : 12,674,683,535 shares

Allotment shares : 34,140,000,000 shares

Total shares : 46,814,683,535 shares

Effect to shareholders (Dilution Effect) (No.2):

Effects from the allotment for private placement when the investors subscribe for the newly

issued ordinary shares of 38,500,000,000 shares are:

No. of existing shares : 46,814,683,535 shares

Allotment shares : 38,500,000,000 shares

Total shares : 85,314,683,535 shares

The offering price for private placement is Baht 0.05 which is the appraised fair price from S14 Advisory Co., Ltd., the financial advisor approved in the list of the SEC appraisal on May 31, 2017, using the Financial Statement on September 30, 2016, (prior to market price of capital increase equal to Baht 0.05), the price dilution is 0% and the control dilution is 72.933%. The reason of no price dilution to the existing shareholders is that the weighted average of share price in the SET of the past 7-15 consecutive business days prior to the date to determine the offering price, cannot be determined because the shares of the Company has been suspended from trading (SP). At present, the Company used the price of Baht 0.05 which is the substitution of market price to provide the current valuation information on July 11, 2017 appraised price from S14 Advisory Co., Ltd., using the latest Financial Statement on 31 December, 2016 and appraised at Baht 0.04. The Board of Directors approved the price allotment of Baht 0.05 which is higher than the latest fair price.

(2) The Company is required to raise fund for the debt payment and for the future operation and development which needs large amount of fund. Therefore, when receipt the intention for capital from 15 investors, the Company approved for shares offering to those investors.

(3) Detail and schedule for use of fund :

3.1 The company will raise capital increase in amount of Baht 3,632 million (PP#1 of Baht 1,707 million and PP#2 Baht 1,925 million) to negotiate with Krung Thai Bank for damages according to the Supreme Court's judicial order.

3.2 For development of projects of the Company.

Detail and schedule for use of fund from capital increase for Private Placement (PP)

Period	Detail	Amount (million Baht)
2017	Payment for damages from judicial order	10,004.47
2017	Development of Estes Rattanathibet project	976.90
2017	Development of Chonburi – Bypass project	457.37
2017	Development of AQ Welle	81.93
2017	Development of AQ ARBOR	397.79
2017	Development of AQ ALIX	303.89
2017	Purchase of the collateralized land	1,500.00
2018 - 2019	Investment in new projects	1,500.00
2018 - 2019	Working capital	500.00
		<u>15,722.35</u>

- (4) For the offering price for private placement, the Board of Directors considered and approved the offering price at Baht 0.05 from the fair price appraised by S14 Advisory Company Limited on May 31, 2017. The number of shares offered for sale No. 1 34,140,000,000 shares in the amount of Baht 1,707,000,000 and payment within July 14, 2017. And the number of shares offered for sale No. 2 38,500,000,000 shares in the amount of Baht 1,925,000,000 and payment within July 19, 2017. The offering price is fair value, higher than the latest fair price which appraised price from S14 Advisory Co., Ltd., on July 11, 2017, at Baht 0.04, using the latest financial statements published to investors.
- (5) Terms, conditions or other agreement with investors:
The company allotted shares to the investors without any terms, conditions or other agreement.
- (6) From the issuance and allotment for private placement of 100,000 million shares, the Company allotted No. 1 34,140 million shares for this time and the remaining un-allotment is 65,860 million shares and allotted No. 2 38,500 million shares for this time and the remaining un-allotment is 27,360 million shares allotted No.1 and No.2 Total 72,640,000,000 shares are as listed securities on July 17, 2017.

The Company paid the commission fee for issuing the increase share capital to 4 non – related companies totaling Baht 62.61 million.

On October 6, 2017 the Board of Director meeting of company No.14/2017 had approved the canceled the allocation of 27,360,000,000 new ordinary shares to private placement the allotment to shareholders and has resolved to determine the names of shareholders who will be entitled to allotment of warrants No.4 (AQ-W4) on Tuesday, October 24, 2017.

Year 2018

- ☐ Warrants (AQ- W4) have number of warrant holder's application 48 persons, number of exercised warrants 10,127,909 units, the remaining warrants not yet been exercised were 42,646,721,758 units, number of share derived from this exercise 10,127,909 shares. Ordinary shares allocated to support the use of the right balance amount 42,646,721,758 shares. The warrants (AQ- W4) that have not exercised in full amount as above will be terminated on November 1, 2018 from the registered securities.

Year 2019 - 2020

Share capital for the year ended 31 December 2020 (No movements) was as follows:

	Par value per share (Baht)	Consolidated Financial Statements/ Separate Financial Statements	
		2020	
		Number of share (Thousand share)	Amount (Thousand Baht)
Authorized share capital			
As at January 1	0.50	294,012,025	147,006,013
Increase in common shares		-	-
Capital reduction		-	-
As at December 31	0.50	<u>294,012,025</u>	<u>147,006,013</u>
Issued and paid - up share capital			
As at January 1	0.50	85,324,811	42,662,405
Increase in common shares		-	-
Capital reduction		-	-
As at December 31	0.50	<u>85,324,811</u>	<u>42,662,405</u>

1.4.2 Change in Shareholding Structure

Year 2017

11-14 July 2017 The Board of Director's meeting of AQ Estate Plc. no. 10/2017 and 11/2017 had a resolution to allot the increase in stock capital by 72,640 million shares to private placement after the registration paid-up capital in allocation of shares to the private placement. The top ten shareholders structure of the company are as follows:

No.	Top Ten Shareholders	Before Share allotment	%	After Share allotment	%
1	Zico Allshores Trust(S) Pte,Ltd.	-	-	17,000,000,000	19.93%
2	Mr. Nathasa Chalermtiarana	-	-	8,400,000,000	9.85%
3	Mr. Palin Lojanagosin	-	-	4,000,000,000	4.69%
4	Mrs. Sirikarn Jaroensahayanon	-	-	4,000,000,000	4.69%
5	Mr. Somyot Vongtongsalee	-	-	4,000,000,000	4.69%
6	Ms. Thanuchtar Sueverachai	-	-	3,900,000,000	4.57%
7	Mrs Chiratha Wattanavekin	-	-	3,900,000,000	4.57%
8	Ms. Supparuk Settapanich	-	-	3,510,000,000	4.11%

No.	Top Ten Shareholders	Before Share allotment	%	After Share allotment	%
9	Mr. Boyorn Rungruangnavat	-	-	3,300,000,000	3.87%
10	Mr. Chanon Wangtal	-	-	3,300,000,000	3.87%

Zico Allshores Trust(S) Ptl.,Ltd is Trustee of Wisdom & Virtue Fund which management Banjaran Asset Management Pte.,Ltd by the Zico Allshores Trust(S) Shareholder are as the follows.

- 1) Jamil Bin Mohamed –Singaporean ID NO.S7319075D held 24%
- 2) Peh Ee Hong- Singaporean ID NO.S2598959G held 25%
- 3) **Zico Consultancy Limited Held** 51%
 - ☐ Certificate of incorporation
 - ☐ Memorandum and articles of association
 - ☐ Register of directors
 - ☐ Register of shareholders-shareholder is another corporate, Zico Malaysia Sdn Bhd.

Zico Malaysia Sdn Bhd:

- ☐ Certificate of incorporation
- ☐ Memorandum and articles of association
- ☐ Register of directors
- ☐ Register of shareholders-shareholder is Zico Holdinas (a public listed company)

ZICO Allshores Trust (S) Pte. Ltd., acting in its capacity as Trustee of Wisdom & Virtue Fund, together with Banjaran Asset Management Pte. Ltd. as the Fund Manager of Wisdom & Virtue Fund are unable to disclose the unitholder(s) of Wisdom & Virtue Fund in compliance with the following confidentiality obligations:

- 1) Licensed trust companies in Singapore must at all times comply with, inter alia, the confidentiality provisions under Section 49 of the Trust Companies Act (Chapter 336) (Original Enactment: Act 11 of 2005) REVISED EDITION 2006 (31st July 2006) which prohibits disclosure of information regarding a “protected party” (which includes beneficiaries under a trust) by a licensed trust company (or any of its officers) to any other person, except as expressly provided in the Act;
- 2) Investment Management Association of Singapore's Code of Ethics & Standards of Professional Conduct (“the Standards”) (May 2010) are applicable to all Investment Managers in Singapore and under Chapter 2.5 of the Standards, investment managers shall maintain proper procedures to ensure the confidentiality of client information;

- 3) Wisdom & Virtue Fund is an open-ended fund;
- 4) There are various investors/unitholders in Wisdom & Virtue Fund which consist of institutional investors, fund of fund, high net worth individuals and family offices; and
- 5) The Fund Manager and Trustee have the experience and expertise on investments in the South East Asian region.

However, the private placements were not involved in the management or take a position of Director or Management. Therefore, it has no effect on the Company's management policy according to the Company's Articles of Association; non-Thai shareholders will hold shares no more than 49%.

Year 2018 - 2020

-No change in shareholding structure-

1.4.3 The Key Development

Year 2018

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| 7 March 2018 | as judgment of the Supreme Court Criminal Division politicians. The company must share responsibility for damage to the plaintiff until the case finally reached. The plaintiff is Krung Thai Bank that has confiscated as collateral and selling by auction in the 1st day of 27 December 2017, 2nd day of 17 January 2018, 3rd day of 7 February 2018 and the 4th day of 28 February 2018. On 25 December 2017, Mr. Viroj Nualkha, as the petitioner, requested the court to order the executing officer to stay execution for all 215 plots of land due to the sale of land is not simultaneously that make price inappropriately. On 25 December 2017, Mr. Viroj Nualkha sent a letter to all stakeholders. Therefore, the Supreme Court Criminal Division politicians have ordered a hearing the petition on 5 and 8 March, 2018. The Supreme Court Criminal Division politicians had canceled the execution of the lawsuit on that day (5 March 2018) in accordance with the docket on 25 December 2017 and cancel hearing date on 8 March 2018. |
| 5 June 2018 | the law enforcement officer had announced the auction of land 4,300 rai on 9 April 2018, which scheduled four auctions as follow. (1) The first will be on 6 June 2018 (2) the second will be on 27 June 2018 (3) The third will be on 18 July 2018 and (4) The fourth will be on 8 August 2018. Subsequently, Miss Charoen Yukhongthrum had filed a petition to the Supreme Court's Criminal Division for politicians of black case No. OrMor.Kho 1/2018 and lawsuit on 31 May 2018 |

which is a joint ownership of title deed 610, No.79 (old No.58), survey pages 276, Ban Ra Kat Sub-district, Bang Bo District, Samutprakan in order to leave the property as joint ownership of the petitioner and require to divide the deed of the petitioner before the auction and disputed the confiscated land which is taken over including confiscated land on the part of the petitioner with an area of 60 square wah. On 15 May 2018, the Supreme Court had received a petition and suspended the execution until the court ruled or any other ruling which shall be scheduled hearing on 11 September 2018. The Golden Technology Industrial Park Company Limited had received such copy on 31 May 2018. However, the law enforcement officer has ordered the suspension of sales property especially on 6 June 2018 in accordance with investigation at the law enforcement office in Samutprakarn. Miss Charoen Yukhongthrum had filed a petition to the Central Bankruptcy Court with black case No. SorLo. 122/2018 and lawsuit on 28 May 2018 which is a joint ownership of title deed 610, No.79 (old No.58), survey pages 276, Ban Ra Kat Sub-district, Bang Bo District, Samutprakan in order to leave the property as joint ownership of the petitioner and require to divide the deed of the petitioner before the auction and disputed the confiscated land which is taken over including confiscated land on the part of the petitioner with an area of 60 square wah. The Central Bankruptcy Court has ordered the suspension of sales property especially on 6 June 2018 and appointment the petition hearing on 14 June 2018.

- | | |
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| 31 July 2018 | on 26 July 2018, the Supreme Court's Criminal Division for Persons Holding Political Position ordered for the black case no. Aor Mor Kor 1/2561 to cancel the suspension order for legal execution according to the report of the proceeding dated 15 May 2018 and to allow the legal execution officer to process for the land auction except for the disputed land, title dee no. 610, Tumbon Baan Rakas, Amphur Bang Bor, Samutprakarn Province which was ordered to suspend for auction until further change of court order. |
| 18 September 2018 | The Supreme Court's Criminal Division for Persons Holding Political Position ordered for the black case no. Aor Mor Kor 1/2561 to cancel the suspension order for legal execution according to the report of the proceeding dated 15 May 2018 and to allow the legal execution officer to process for the land auction except for |

the disputed land, title deed no. 610, Tumbon Baan Rakas, Amphur Bang Bor, Samutprakarn Province which was ordered to suspend for auction until further change of court order. On 14 September 2018, the Company received the announcement of the Legal Execution Department dated 17 August 2018 that the legal execution officer announced the schedule for the public auction of assets in this court case for 4 days as following: No. 1 on 17 October 2018, No. 2 on 7 November 2018, No. 3 on 28 November 2018, and No. 4 on 19 December 2018.

17 October 2018 on 14 September 2018 that the Company received the announcement from the Legal Execution Department dated 17 August 2018 and the Legal Execution officer announced the public auction for the assets in the case for 4 schedules as following: Schedule 1: On 17 October 2018, Schedule 2: On 7 November 2018, Schedule 3: On 28 November 2018, and Schedule 4: On 19 December 2018. On 17 October 2018, the public auction was held and it sold the collateralized assets to the purchaser at the price of THB 8,914.07 million.

Progress on deposit of bill of exchange and loans

As AQ Estate Plc. (AQ) increased and allotted the shares to the private placement on July 2017 for the amount of 3,632 million Baht in order to use the increased capital to pay debt to Krungthai Bank Plc. (KTB) according to the order from the Supreme Court's Criminal Division for Persons Holding Political Position and it has already paid for 1,636 million Baht and the remaining increased capital is 1,996 million Baht. During the same period, the Board of Directors approved for the investment in the bill of exchange (B/E) for 1,600 million Baht and empowered the Board of Executive Directors to consider the investment in debt instruments in the companies that have good financial status with the limit of each investment of not greater than 500 million Baht and it can roll the B/E of the companies which have already approved by the Board of Directors. The Board of Executive Directors has the power to consider the investment in the corporate bonds of the companies which have clear source of fund to repay and low risk and to consider the extension of the investment for 15-30 days of each period in order for the Company to redeem the fund to pay for debt in time. The Company has invested in the B/E of 5 companies and when due, it has extended the investment in B/E every time.

On 30 June 2018, the B/E of Krugthai Land Development Co., Ltd. and Thai Filatex Plc. was due. The Board of Directors approved to change the investment in B/E to the loan agreement with those companies for the amount of 719 million Baht and the maturity date of the principal and interest is 28 December 2018. In addition, the BE of Planet Energy Holding Pte Ltd. in total of 1,143 million Baht which

the amount of 115 million Baht was due and the remaining amount of 1,028 million Baht will be due in August and September 2018.

Nevertheless, the source of fund for investment in B/E and the lending to those mentioned companies was from the capital increase for the private placement which is reserved to pay for the different amount of the proceed from land sale collateralized with KTB. The next schedules for the land auction dates are 18 July 2018 and 8 August 2018. Should the Company need to pay KTB for the different amount of land sale, the Company may not have enough liquidity for payment to KTB. In addition, the loan to the third parties is accounted for 20% of the net tangible assets which is significant amount and it is not the normal business of the Company.

Loan to Krungthai Land and Thai Filatex in the amount of 719 million Baht

The Board of Directors considered that the Company the change in the form of investment in bills of exchange is a loan agreement with conditions like the original bill. The reason for the two loans is because the company has no need to use the funds after the suspension of auction on August 8, 2018, the date is not set. Also consider that the two companies have the potential to repay. The loan is considered appropriate.

The payment for damages to KTB according to the Supreme Court – Criminal Division for Persons Holding Political Position will follow after the auction process of the 4,300 rai of land. The sale proceed from the auction tends to be more than the remaining damage amount of 8,368.73 million Baht from the reason that the legal execution department determined the starting auction price at 8,850 million Baht. The Company believes that the selling price could be higher than the starting auction price.

For 2016 financial statement, the Company made the reserve for liability with KTB using the appraised price from S.L. Standard Appraisal Co.,Ltd. As of May 2017 at 11,600 million Baht and forced sale price at 5,800 million Baht. Previously in the same year. The Company held the land auction and there were 3-4 interested purchases submitted for the bid but the highest bidding price was lower than the forced sale price. Therefore, the Company deems it appropriate to use the forced sale price as the base for the reserve. If the land auction price is lower than 8,368.73 million baht, the Company is still able to pay for damages to KTB from other investments (Fixed Income Fund Bank deposits of Baht 321 million and project assets of Baht 1,607 million). In addition, the Company can call for early repayment from Krungthai Land Development Co., Ltd. and Thai Filatex Plc. by giving 30 day notice in advance.

The Board of Directors has considered the financial status of Krungthai Land Development Co., Ltd. and Thai Filatex Plc. as acceptable and is confident that Krungthai Land Development Co., Ltd. and Thai Filatex Plc. have the ability to repay loan under the loan agreements.

From legal consideration, the change from the purchase of B/E to the short term lending does not have an impact to the status of the Company and its subsidiaries compared to the previous status. For placing collateral and guaranty, Right to call for early repayment, risk management in case of payment default is detailed as follows.

Collateral and guaranty

Krungthai Land Development Co., Ltd (krungthai Land) :	None
Thai Filatex Plc :	None

Right to call for early repayment

Krungthai Land Development Co., Ltd (krungthai Land): Loan agreement specified that AQ has the right to call for early repayment by given notice for 30 days in advance.

Thai Filatex Public Company Limited: Loan agreement specified that Aquarius Estate Co.,Ltd has the right to call for early repayment by given notice for 30 days in advance.

Risk management in case of payment default

The Company has policy to follow up with the borrower and for risk management, the Company is negotiating for additional collaterals such as assets or assignment of receivables which it is expected to conclude the negotiation by 3rd quarter of 2018.

The investment in B/E of Planet in the amount of 1,143 million Baht

For two B/Es of PEH due on 30 April 2018 in the amount of 30.5 million Baht and due on 29 May 2018 for the amount of 74.7 million Baht, PEH had requested for the rolling of those B/Es for 6 months. In the Board of Executive Directors' Meeting no. 2/2018 on 24 April 2018, the Board of Executive Directors (empowered by the Board of Directors) considered that the Company has not required to use the fund. The payment for damages to KTB according to the Supreme Court – Criminal Division for Persons Holding Political Position will follow after the auction process of the 4,300 rai of land. The sale proceed from the land auction tends to be more than the remaining damage amount of 8,368.73 million Baht. If the selling price of the land is lower than 8,368.73 million Baht, the Company still has the liquidity from other investments to pay for the shortfall of damages (if any). The Board of Executive Directors

considered the financial status of PEH as acceptable credit and was confident that PEH has the ability to repay the extended B/E.

The Board of Directors considered that the Company has not required to use the fund. The payment for damages to KTB according to the Supreme Court – Criminal Division for Persons Holding Political Position will follow after the auction process of the 4,300 rai of land. The sale proceed from the land auction tends to be more than the remaining damage amount of 8,368.73 million Baht. Should the proceed from land auction be lower than 8,368.73 million Baht, the Company still has the liquidity from other investments to pay for the shortfall of damages (if any). In addition, the Board of Directors considered the financial status of PEH as acceptable credit and was confident that PEH has the ability to repay the rolling B/E as shown in Attachment (2) and therefore approved for the rolling B/Es for the principal and interest due for the period of 6 months but no later than 28 December 2018 with the interest rate of 6.5% p.a.

The Board of Directors will consider the progress of 4,300 rai land auction which is scheduled on 8 August 2018 whether the Company will be responsible to pay for the shortfall of damages to KTB and at what amount, although the current land price tends to be more than the remaining damages of 8,368.73 million Baht. Should after the payment for damages and the investment in the core business of the Company and the Company still has excess liquidity, the Company may consider to continue for the short term investment opportunity. It may consider to invest in the existing companies already invested or change to other alternative investments upon the appropriateness at that time and the management will analyze and propose to the Board of Directors to consider in due course.

Furthermore, In the Board of Directors' Meeting on 19 July 2018, the board meeting assigned to the management for additional risk management including the follow up for the operation performance of the companies that the Company has invested in or provided the loan to, the negotiation for additional collaterals and/or the guarantees from those 3 companies invested by the Company, and the study from management for other alternative investments for consideration in the next meeting.

Year 2019

- 11 March 2019 The auction of mortgaged property at the price of THB 8,914.07 million on 17 October 2018. The properties sold at the auction were divided into 3 groups as follows.
1. The first group was the criminal cases of Persons Holding Political Positions in decided case No. AuMor.55/2015 by confiscating of land auction of Golden

Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was THB 4,019.62 million. The buyer had placed the deposit of THB 201 million. The remaining would be paid within 1 February 2019 and on 24 January 2019, the buyer paid THB 3,818.62 million.

2. The second group was the civil suit in decided case No. 4007/ 2009 and undecided case No. Tho.59/2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of THB 1,261.02 million, deposit of THB 65 million, the remaining amount must be paid THB 1,196.02 million. The petitioner, K&V RS Co., Ltd., held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on 24 January 2019 to such petition, and the court made an appointment to hear civil court order on 20 March, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition.
3. The third group was the case of Central Bankruptcy Court in decided case No. L. 1249/2012. The property sold at auction from this case of 1,868-3- 97.72 rai and land ownership belongs to K&V RS Company Limited. The auction buyer purchased price of THB 3,633.43 million, deposit of THB 182.50 million, the remaining amount must be paid THB 3,450.93 million within 1 February 2019. K&V filed the objection, causing the buyer to submit such matter to court against the petition of K&V Company, which was between the three objections and divided as follows.

- 3.1 Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of Ms. Charoen Yukongtham in the ratio of 800.66 and proceeded to sell the auction. In this case the petitioner had applied for revocation as the auction unlawful. The court accepted the petition as objection and called the Golden Company as the third objector, then completed the examination witnesses and made the appointment to hear order on 5 March 2019. The case result was dismissed by the court.
- 3.2 Central Bankruptcy Court in undecided case No. SL. 388/ 2018, the petitioner filed claiming that bring the property of petitioner was sold together with land Golden Company unlawful and to suspend temporarily the auction. The court had ordered the petition and attached documents to the petition. In the event that was no legal reason to suspend the auction, according to petition. The court therefore ordered to dismiss the petition.
- 3.3 Undecided case No. SL.438/2018 regarding the revocation auction of the second debtor's land (K&V SRS Garden Home Company Limited). In this case, the objector had submitted the request to revoke as unlawful auction and requested to the temporarily suspend enforcement on 4 February 2019. The court ordered the company attorneys, the stakeholders (Golden Company) and called the second objector which will appoint witnesses on 25 and 26 April 2019.

Currently, the buyer of collateral land had submitted the court matter to be paid the remaining amount upon completion in the amount of THB 4,646.95 million.

29 August 2019

The Board of Director meeting No. 8/2019 approved to make the prosecution to Krung Thai Bank Public Company Limited and the Executive Committee of Krung Thai Bank Public Company Limited (Board of Directors) to take the proceeds from land auction of Golden Technology Industry Company Real Park Company Limited in the amount of 3,898.70 million baht to pay for damages in lawsuit of the Supreme Court's Criminal Division for Persons Holding Political Positions or financial statements revision for 1 st quarter 2019 of Krung Thai Bank to bring such amount as the principle payment of Golden Technology Industrial Park Company Limited in such civil case in order to provide a practical guide on the

public auction according to bank regulations or to claim the refund of 3,898.70 million baht and / or other damages. The company requests lawyer to send a notice to Krung Thai Bank for correcting the accounting record and bring the amount of 3,898.70 million baht to pay the principle within 15 days from bank receiving such notice. In case of overdue such period, the company will file a civil suit as requested by Board of Directors.

13 September 2019 The Company purchased 1,387,500 ordinary shares of the Tarna Algn Resort Co., Ltd. , representing 99.82% at price of 90.44 Baht per share in amounting of 125,480,000 Baht.

Year 2020

9 June 2020 AQ Estate Public Company Limited reported the progress on enforcement of the Supreme Court's Criminal Division Politicians and others as follows.

Lawsuit regarding the sale at public auction collateral

The company would like to notify according to the letter No. TorLor. 013/2020 dated 24 April 2020 which AQ Estate Public Company Limited reported the price of sale at public auction collateral was 8,914.07 million baht on 17 October 2018. Such securities sold at auction is divided into 3 groups as follows.

1. Group 1: The criminal case of persons holding political positions with decided case No. OrMor. 55/2015 by seizure properties and sale of land auction of Golden Technology Industrial Park Co., Ltd. was 1,768 rai. The property buyer from auction was worth 4,019.62 million baht. The buyer had placed a deposit of 201 million baht on 24 January 2019 and the buyer paid in the amount of 3818.62 million baht.

1.1 On September 25 2019, the AQ Estate Public Company Limited (Plaintiff) filed a lawsuit to Krung Thai Bank Public Company Limited (Bank) as the 1st with a group of 13 persons (defendants) which was a civil case requesting the bank to revise the first quarter of financial statements in 2019 by bringing the amount of 3,898.71 million baht (The deposit of 201 million baht and money from sale of land auction in the amount of 3,818.62 million baht and auction fees deductible to 120.91 baht) recorded as payment for damages in the case of the Supreme Court's Criminal Division for Persons Holding Political Positions with decided case No. 3/2012, decided case No. OrMor. 55/2015. If the defendant did not revise the first quarter of financial statements in 2019, the defendant will have to pay damages in the amount of 3,818.65 million baht. Made an appointment for settlement of issues shall be on 27 April 2020. With reference

to the Coronavirus disease 2019 (COVID-19) outbreak situation in Thailand. The Court canceled the appointment.

On 30 September 2020, the court postponed the appointment to 19 November 2020. The defendant and the plaintiff went to court. The Lawyers of Krung Thai Bank (Defendant) requested to postpone the case because Krung Thai Bank got a decision from the Office of the Council of State that they are not a state enterprise. So it had a problem that the prosecutor can defend as a defense attorney for all 13 defendants or not, and the plaintiff was discussing ways to compromise the debt to the defendant. Therefore the plaintiff does not object to the postponement of the case. The court made an appointment on 22 February 2021. And later, the court postponed the appointment on 14 June 2021.

- 1.2 On 26 September 2019 to 10 January 2020, the Supreme Court's Criminal Division for Persons Holding Political Positions had enforced by issuing a writ of execution to the Legal Execution Office of Civil Case for notifying to seize the right of claim 9 deposit of company accounts in four banks, totaling 69.40 million baht and some banks had seized the money in such accounts of 2.14 million baht to the Legal Execution Department on 15 October 2019 (As at 31 December 2019, the company had deposits of 4.25 million baht. The bank had confiscated in the amount of 2.14 million baht, the remaining 2.11 million baht pledged as collateral).
2. Group 2: For the civil lawsuit of decided case No. 4007/2552 and undecided branch case No. Tho. 59/2018, Krisdamahanakorn Public Company Limited was the plaintiff to file a lawsuit against Golden Technology Industrial Park Company Limited (Golden) which was the defendant as regards the deposit of land. Land in this case for sale by auction was 659-3-60 rai. The ownership of the land belongs to Golden Company, the auction buyer bought at the price of 1,261.02 million baht and placed deposit 65 million baht, the remaining balance must be paid 1,196.02 million baht. The land and its area of this case was seized and sale of land auction in the amount of 659-3-60 rai. The ownership of land belongs to Golden Company, the auction buyer bought at the price of 1,261.02 million baht and placed deposit 65 million baht, the remaining balance must be paid 1,196.02 million baht and filed a petition for revocation of sale by auction, claiming that the auction was unlawful. On 20 March 2019, the court ruled that the petitioner was only a shareholder of Golden Company and the petitioner did not have as stakeholders in the compulsory execution. In addition, the filing a petition to revoke of sale auction in this case involved or affecting the petitioner which was a judgment debtor the Central Bankruptcy case. The petitioner claims that could not make debt payments to creditors in full amount and received damage, therefore, considered as a litigation against the debtor's property. Upon the petitioner was adjudged bankrupt, the power to

set up defend against the property of petitioner was only the authority of official receiver and the petitioner had no authority to file a petition in this case. The results of trial court dismissed the petition.

On 17 June 2019, K & V SRS Company Limited (Petitioner) filed an appeal against the order of the Civil Court. Currently, the Golden Technology Industrial Park Co., Ltd., (the 1 st defendant) has filed an appeal to the Court on 5 August 2019. The Court of Appeals considers the Court of First Instance on 12 March 2020.

3. Group 3: The Central Bankruptcy Court for the decided case No. Lor. 1249/2012, the property and sale of auction was 1,868-3-97.72 rai. The ownership of land was to K&V SRS Company Limited. The auction buyer bought at a price of 3,633.43 million baht, placed deposit of 182.50 million baht and the remaining must be paid in the amount of 3,450.93 million baht within 1 February 2019. K&V Company filed an objection, causing the buyer to file an objection with the court for opposing the petition of K&V Company which was between the three objections, divided as follows:

- 3.1 Undecided case No. SorLor. 365/2018 regarding the Receiver had ordered to the deed No. 610 with an area of 18 rai 83 square wah from sale by auction which was part of Miss Charoen Yookongtham in the ratio of 800.66 and conducting sale by auction. In this lawsuit, the petitioner had applied to revoke sale of auction that sale of auction was an unlawful. Made an appointment for court's decree on 5 March 2019. The results of trial court dismissed the petition.

- 3.2 The Central Bankruptcy Court case about undecided case No. SorLor. 338/2018, the petitioner filed a complaint by bringing the property of petitioner to be sold combine with the land of the Golden Company unlawful and the person who wished to bid must be placed collaterals for bidding the prices in all 3 lawsuits and bidding together 3 lawsuits, therefore, requesting to temporarily suspend the sale of auction. The court dismissed a petition and K&V SRS Garden Home Company Limited (Petitioner) filed an appeal on 20 March 2019. Subsequently, the Central Bankruptcy Court ordered a hearing the order of the Court of Appeal for Specialized Cases on 3 September 2019 and not accepting the appeal. The case was final.

- 3.3 Undecided case No. SorLor. 438/2018, regarding the revocation sale of land auction of the 2 nd debtor (K&V SRS Garden Home Co., Ltd.) In this lawsuit, the objection filed a petition for revocation sale by auction which was an unlawful and requests to temporarily suspend enforcement. The court had already examined the witnesses and scheduled to hear the verdict on 14 May 2019. The Central Bankruptcy Court issued an order lifting the petition of the petitioner.

Currently, the buyer of collateral land has filed a court case to pay the remaining upon the case completion of the amount which required to settle outstanding 4,646.95 million baht. In 2020, the buyer already made the payment to Krungthai Bank.

Lawsuit against the property management agreement

1. Case of the civil court case for undecided case No. Phor. 240/2018 between Progress Property Co., Ltd., was the plaintiff to file against AQ Public Company Limited as the 1st with a group of 13 persons and requested to terminate the property management agreement by claiming that all three defendants were breach of contract. In this regard, the three defendants had fought with such conditions clearly the responsibilities of each party. AQ company had been carrying out their duties and Court of First Instance dismissed the plaintiff on 17 June 2019. The case is being considered by the Court of Appeal. The plaintiff filed an appeal of the judgment. And on 18 July 2019, all three defendants submitted an appeal. Later on June 4, 2020, the court of the first instance read the verdict of the appeals court with the judgment that Defendant No. 1 shall transfer the shares of Golden Technology Industrial Park Co., Ltd., of 5,440,000 shares back to the plaintiff. The case was terminated.
2. The case of AQ Estate Public Company Limited has sued Golden Technology Industrial Park Company Limited and Progress Property Company Limited (Co-defendant) is a civil case in order to collect the money which AQ company has paid for the reserve under property management agreement in the amount of 75 million baht. The court has scheduled to strike prosecution witnesses on 26-27 May 2020 and examining defendants on 28 May 2020 and examining interpleader on 29 May 2020 and to hear the verdict on 29 July 2020. Because the COVID 19, the court canceled the appointment and the appointment of witnesses on 3 December 2020 and 4 December 2020. In this case, the Court of First Instance read the verdict on January 14, 2021, that Golden Technology Company has to pay 52,381,259.93 Baht to AQ Estate PLC, with interest at 7.5% per year and a lawyer fee of 30,000 Baht. Currently, it is in the process of extending the period of submission of the plaintiff's complaint.

Other cases

1. The civil court case was undecided No. Mor.Yo 49/2019 between Vitoonthanakorn Company Limited, the plaintiff and Mr. Jesada Yindee as the 1st and Mrs. Pichitra Yindee in case of breach of loan agreement (according to property management agreements and share the benefits). Both parties agreed to enter into a compromise agreement and the court gave the following consent judgment as follows:
 - 1.1 Both defendants admitted that the plaintiff owed amount 32,863,561.64 baht.

1.2 Both defendants agreed to transfer the land title deed and a certificate of utilization (Nor Sor Kor) in total of 6 plots with buildings for the plaintiff. The two defendants accept that the land was not attached to any obligations or did not involve any offense follows.

- Utilization Certificate (Nor Sor 3 Kor), No. 2788, Land No. 196, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 51 rai 3 ngan 60 square wah.
- Utilization Certificate (Nor Sor 3 Kor), No. 2789, Land No. 197, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 25 rai 3 ngan 80 square wah.
- Utilization Certificate (Nor Sor 3 Kor), No. 2254, Land No. 169, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 10 rai 1 ngan 40 square wah.
- Utilization Certificate (Nor Sor 3 Kor), No. 2192, Land No. 186, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 12 rai 2 ngan 80 square wah.
- Utilization Certificate (Nor Sor 3 Kor), No. 3621, Land No. 236, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 8 rai 32 square wah.
- Utilization Certificate (Nor Sor 3 Kor), No. 3622, Land No. 237, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 5 rai 2 ngan 48 square wah.

This will transfer to be completed within 30 days from the date of 17 October 2019. On 18 October 2019, both defendants brought the plot of land that had to be transferred to the plaintiff back for sale with a third party. So the plaintiff sued as a criminal offense for defrauding creditors at the North Bangkok District Court, it is a black case No.Or. 3882/2563. The court scheduled a data inquiry on 16 November 2020. Later, on the date of the appointment, both defense lawyers requested to postpone the case. The court has postponed the date of the data hearing to be filed on 22 March 2021, on this day, the court made an appointment with the two defendants for a hearing on 8 June 2021.

1.3 According to the indictment in this case, both defendants registered to mortgage the land as collateral for loans by registering the mortgage deed No. 17056,17078 Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province and Utilization Certificate (Nor Sor 3 Kor), No. 2185, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, and title Deed No.169326, Bang Kaew Subdistrict, Bang Phli District (Phra Khanong), Samut Prakan Province, with the plaintiff. Currently, the delivery deadline has elapsed. The company allows the receivership officials and land employees to seize.

2. According to the resolution of the Board of Directors' Meeting No. 9/2014 on 26 September 2014, the Board of Directors had approved the investment in Villa Nakarin Company Limited and the share purchase agreement had specified the calculating returns by actual costs and expenses at

the end of project not over 30 months from the date of agreement which was due date on 31 March 2017. The Company's management estimated the debt payment to shareholders in the amount 46.17 million baht on due date. The company reported the operating results to the existing shareholders of Villa Nakarin Company Limited that Villa Nakarin Company Limited had the operating loss results and not in accordance with the plan. The company will cancel about returns, but the shareholders requested that the completed project would have to be agreed again (AQ ARBOR Suanluang Rama 9-Pattanakarn Project. Currently, development projects are progressing 83.92 % and the project is under construction, with its total of 49 plots of land into 24 plots).

3. For undecided No. 21/2008 and decided No. 4007/2019 dated 25 April 2019, Krisadamahanakorn Plc. (Name while suing) was the plaintiff suing Golden Technology Industrial Park Company Limited as a defendant for breach of agreement to refund of 654 million baht with interest as of 31 July 2009. Court of First Instance sentenced Golden to return the principal amount of Baht 654 million plus interest from the date of filing. AQ Plc. had a letter requesting the Samut Prakan executing officer to seize 24 land title deed, according to the judgment of such land sold at auction. After the debt payment to Krung Thai Bank is complete, the remaining balance will be averaged to pay the deposit.

Civil case between Golden Company Limited and Krung Thai Bank

1. The civil case at civil court between Krung Thai Bank Public Company Limited is the plaintiff with the Golden Technology Industrial Park Company Limited as the 1st with a group of 4 persons of undecided case No. Thor. 68/2006 and decided case No. Thor. 2687/2007. The court of Appeals upheld judgment of the Court of First Instance to settle the Golden 8,409.60 million baht including with interest of the principal amount of 8,368.73 million baht from the date of 31 May 2004 onwards until complete repayment date on 25 December 2018. The 1st defendant (Golden Company) had filed a petition then. The case is currently being considered by the Supreme Court. At 5 May 2020 The Supreme Court considered standing by the Court of First Instance.

The case is final. For this civil case, it has no effect on AQ. Because the Golden Technology Industrial Park Co., Ltd. is neither subsidiary nor associated company of AQ.

Year 2021

25 February 2021 Report of the investment in bill of exchange (BE) and loans with details as follows.

No.	Issuers/Loan agreement	Issued Number	Issue Date	Maturity Date	Yield	Amount (Baht)	
1	Krungthai land development Co., Ltd.)	Loan		31-Mar-21	6	412,144,693.51	
2	Planet Energy Holding Pte.,Ltd (PEH)	PLN025/2020	31-Dec-20	31-Mar-21	6.5	420,376,984.22	
		PLN026/2020	31-Dec-20	31-Mar-21	6.5	254,646,797.01	
		PLN027/2020	31-Dec-20	31-Mar-21	6.5	59,527,822.67	
		PLN028/2020	31-Dec-20	31-Mar-21	6.5	96,579,142.41	
		PLN029/2020	31-Dec-20	31-Mar-21	6.5	85,674,592.00	
		PLN030/2020	31-Dec-20	31-Mar-21	6.5	75,296,505.00	
		PLN031/2020	31-Dec-20	31-Mar-21	6.5	69,762,134.47	
		PLN032/2020	31-Dec-20	31-Mar-21	6.5	10,296,032.72	
	Total						1,484,304,704.01

Return on bills of exchange and loans as of 31 December 2020. The details are as follows.

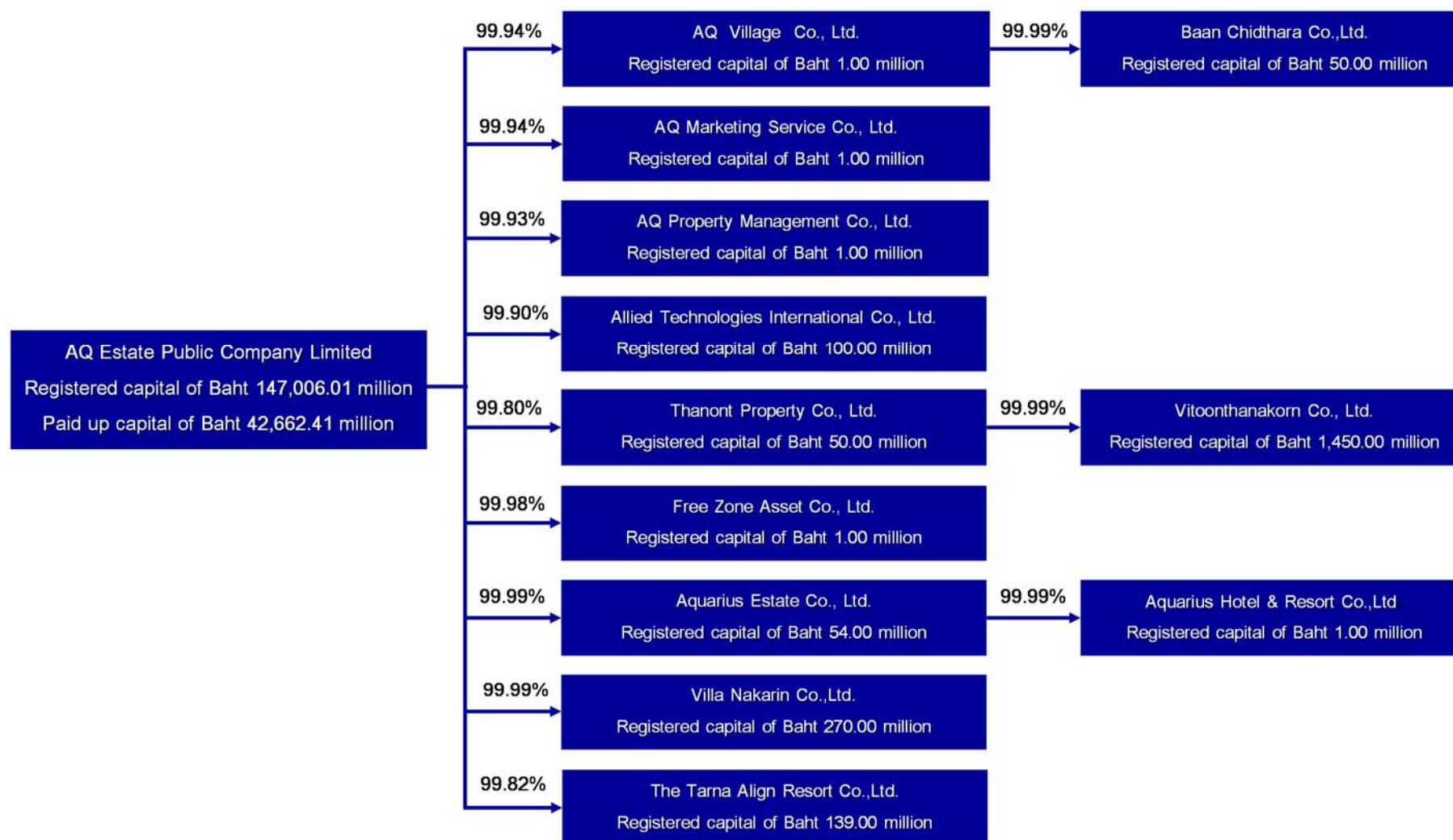
No.	Company	Return on Investment (Baht)
1	Krung Thai Land Development Co., Ltd.	93,810,620.00
2	Thai Filatex Public Co., Ltd.*	12,899,136.97
3	Vintage Engineering Public Co., Ltd.*	16,716,725.95
4	Planet Energy Holdings Pte. Ltd.	203,394,733.77
5	East Coast Furnitech Public Co., Ltd.*	7,147,894.28
Total		333,969,110.97

* However, Thai Filatex Plc., Vintage Engineering Plc. and East Coast Funitech Plc. do not have any liabilities to the company.

1.5 Shareholding Structure of the Group

AQ Estate Public Company Limited undertakes business in property development and sales including real estate rental. There are 12 subsidiaries in the Group by the Company directly holds 9 subsidiaries and indirectly through 3 subsidiaries. The nature of business operations of the parent company and subsidiaries and the proportion of the Company's shareholding in the Subsidiaries can be summarized as diagrams and tables as follows.

Shareholding Structure of AQ Estate Group
as at 31 December 2020



List of subsidiaries as at 31 December 2020

Subsidiaries	Type of Business	Proportionate of Share (%)	Paid up capital (Million baht)	Type of Holding
AQ Village Co., Ltd.	Recreational services and provides hotel and resort	99.94	1.00	Direct Subsidiary
AQ Marketing Service Co., Ltd.	Sale management services	99.94	1.00	Direct Subsidiary
AQ Property Management Co., Ltd.	Management of commercial space	99.93	1.00	Direct Subsidiary
Allied Technologies International Co., Ltd.	Real estate trading	99.90	100.00	Direct Subsidiary
Thanont Property Co., Ltd.	Real estate trading	99.80	50.00	Direct Subsidiary
Free Zone Asset Co., Ltd.	Real estate for rent and service	99.98	1.00	Direct Subsidiary
Aquarius Estate Co., Ltd.	To sell, acquire, provide service and operate in real estate	99.99	54.00	Direct Subsidiary
Villa Nakarin Co.,Ltd.	Real estate trading	99.99	270.00	Direct Subsidiary
The Tarna Align Resort Co., Ltd.	Hotel services	99.82	139.00	Direct Subsidiary
Vitoonthanakorn Co., Ltd.	Real estate trading	99.99	1,450.00	Indirect Subsidiary
Baan Chidthara Co.,Ltd.	Recreational services and provides hotel and resort	99.99	50.00	Indirect Subsidiary
Aquarius Hotel & Resort Co.,Ltd.	To sell, acquire, provide service and operate in real estate	99.99	1.00	Indirect Subsidiary

The Divisions in the group of Company

1. Trade, real estate development and real estate management. The company operates its business by develop projects, real estate and land for sale or land with a House (in case of sale) to the customer, sales, project management, real estate and condominium project under the trademark " AQ estate " Constructions service client may sourcing their own contractor to build home project and use AQ Marketing Services Co., Ltd. (" AQ marketing ") service for Sales and management for project. The Company charged 3 percent service from value of the contract.
2. Commercial and real estate development business " AQ" , "Allied Technology International Co., Ltd., "Thanon Property Co., Ltd.", "Aquarius Estate Co., Ltd.", "Vitoon Thanakorn Co., Ltd.", and "Villa Nakorn-in Co., Ltd.", operate in business development projects, real estate and land for sale or land with a House (in case of sale) to a customer , The Project build and construction by Group of Company and AQ Marketing provide sales management and sales administration service fee 3-5 percent from the value of the contract.
3. Other business The Company's other business. Performed by the subsidiaries are follows:
 - 3.1 Business management service, Sales service to condominium and housing project under name of "AQ Marketing Service Co., Ltd.", and "Aquarius Estate Co., Ltd."
 - 3.2 Hotel and Resort business operated by "AQ Village Co., Ltd.", "Aquarius Hotel and Resort Co., Ltd.", and "Ban ChidTara Co., Ltd." (Ban ChidTara now not yet performed).
 - 3.3 Commercial Space Management and Infra Structure Management operated by "AQ Property Management Co., Ltd."
 - 3.4 Warehouse Space Rental business operate by "Free zone Access Co., Ltd."
 - 3.5 Commercial Trade Space Rental business operate by "Vitoon Thanakorn Co., Ltd."

Impact of economic conditions

In 2020, the business operations under the production line of the Company and its subsidiaries have limitations on investment because the company has a burden to pay for Krung Thai Bank. However, the Company is still operating carefully and there is a limitation on the expansion of work by aiming to generate more income which is divided into the following major production lines.

1. Commercial and real estate development business, the Company and its subsidiaries focus on selling products in the existing projects due to the limitations mentioned above. The Company and its subsidiaries' products is resident that build before selling. There are single houses, townhomes and condominiums. From such restrictions, the Management expects that when the

case is completed, the company and its subsidiaries will be able to develop the project to its full potential to increase revenue.

2. Accommodation and hotel services, The Company and its subsidiaries have hotels service businesses. In 2018, the Company opened 1 additional hotel with 2 buildings as Alix Hotel Soi Soonwijai which is located in Soi Soonwijai near Bangkok hospital. There are target customers such as foreign customers who come to the hospital. The hotel was opened in September 2018 with a strategy is to focus on customers who want to stay for medical treatment. The price of the hotel is cheaper than the customer having to stay in the hospital. The feedback from the guests was satisfactory.

Besides, on 13 September 2019, the Company purchased ordinary shares of The Tarna Align Resort Co., Ltd. in the proportion of 99.82%, with a total of 1,387,500 shares at 90.44 Baht per share, a total of 125,480,000 Baht. The Tarna Align Resort Co., Ltd. operates the hotel business, The Tarna Align Resort at Kohtao, Kohtao Sub-district, Ko Phangan District, Suratthani Province.

However, in 2020, the hotel business was affected by the epidemic of COVID-19 making income decreased but the Company still had the cost of regular expenses. The Company and its subsidiaries' hotel and service income was 98.52 million Baht, which decreased by (32.89) million Baht from the year 2019, or decreased (25.03)%. Moreover, costs of service from hotel business representing 195.62% of hotel revenues. The cost ratio increased from the last year which was 152.02%.

1.6 Relationship with the major shareholder's business

-None-

2. Type of Business

2.1 Revenue Structure

Revenue from business operations of the Company and subsidiaries during the year 2018 - 2020 can be classified by business segment as follows.

Product line / Business Group	Operated by	% Shareholding	Revenue (Million Baht)					
			2020	%	2019	%	2018	%
Revenues from sales of property	Thanont Property	99.80	406.55	69.36	486.07	62.84	399.82	48.50
	Allied Technologies	99.90						
	Vitoonthanakorn	99.99						
	Aquarius Estate	99.99						
	Villa Nakarin	99.99						
	Aquarius Hotel	99.99						
Income from hotel business	AQ Village	99.94	98.52	16.81	131.41	16.99	100.73	12.22
	Aquarius Estate	99.99						
	Aquarius Hotel*	99.99						
	Baan Chidthara*	99.99						
	The Tarna Align Resort**	99.82						
Revenues from property rental operations and related services	AQ Property	99.93	20.62	3.52	21.45	2.77	20.51	2.49
	Free Zone Asset	99.98						
Total revenues from sales and services	-	-	525.69	89.69	638.93	82.60	521.05	63.20
Other income	AQ Estate PLC	-	60.42	10.31	134.57	17.40	303.38	36.80
Grand total		-	586.11	100.00	773.5	100.00	824.43	100.00

Note * Started in September 2018

** Acquisition in September 2019

2.2 Products and Services

AQ Estate Public Company Limited and its subsidiaries operates business of real estate commercial and development by focusing on real estate development, primarily for housing. Either in the form of single detached houses, townhouses, commercial buildings and residential high-rise condominium with the amenities. different And home construction to its clients, which bought Land Company, the subsidiary of the Company. Also operates another Related to real estate development. The summary nature of business of the Group is as follows.

- 1) Buying- Land acquisition is characterized by large land then divided into plots allocated. Then, the management and development of projects to be completed before the roads and utilities. Then sell to retail buyers.

- 2) The land and buildings This includes the allocation of land area. Designing buildings Contractors To servicedifferent To add value to the land, such as the allocation of land, which is a house divided. Semi-detached houses, commercial buildings and condominiums.
- 3) Construction of houses for customers who buy land of the company by hiring a small contractor under the supervision of the company's officer.
- 4) Sales management for other real estate development projects, with revenue from sales management based on sales proportion.
- 5) Hotels and Resorts Business.
- 6) Operation of storage space rental business

The company and the Group's subsidiary companies include: Thanon Property Co., Ltd., Allied Technology Co., Ltd., Vitoon Thanakorn Co., Ltd., Aquarius Estate Co., Ltd., Villa Nakarin Co., Ltd. (The real estate development business group) conducts business with an emphasis on Commercial and Real Estate Development, focus on Real Estate development and residential. Both in the form of detached houses semi-detached townhouse and condominiums with amenities. Companies and a subsidiary of the company provide service cover Land management from large land. The building's design thru the other services to increase the value added of land both in term of behavior pattern of home projects and will be given the appropriate location and the target groups.

Real estate development group. Continue to develop the land by providing and gathering land, a large and divided the developed as well as road and land parcel utilities before sale to the purchaser which public utilities development projects at the preliminary land reclamation work include land conversion and street. Dirt and stone compaction task knead road. Stones and concrete road pavement installation, Electricity pole/headlines. Landscaping, Arch, Club and swimming pool, etc.

Infrastructure and public services. Operate by Real Estate Development Group of Companies in each company, as administrator, such aspects of the project, unless the Executive Club and swimming pool will be open to other companies to hire and manage tasks, to provide services to clients in the project. However, as of June 6, 2002 the Ministry of the Interior has issued act to registration of the establishment of administration, Merge and to withdraw Housing Estate Juristic Person 2002 (Act 2545/46A/ 17/17 June- 2002) where such regulations has resulted in land allocation Act 2000 this act more complete. Such act shall specify whether the allocation is free from the duty of maintenance utilities, once established, "Housing Estate Juristic Person " or other legal entities to transfer such property to maintain. Within the time allocated land designated or authorized by the Board of Directors allocates land for Bangkok and provincial land allocation Committee, any operation to maintenance,

utilities or transfer assets such as public interest, therefore, the establishment of housing estate juristic person act, it will help to reduce the burden of a group of real estate development in infrastructure and public service care.

Real estate that is currently in operation

Project	Project owner	Location	Product Categories in the project
Krisda City Lake & Park (Project 30)	The Company	Theparak Road Km 16 Bangpla Sub-district, Bangplee District, Samutprakarn	Houses - Land
AQ Shadi (project 42 phase 3)	Allied Technologies	Phaholyothin – Rangsit Road, Klongnueng, Klongluang, Pathumthani	Semi-detached 2 storey 86 units
Garden Rama 9	Vitoonthanakorn	Jaturatis Rd., Rama IX Rd.	7 storey condominium 4 building
AQ Welle	Vitoonthanakorn / Thanont Property / Allied Technologies	Jaturatis Rd., Rama IX Rd.	3-storey house of 18 houses.
Estate Rattanathibet	Aquarius Estate	Rattanathibet Road	36-storey condominium 475 units
Rangsit BIZ Park	The Company	Paholayothin road, Rangsit	498 detached house
AQ VIRAR	The Company	Siam Park 24	54 townhouses
Phureesala Project	The Company / Allied Technologies	Thalang District, Phuket Province	Detached house 19 plots
AQ Shadi - Chon Buri - Bypass	The Company	Muang District, Chonburi	Detached house 263 Plot
AQ ARBOR	Villa Nakarin	Suan Luang R9 - Pattanakarn	3-storey house 141 units
ShaSa Resort & Residences, Koh Samui	Aquarius Estate	Casa Vela Hotel Condominium, Laem Set Road, Maret sub-district, Koh Samui, Surat Thani	Villas and there are 32 suites. (5 Star Hotel)
Krisdadoi Chiang Mai (Renovation in Progress)	AQ Village	Samoeng Road away from the Lanna park	Resort 60 rooms
Malibu (Renovation in Progress)	Aquarius Estate	Phuket	Resort 32 rooms
ALIXE	Aquarius Hotel / Allied Technologies	Soi Soonwijai	Condominiums and hotels
The Tarna Align and Resort	The Tarna Align and Resort	Kohtao Sub-district, Suratthani Province.	Hotel and Resort of 50 rooms
Kamala Falls	The Company / Thanont Property	Kamala-Patong road (Highway 4233) Kamala Sub-district, Kathu District, Phuket Province	4-storey condominium building, 3 plots

Project Progress in Real Estate Group

Project Name	Project owner	Year started	Status	Project area (Rai)	Products for sale		Value Million Baht 1	Cumulative sales		Sales for the year 2020		Investment Value in project (Million Baht) 4	Construction progress		Sales value of Product sold but not yet transferred as of 31 Dec 20 (Million Baht)
					units	Area (Square wah)		Value Million Baht 2	% of Product value available for sale $3=(2)/(1)*100$	units	Product Value (Million Baht)		Money invested (Million Baht) 5	% of Finished work $(6)=(5)/(4)*100$	
Krisda Royal Park (Project 19) 3	The Company	1993	Still Available	34	127	14,171	259.23	242.75	93.64%	1	4.68	147	147	100.00%	-
Thanont Golf View & Sports Club (P 25)	The Company	2006	Still Available	17	58	5,926	155.58	151.03	97.08%			100.51	100.51	100.00%	-
Krisda Marina (Project 27) 3	The Company	1995	Available	134	206	28,085	557.7	557.7	100.00%	1	9.28	706.31	706.31	100.00%	-
Krisda City Lake & Park (Project 30) 3	The Company	1995	Still Available	559	1189	172,225	1,050.40	1,035.80	98.61%			2,756.00	2,756.00	100.00%	-
Rangsit - Phahon Yothin project 35	The Company	2014	Not available yet	82.2.77	498	33,077	1,785.63		0.00%			1,540.19	413.59	26.85%	-
Krisda Grand Park (Project 42)1. 2	Allied Technologies	2004	Available	65.0.48	224	22,319	1,681.89	1,631.89	97.03%			1,295.69	1,295.69	100.00%	
Krisda Grand Park (Project 42) 3	Allied Technologies	2014	Still Available	15.0.48.62	86	3,210	366.04	341.86	93.39%	25	104.52	384.88	380.88	98.96%	29.79
Phureesala Phuket Project 51	The Company	2014	Still Available	11.3-22	18	2,163	330.33	18.9	5.72%			259.87	123.57	47.55%	-
Chonburi Bypass Project 52	The Company	2014	Still Available	48.0.36.8	262	19,237	978	390.71	39.95%	19	71.96	835.17	548.23	65.64%	21.24
Siam park Project	The Company	2014	Still Available	5.3-86	54	2,386	296.81	281.91	94.98%	14	75.28	245.9	243.76	99.13%	29.38
ARBOR, Chaleem Phra Kiat Road	Villa Nakarin	2015	Not available yet	28-0-2	114	7,061	989.84	420.96	42.53%	1	11.00	896.4	855.63	95.45%	
AQ Welle	Thanont , Allied, Vitoon	2016	Still Available	1/4/2016	32	1,637	583.29	551.29	94.51%	11	340.65	580.96	496.12	85.40%	85.35
The Kris Garden	Vitoonthanakorn	2013	Still Available	4	479	16,991	957.8	836.41	87.33%	6	17.72	829.63	826.71	99.65%	
Estets Ratanathibet	Aquarius Estate	2014	Available	1.3.47	475	15,626	1,390.45		0.00%			1241.12	518.93	41.81%	
AQ ALIX	Aquarius Hotel	2016	Still Available	2.62	67	1,909	225.93	215.13	95.22%	3	8.60	162.74	162.74	100.00%	

2.3 Market and Competition

2.3.1 World Economy

The Office of the National Economic and Social Development Board reported that the world economy in the fourth quarter of 2020 improved from the previous quarter, following the economic recovery of the major industrialized countries, particularly the US, Japan, China, the NIEs, and the developing and emerging countries. This economic rebound was benefited from the relaxation of lockdown measures and continual massive economic stimulus which supported manufacturing production and domestic consumption. The Composite Purchasing Managers' Index (PMI) in most countries returned above 50, and stood higher than the pre-COVID-19 level. At the same time, domestic expenditure was boosted by the extensively easing fiscal and monetary policies, consumer adaptation to containment measures, and a pent-up demand from the previous period. In addition, exports rebounded in the last quarter as the world economy picked up, specifically in Japan, India, and Singapore. Nonetheless, the Eurozone economy still contracted due to the resurgence of the pandemic and the new variants of the virus. In response, leading member countries had to re-impose stringent containment measures during the end of 2020, especially in the UK, Germany, and Austria. In the fourth quarter, governments in many countries had extended economic measures to help mitigate the impact of the COVID-19 outbreak. Major central banks continued the expansionary monetary policy, including committing a record low policy rate, acquiring asset purchases to increase economic liquidity, providing low-interest loans to commercial banks, and providing credit guarantee. Furthermore, many Asian central banks had further cut their policy rates, including Vietnam, the Philippines, and Indonesia. Moreover, key economies, in particular the US, the Eurozone, and Japan, implemented massive fiscal measures to support those suffering from COVID-19, such as the EU's long-term expenditure budget framework and the 3rd economic stimulus package of Japan.

2.3.2 Thai Economy

The Office of the National Economic and Social Development Board reported that The Thai economy in the fourth quarter of 2020 declined by 4.2%, which improved compared to a 6.4% decline in the third quarter. Expenditure side, Private consumption continued to expand. Private investment and merchandise exports declined at a slower rate while public spending and investment expanded. And exports of services continued to decline. Production Side, the agricultural field has returned to expand. Industrial production, accommodation, and food service, transport and storage, and wholesale, retail, and repair fields were decreased at a slower rate, while the electrical and gas fields continuously decline. When adjusting the results of the season, the Thai economy in the fourth quarter of 2020

expanded by 1.3% from the third quarter of 2020 (QoQ_SA), including, in 2020, the Thai economy declined 6.1%, compared to 2.3% expansion in 2019.

2.3.3 The housing market in the Bangkok Metropolitan Region (BMR)

Krungsri Research reported that the housing market in the Bangkok Metropolitan Region (BMR) is forecast to decline steeply in 2020 because of: (i) the sharp drop in domestic purchasing power as the economy weakens (Krungsri Research forecasts Thai GDP would shrink by 5% in 2020); this will be more pronounced in the first half of the year with worldwide lockdowns temporarily halting economic activities and for some individuals, income; (ii) the anticipated global recession and its effect on foreign buyers; (iii) enforcement of stricter LTV rules for buyers of second and subsequent homes; and (iv) excess supply of properties in many areas. These will collectively weaken investor confidence and discourage property purchases.

Overview

The real estate sector contributed 6% of Thailand's GDP in 2019, which is significant to the national economy. A large amount of capital circulates within the economic system and supports rising employment and income. The sector is also has a large influence on the direction of related businesses such as construction, building materials, finance, consumer electronics, furnishings and decoration.

The property sector consists of three principal segments: residential, commercial, and industrial. In Thailand, two-thirds of the property market (by value) is derived from residential transactions (source: World Bank). Developers of residential properties normally focus on Thai customers because Thai law stipulates that non-Thais may legally own only condominiums and only up to 49% of total salable area in any project. For detached housing and townhouses (also called rowhouses or shophouses), the ownership regulations for non-Thais are more onerous.

The housing market is split between self-built housing and housing projects. 70% of housing projects constructed during 2015-2019 are located in BMR. This market had an annual value of around THB460bn but since 2012, developers have started to look beyond the Bangkok region. The shift in focus followed the major flooding in BMR and central region near the end of 2011 and the decision by the government in 2012 to increase spending on infrastructure in provinces. This prompted developers to place greater emphasis on investing in housing projects in provincial centers, the majority being low-rise housing due to the availability of land outside Bangkok. However, upcountry consumer purchasing power weakened in 2015 and 2016 after agricultural goods prices dropped, and this caused developers to switch their attention back to projects in the BMR.

Currently, over 80% of new housing units in the BMR are in projects developed by commercial housing developers. Large developers (those listed on the SET and their subsidiaries) control 60-70% of the market by volume and value. Because large companies are able to manage costs more effectively than their smaller peers, they are also in a position to buy larger land bank which would reduce project development cost. They can also undertake several projects simultaneously which improves economies of scale. And they benefit from stronger branding and marketing networks.

Since 2008, high-rise residential buildings have represented a larger share of new projects than low-rise segment. An average of 70% of new housing units in the market have been condominium units due to the declining availability of land, and consequently, higher prices for development land. The extension of rapid mass transit lines (MRT and BTS) has also led to housing projects springing up along new routes and near stations. These led to the increasing popularity of high-rise residential developments.

Townhouses

Rising land prices spurred demand for townhouses as alternatives to more expensive detached housing. However, like other market segments, supply had risen at a faster pace than demand and since 2007, the number of unsold townhouse units had been rising steadily. In addition, between 2009 and 2018, there was falling interest in townhouses in favor of condominiums located near BTS lines (referred to as 'city condos'), with the latter having advantages in terms of pricing and easy access (via mass rapid transportation) to the city center. These shifts in the market reduced absorption rate for townhouses to an average of 34% from 56% during the townhouse boom period of 2002-2006. Despite this, since 2014, developers had been developing expensive townhouses priced over THB10m per unit. These townhouses typically have three or more floors, are located on the fringe of Bangkok city center, and are relatively close to BTS stations, such as Rama 3, Sathu Pradit, Yannawa, and Lat Phrao. In addition, developers also invested in townhouses located in smaller alleyways that connect to mass transit systems, priced at THB2-3m each to target mid-to-low income earners.

Condominiums

Condominiums have been popular with a rising number of new projects since 2007 due to: (i) the extension of mass rapid transit lines and better connection within the communications network, which makes public transportation more convenient; (ii) changing consumer behavior driven by a desire to save money and to reduce commuting time, leading to a switch in preferences from low-rise housing in suburbs to high-rise accommodation in the city center; (iii) changing social structures in Thailand, with more people living in smaller units and nuclear families; and (iv) the declining availability of development

land and rising land prices. The combination of these factors prompted developers to build condominiums to meet demand for housing with over 50,000 new units available annually. Buyers of these condominium units can be split into two distinct groups. (1) Real demand accounts for around 60% of the market; and (2) those who buy for investment, which can itself be split into those who buy to rent out (25-30% of the market) and those who buy for speculation (the remaining 10-15%). Thai law specifies that non-Thais may own condominium units subject to a maximum of 49% of the total floor-space in the project; this also led to condominium projects registering higher absorption rates than low-rise buildings. Between 2009 and 2018, the absorption rate for condominiums averaged 50% compared to only 25% for detached houses 34% for townhouses.

Competition will stiffen in the BMR, especially from domestic property developers that are usually active in other parts of the economy, and overseas developers (especially from Japan, Singapore, Hong Kong and China). Given this, in order to increase competitiveness, some developers may form joint-ventures with foreign investors for high-value projects. This would also expand their customer base overseas; an example is the partnership between Origin Property and the South Korea's GS Engineering & Construction to develop a THB4bn residential project. Overall, in the coming period, property developers will try to expand their offerings to target several customer segments, for example by offering long-term leasehold properties in prime areas for 30-40% cheaper than freehold properties in the same area, mixed-use developments which combine hotels, retail space and residential units all within the same project, or high-tech projects to meet demand from the health-conscious. The buyer profiles for these properties will also change; they will increasingly come from China, Hong Kong, Singapore, Britain and Japan, and will be looking for permanent homes, second-homes and investment properties for rental.

The factors that could have the greatest influence on the direction of Thailand's property market include: (i) slower-than-expected economic recovery; (ii) rising household debt; (iii) changing consumer behavior (especially with regard to housing) following the Covid-19 pandemic; for example, the work-from-home trend might increase demand for larger, low-rise housing units in the suburbs in favor of smaller condominium units near the city center; and (iv) the enforcement of the Land and Building Tax Act in 2020[6] may lead to more land transactions or it increase the tax burden on developers that hold properties for more than 3 years from the date of the implementation of the Act.

2.3.4 Situation in tourism and hotels

The Office of the National Economic and Social Development Board reported that the accommodation and food service sector decreased 35.2% following a decrease in the number of foreign tourists, but it improved compared to a 39.3% decline in the last quarter, comply with an improvement in domestic tourism. In this quarter, revenues from Thai tourists were 0.159 trillion Baht, which decrease by 45.1%, improved from a 57.1% decline in the last quarter. Besides, the implementation of the national opening measures for special tourists (Special Tourist VISA: STV) resulted in this quarter, 10,822 foreign tourists came to travel for the first time in 3 quarters (including Thailand Privilege Card group tourists). The average occupancy rate was 32.49%, which increase from 26.69% in the last quarter, but decreased from 70.71% in the same quarter of last year.

The whole year 2020, the production of accommodation and food service sector decreased by 36.6%, compared with 7.8% expansion in 2019. The number of foreign tourists was 6.70 million, which decreased by 83.2%. Revenue from foreign tourists was 0.441 trillion Baht, which decrease by 76.2% (data from the balance of payments account of the Bank of Thailand). Revenue from Thai tourists was 0.482 trillion Baht, which decrease by 55.4%. And the average occupancy rate was 29.51%.

Overview

The hotel business (which here includes hotels, resorts and guesthouses) is directly connected to and an important part of the wider tourism sector. In terms of its contribution to the economy, in 2019, accommodation and food service activities together accounted for 6.1% of Thai gross domestic product (GDP), bringing in THB1.03trn.

The sector has a central role in the overall economy because Thailand is one of the world's most popular tourist destinations. This is partly because the nation offers world-class tourist attractions throughout the country. Bangkok is a major and perennially popular tourist attraction, a fact underlined by the tourism awards that the city consistently wins. There are also famous seaside and beach destinations in the South and East, and a range of eco-tourism travel options in the North. In addition, the country benefits from competitive pricing for accommodation and low cost of living, which offers better value-for-money than many other countries. Beyond this, the travel industry benefits from the country's extensive, comprehensive transportation network, national infrastructure that is constantly being upgraded, and the increasing number of low-cost carriers serving the local market. These factors helped to give Thailand an edge over its competitors. Indeed, the 2019 Travel and Tourism Competitiveness Index, compiled by the World Economic Forum places Thailand in 31st place out of

140 countries surveyed (up from 34th in 2017) and 3rd in Southeast Asia, after only Singapore and Malaysia.

The travel industry generates considerable receipts. Foreign tourists are the most important group; they contribute around 65% of the sector's revenue (2019 data), spend more per head, and stay for longer in tourist accommodation than domestic tourists. The largest tourist market comprise those from East Asia (China, Japan, South Korea, Hong Kong and Taiwan), who contribute 41% of total receipts from foreign arrivals and account for 42% of total foreign arrivals. This is followed by Europe which generates 24% of foreign tourist receipts. The ASEAN zone is the second most important region in terms of number of foreign tourist arrivals (27% of total visitors).

Krungsri Research reported that in 2020, hotel and tourism industries worldwide suddenly had to endure the unprecedented and immediate disruption by the COVID-19 pandemic. To keep the pandemic under control, governments worldwide imposed strict lockdowns that severely restricted international travel. Global travel crashed by a record-breaking rate of 74% from 2019 level. The hardest-hit were the Asia-Pacific region (-84%), with severe drops in arrivals in Singapore (-85.1%), Thailand (-83.2%), South Korea (-85.6%) and Japan (almost -90%).

Currently, the global COVID-19 situation remains critical and many countries (including Thailand) have experienced fresh outbreaks. The number of new cases continues to rise steadily and experts predict foreign tourist arrivals in Thailand will only recover to pre-pandemic level in 2024. This forecast is based on: (i) uncertainty over the rollout of vaccination programs and efficacy of the different vaccines; (ii) the World Health Organization's (WHO) estimate that herd immunity will require 65-70% of the population to be vaccinated, and despite the commencement of vaccination programs in many countries, it will require large investment in time and money to achieve this; and (iii) the prediction by the University of California that tourist confidence in international travel will only recover 3-6 months after the pandemic is over. Beyond this, international travel remains a luxury and given the pressure on consumer spending power over the past year, demand will recover slowly and it will be uneven.

2.4 Backlog

-None-

3. Risk Factors

3.1 Risks to business operation

3.1.1 Risk of land acquisition

Acquiring land plots to develop single detached houses, twin house, townhouses townhomes and condominiums. Companies chose to acquire land with high potential for development projects at the most reasonable price. The choices with least risks are land plots within city center or the ones along BTS or MRT stations both active stations and future stations including other established residential areas. The company is focusing mainly in Bangkok and Greater Bangkok to develop single detached houses, twin house, townhouses and condominiums with decent accessibility to mass transportation and community center. So, the risk comes from land acquisition at a reasonable price for generating future profit. The company's solution is to select good relationships with trustworthy land brokers and market analysis and comparative survey of land prices with factors and context are similar to minimize risk.

3.1.2 Risk from starting construction in advance of selling

The Company operates property development business with idea of building a house before the sale. As a result, the company needed more capital to build more houses because the company did not receive a down payment for working capital. Therefore, the Company is exposed to the following risk factors: future housing prices have increased due to higher construction costs and land prices, resulting in higher risk. currently analyzed selling value with actual prices in the future may be inaccurate. Moreover, due to the high competition from competitors, there is the risk of the completed houses being sold in the market and the higher maintenance cost over time. It also has a negative impact on financial liquidity, interest rates and profitability of companies. However, the company has taken a risk reduction approach by analyzing the market in the future, current property valuation and future changes. Also managed by real estate professionals in strategy.

3.1.3 Risk on production cost

Construction Materials Price Index has risen since 2014 due to significant growth in neighboring countries therefore, materials like cement, steel, construction machines are in great demands from Thailand's neighboring countries to serve their governments attempt to expand infrastructure ; mass rapid transit system, flood protection system which require massive amount of construction materials therefore material prices have increased, hence materials are essential to the development of real estate projects therefore, an increase in material prices and price volatility affect directly to the cost of project

development. The company is aware of such risks and measures to strictly control and reduce the risks arising from fluctuations in the prices of construction materials. Due to the procurement of construction materials, company will purchase directly from the manufacturers to compare prices, quality of materials and logistic cost in advance to reduce the risk from increasing material price. Including seeking more business partners to support company's expansion. The company will organize construction materials into categories to obtain bargaining power with traders. Moreover, the company puts product quality in top priority, the company establish the criteria to trade mainly with trustworthy major manufacturers and suppliers evaluated by comparing the capacity and potential to supply raw materials at reasonable prices to ensure that traders are able to supply materials that meet the standards in both quality and quantity aspects. The company will set up a team to control quality and to pursue company's high standard.

3.1.4 Risk from contractor's inability to timely and properly deliver

The Company is to pay the contractor in terms of construction periods, basing on success criteria of the work delivered specified in construction contract. After being accepted and approved for product quality control from company's inspectors, the company will pay the installment by deducting retentions in each period at 5% of the value of work delivered. The preferred contractors would be experienced medium or large construction firms unless the case of shortages in labors due to growing demands for labors in the other parts of the region. The company is trying to replace the original construction system by an alternative such as precast construction to replace skilled workers. The company will start constructing by precast system from compact houses.

3.1.5 Risk from financial factors

Under the economic slowdown, Financial Institutions have more careful in approving loans both property developers and consumers. In addition, there are also other factors such as unbalanced between supply and demand in many areas, slowdown of demand for housing and household debt sector is still high. However, it still has the supportive factors with expansionary monetary policy of Monetary Policy Committee for Bank of Thailand, causing the interest rates remained low together with the property developer delay investment to reduce the risk of oversupply. By the way, the company is able to manage financial risk. From researching and development of products with supporting information, it makes the product to meet the requirement of purchaser. The company has been supported by both financial institutions and investors as well.

3.1.6 Risk of construction permits

The risk of applying for a construction permit due to the inability to accurately determine the length of time. This resulted in a delay in construction and the liquidity in income recognition is slowing. The Company manages this risk by establishing a coordinating and continuous contact department. Setting a prepaid budget And the allocation of staff with specialized expertise in obtaining permits.

3.1.7 Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the consolidated financial statements. From the current situation, as described in Note 1 indicates that the AQ Estate Group may suffer from liquidity problems.

3.1.8 Foreign Currency Risk

The AQ Estate Group do not have commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

3.1.9 Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

3.1.10 Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the AQ Estate Group. The AQ Estate Group's exposure to interest rate risk relates primarily to their cash and cash equivalents, restricted deposits with banks, loans to subsidiaries and interest receivable, loan to other, long - term liabilities under debt restructuring agreements, loans considered as default, loans from financial institutions, and liabilities under finance lease contracts, which bear interest. However, since most of the AQ Estate Group's financial assets and liabilities bear floating interest rates which are close to the market rates. The management considers that the interest rate risk is minimal, hence, the AQ Estate Group has no hedging agreement to protect against such risk.

3.2 Investment risk of securities holders

3.2.1 Risk that the Company's operating results will be loss which may not be able to pay dividends in the near future.

In the year 2020, the Company reported a net loss of Baht (391.89) million. However, the Company has a deficit of Baht (6,920.95) million at the end of 2020. In the past, the Company has had a lot of losses because estimation of damages from litigation based on allegations for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. This makes the company has to compensate for damages according to the judgment of Supreme Court's Criminal Division for Persons Holding Political Positions of Baht 10,004.47 million to Krung Thai Bank Public Company Limited.

However, the Company plans to raising funds by the capital increase to pay damages following the verdict of the Supreme Court's Criminal Division for Persons Holding Political Positions to Krungthai Bank Plc. and for the development of existing projects and future projects for expansion and continuing business.

The Company received the proceeds from allotment of new ordinary shares to private placement as approval by the Extraordinary General Meeting of Shareholders No. 1/2017 on 30 June 2017 that has allocated and offering of new 100,000 million ordinary shares to the private placement. The Company has increased capital of THB 72,640 million at the price of THB 0.05 per share, totaling THB 3,632 million. The total expenses and fees were THB 63.73 million. The capital increase after deducting expenses amounted to THB 3,568.27 million. Details of the utilization of capital increase fund as follows:

The proceeds from the capital increase	3,568.27	Million Baht
<u>Deduct</u> Utilization of capital increase as of 31 December 2020		
1) Payment following the judgment of KTB	(1,635.74)	Million Baht
2) Development of AQ ARBOR, Chonburi, Chiangmai, Rangsit	(65.00)	Million Baht
3) Invested in hotel business	(121.00)	Million Baht
4) Development of AQ ALIX	(26.00)	Million Baht
5) Working capital	(236.23)	Million Baht
Remaining capital increase fund as of 31 December 2020	<u>1,484.30</u>	Million Baht

The remaining capital increase amount THB 1,484.30 million was invested in BFixed the bill of exchange and loan.

4. General information and other important information

4.1 General Information

1) General Information of the Company

Name	: AQ Estate Public Company Limited
Security Symbol	: AQ
Head office	: 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang Bangkok 10310
Nature of Business	: The Company undertakes business in property development and sales. The Company has both horizontal property projects and vertical projects and rent property.
Business Registration	: 0107536000471
Contact numbers	: Telephone 02-033-5555 Fax 02-033-5566
Website	: www.aqestate.com
Registered Capital	: 147,006,012,651.50 Baht
Paid up Capital	: 42,662,405,722.00 Baht
Number of paid up shares	: 85,324,811,444 shares
Par value	: 0.50 Baht
Accounting period	: 1 January - 31 December

2) General information of Subsidiaries

- (1) **Name** : AQ Village Co., Ltd.
 Head office : 90 Moo 4, Ban Pong Sub-district, Hang Dong District, Chiang
 Mai Province 50230
 Nature of Business : Recreational services and provides hotel and resort
 Contact numbers : Telephone 053-365-233 / 053-365-231-4
 Fax 053-365-235
 Registered Capital : 1,000,000 Baht
 Paid up Capital : 1,000,000 Baht
 Shareholding : 99.94%
 Related status : Direct Subsidiary
- (2) **Name** : AQ Marketing Service Co., Ltd.
 Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
 Bangkok 10310

Fax 02-033-5566

Related status : Direct Subsidiary

Fax 02-033-5566

Related status : Direct Subsidiary

Fax 02-033-5566

Related status : Direct Subsidiary

Fax 02-033-5566

- Registered Capital : 50,000,000 Baht
- Paid up Capital : 50,000,000 Baht
- Shareholding : 99.80%
- Related status : Direct Subsidiary
- (6) **Name** : **Free Zone Asset Co., Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Real estate for rent and service
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 1,000,000 Baht
- Paid up Capital : 1,000,000 Baht
- Shareholding : 99.98%
- Related status : Direct Subsidiary
- (7) **Name** : **Aquarius Estate Co., Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : To sell, acquire, provide service and operate in real estate
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 54,000,000 Baht
- Paid up Capital : 54,000,000 Baht
- Shareholding : 99.99%
- Related status : Direct Subsidiary
- (8) **Name** : **Villa Nakarin Co.,Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Real estate trading
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 270,000,000 Baht
- Paid up Capital : 270,000,000 Baht
- Shareholding : 99.99%

- Related status : Direct Subsidiary
- (9) **Name** : **The Tarna Align Resort Co., Ltd.**
- Head office : 68 Moo 1 , Kohtao Sub-district, Koh Phangan District, Suratthani
Province 84280
- Nature of Business : Hotel services
- Contact numbers : Telephone 077-601-843
Fax -
- Registered Capital : 139,000,000 Baht
- Paid up Capital : 139,000,000 Baht
- Shareholding : 99.82%
- Related status : Direct Subsidiary
- (10) **Name** : **Vitoonthanakorn Co., Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Real estate trading
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 1,450,000,000 Baht
- Paid up Capital : 1,450,000,000 Baht
- Shareholding : 99.99%
- Related status : Indirect Subsidiary (held through Thanont Property Co., Ltd.)
- (11) **Name** : **Baan Chidthara Co.,Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Recreational services and provides hotel and resort
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 50,000,000 Baht
- Paid up Capital : 50,000,000 Baht
- Shareholding : 99.99%
- Related status : Indirect Subsidiary (held through AQ Village Co., Ltd.)

- (12) Name : Aquarius Hotel & Resort Co.,Ltd.
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : To sell, acquire, provide service and operate in real estate
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 1,000,000 Baht
- Paid up Capital : 1,000,000 Baht
- Shareholding : 99.99%
- Related status : Indirect Subsidiary (held through Aquarius Estate Co., Ltd.)
- 3) Other References
- Share Registrar : Thailand Securities Depository Company Limited
93 Ratchadaphisek Road,
Din Daeng, Bangkok 10400
Telephone : 0-2009-9000
Fax : 0-2009-9991
SET Contact center: 0-2009-9999
Website: <http://www.set.or.th/tsd>
E-mail: SETContactCenter@set.or.th
- Auditor : Mr. Jadesada Hungsapruet C.P.A. Registration No. 3759
Mr. Jirote Sirirorote C.P.A. Registration No. 5113
Miss Kannika Wipanurat C.P.A. Registration No. 7305
Karin Audit Company Limited
72 CAT Telecom Building, 24th floor Charoen Krung Road,
Bang Rak District, Bangkok 10500
Phone: 0-2105-4661
Fax: 0-2026-3760
Website : <http://www.karinaudit.co.th/>

4.2 Other important information

Investors can find out more information on the company's Form 56-1 that show on www.sec.or.th or the Company website www.aqestate.com

5. Securities and Shareholders information

5.1 Registered capital and paid-up capital

Registered capital and paid-up capital as at 31 December 2020 as follows.

☐ Registered capital 147,006,012,651.50 Baht divided into
Ordinary shares of 294,012,025,303 shares
Par value of Baht 0.50 per share

☐ Paid-up capital 42,662,405,722.00 Baht divided into
Ordinary shares of 85,324,811,444 shares
Par value of Baht 0.50 per share

5.2 Shareholders

1) List of major shareholders

As at 16 March 2021 the Company has the list of top 10 major shareholders as follows.

No.	List of Shareholders	Number of shares	
		Shares	%
1	UOB KAY HIAN PRIVATE LIMITED	16,513,367,000	19.35
2	Mrs. Orapin Pipatwilaikul	7,541,423,100	8.84
3	Mr. Krit Srichawala	6,000,000,000	7.03
4	PHILLIP SECURITIES (HONG KONG) LIMITED	5,100,000,985	5.98
5	Miss Kamattaya Sorawaneeyarak	3,578,950,000	4.19
6	Mr. Chanon Wangtal	3,315,000,000	3.89
7	Mr. Pichet Permsaphiran	2,400,000,000	2.81
8	Mr. Susichtak Atchariyasombat	2,091,576,906	2.45
9	Miss Suppalak Setthapanich	2,060,000,000	2.41
10	Mr. Chatchawal Tojarune	1,880,000,000	2.20
	Total	50,480,317,991	59.16

2) Shareholders' agreement

-None-

5.3 Issuance of other securities

1) Warrant AQ-W3

The Company issued warrants (AQ-W3) of 2,624,546,758 units on May 20, 2013. The warrants were registered as listed securities in SET on June 24, 2013. The warrants are in registered form and transferable. The term of the warrants is equal to three years and warrants have no exercise price. The warrants can be exercised in every one year which will be on last working day of December of each year, the first exercise date will be December 30, 2013 and the last exercise date will be May 19, 2016.

Warrants of the Company 2,624,626,283 units, warrants shall be offered to the existing shareholders and existing shareholders who subscribe for as follows:

- ☐ The rights of existing shareholders in the ratio of 10 shares per 1 unit of warrant (AQ-W3) total 211,176,828 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- ☐ The right of existing shareholders who subscribe to newly issued shares in the ratio of 7 new shares to 4 warrants total of 2,413,449,455 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- ☐ New Ratio: 1 Unit has the right to purchase 1.028 common share (1:1.028:1) exercise price Baht 0.584 per 1 common share.

Warrants (AQ-W3) have number of warrant holder's application 27 persons, number of exercised warrants 692,209 units, the remaining warrants not yet been exercised were 2,697,322,486 units, number of share derived from this exercise 711,582 shares, number of remaining share reserved for warrants 2,697,393,397 shares. The warrants (AQ-W3) that have not exercised in full amount as above will be terminated on May 20, 2016 from the registered securities.

2) Warrant AQ-W4

The Company issued 42,656,849,667 warrants (AQ-W4) on November 1, 2017. The warrants were listed on the Stock Exchange of Thailand on January 15, 2018. The warrants are named and transferable. The term of warrants is not more than 1 year from the date of issuance and offering of warrants. AQ-W4 determined to exercise 1 time when the warrants 1 year maturity from the date of issuing the warrants. ("Exercise Date"). The exercise date is October 31, 2018, 1 unit of warrant can purchase 1 ordinary share, exercise price is 0.05 baht per share with a par value of 0.50 Baht.

On 31 October 2018, warrants (AQ-W4) have number of warrant holder's application 48 persons, number of exercised warrants 10,127,909 units, the remaining warrants not yet been exercised were 42,646,721,758 units, number of share derived from this exercise 10,127,909 shares. Ordinary shares allocated to support the use of the right balance amount 42,646,721,758 shares. The warrants (AQ-W4) that have not exercised in full amount as above will be terminated on November 1, 2018 from the registered securities.

6. Dividend Policy

The Company has a dividend payment policy of approximately 50% of net profit. However, the Company has a policy to reserve capital for working capital and the remaining from such fund will be considered to pay dividends to shareholders by articles of association specify as follows:

Article 41. Dividends shall not be divided from money other than profit. In case the Company still has deficit, dividends may not be distributed.

The information of dividend payment in the previous year as follows.

Dividend from annual operating results	2020	2019	2018	2017	2016
Earnings per share	(0.0046)	(0.0022)	0.0009	(0.0036)	(0.2954)
Dividend per share		-	-	-	-
Dividend to earnings ratio (%)		-	-	-	-

Dividend payment policy of subsidiaries

Subsidiaries have a policy to pay dividends in the same way as the Company. From 1996 to the present, the Company and its subsidiaries do not pay dividends to their shareholders.

7. Management Structure

7.1 Board of Directors

As at 1 March 2021, the Board of Directors of AQ Estate Public Company Limited consist of

1) Board of Directors

1.	Mr. Auychai Kultipmontre	Chairman of the Board of Directors
2.	Mr. Michael Alexander William Fernandez	Director
3.	Dr. Suthad Chankingthong	Director
4.	Mr. Chamnarn Wangtal	Director
5.	Mr. Voravut Laithuamthaweeikul	Director
6.	Mr. A Sachdev	Independent Director
7.	Miss Papasorn Mongkholmafai	Independent Director
8.	Mr. Sittiwate Jewsittipapai	Independent Director

2) Audit Committee

1.	Mr. A Sachdev	Chairman of the Audit Committee
2.	Miss Papasorn Mongkholmafai	Audit Committee
3.	Mr. Sittiwate Jewsittipapai	Audit Committee

The Board of Directors as a representative of shareholders who is responsible for supervise the management of Company to comply with law, objectives and articles of association by determining vision, mission, strategies to create value for business including a return on investment under the expertise and ethics in business for maximize benefits of all stakeholders.

As at 1 March 2021, the Company had total of 8 directors which consists of 4 Executives Directors, 1 external director who is not an employee of the Company, and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Limits on Authority of the Board of Directors

The Board of Directors has the authority to approve budget according to the laws of the Securities and Exchange, and regulations, announcement, the order or the terms of the Stock Exchange of Thailand.

Authorized signatory

Name and number of directors who are authorized to sign on behalf of the Company are Mr. Chamnam Wangtal or Mr. Voravut Laithuamthaweeul, any one of the two mentioned directors jointly sign their names with Mr. Suthad Chankingthong or Mr. Michael Alexander William Fernandez included as two directors.

Attending of meetings

In 2020, the Company held the Board of Directors meeting of 11 times, and the Audit Committee meeting of 4 times with the directors attendance details as follows.

Name of Directors	Position	Meeting		Note
		Number of meeting	Number of attending	
1. Mr. Auychai Kultipmontre	Chairman of the Board of Directors	11	10	Appointed 1 Feb 2019
2. Mr. Michael Alexander William Fernandez	Director	11	10	Appointed 21 Feb 2020
3. Dr. Suthad Chankingthong	Director	11	11	-
4. Mr. Chamnam Wangtal	Director	-	-	Appointed 3 Dec 2020
5. Mr. Voravut Laithuamthaweeul	Director	-	-	Appointed 1 Mar 2021
6. Mr. A Sachdev	Independent Director	11	11	-
	Chairman of the Audit Committee	4	4	-
7. Miss Papasorn Mongkolmafai	Independent Director	11	11	-
	Audit Committee	4	4	-
8. Mr. Sittiwate Jewsittiprapai	Independent Director	-	-	Appointed 3 Dec 2020
	Audit Committee	-	-	Appointed 3 Dec 2020
9. Mr. Prapat Yorkhant	Director	-	-	Resigned 29 Jan 2020
10. Miss Ranchana Rajatanavin	Director	11	10	Resigned 30 Nov 2020
11. Mr. Kitnarong Tirakachorn	Independent Director	11	7	Resigned 1 Dec 2020
	Audit Committee	4	4	Resigned 1 Dec 2020
12. Miss Kulchaya Wathana	Director	11	11	Resigned 23 Feb 2021

7.2 Executives

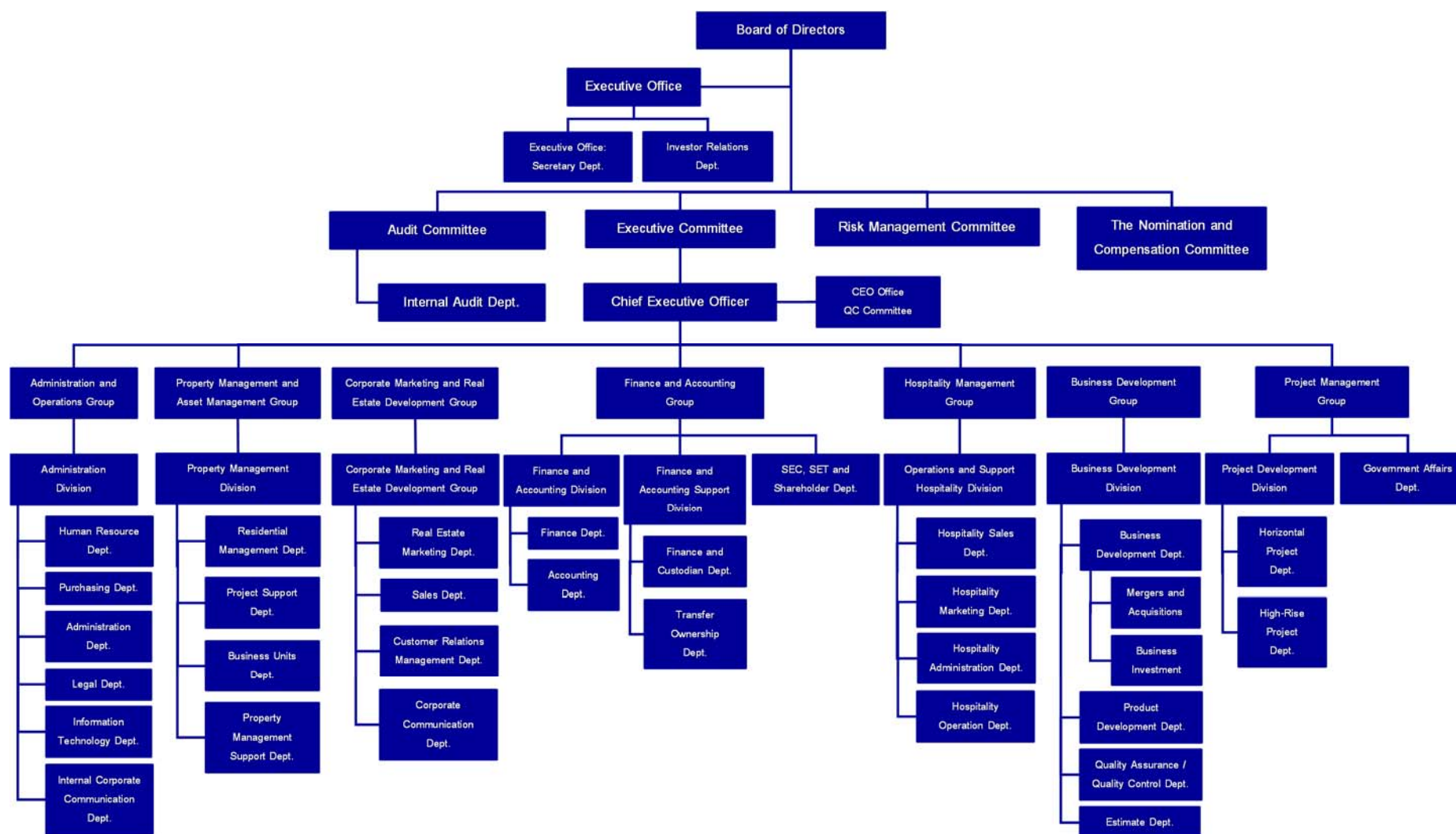
As at 31 December 2020, the management team of AQ Estate Public Company Limited has 7 Executives as follows.

List of Executives	Position	Note
1. Mr. Michael Alexander William Fernandez	Chief Executive Officer	-
2. Mr. Wirat Aiew-Aksorn	Chief Operating Officer	-
3. Mrs. Pranee Hirunbanthow	Chief Financial Officer / Assistant Managing Director of Operations / Vice president of Accounting and Finance	-
4. Dr. Suthad Chankingthong	Executive Committee	-
5. Mr. Chamnam Wangtal	Executive Committee	-
6. Miss Ranchana Rajatanavin	Executive Committee	Resigned 30 Nov 2020
7. Miss Kulchaya Wathana	Executive Committee	-

Information about the management team is in the article 9, the detailed information about Directors, Executives, Control authority and Company Secretary.

Management structure

AQ Estate Public Company Limited and its subsidiaries as at 1 March 2021



7.3 Company Secretary

The Board of Directors Meeting in the year 2013 appointed Mr. Apirath Intrachoo to the position of Company Secretary with responsible according to the Securities and Exchange Act (No. 4) BE 2551 which is responsible for the preparation and storage of Director registration, notice of the Board meeting, minutes of the Board meeting and annual report of the Company, Notice of the Shareholders meeting and minutes of the Shareholders meeting, storage the stakeholders report that report by Directors or Executives as well as other actions as notification of the Capital Market Commission defined, on behalf of the Company or the Board of Directors. The qualifications of incumbent as Company Secretary are shown in the article 9, the detailed information about Directors, Executives, Control authority and Company Secretary.

7.4 Remuneration of Directors and Executives

The Annual General Meeting of Shareholders for the year 2020 on 23 June 2020 approved the remuneration of directors in accordance with the resolution of the Nominating and Remuneration Committee for the year 2020 of Baht 3,500,000.

1) Monetary remuneration

(a) Directors remuneration

Monetary remuneration for the Board of Directors consists of monthly remuneration and attendance fee paid by number of attending as follows.

List of Directors	Position	Directors Remuneration (Baht)			Note
		Attendance fee	Monthly remuneration	Total	
1. Mr. Auychai Kultipmontre	Chairman of the Board of Directors	-	840,000	840,000	Appointed 1 Feb 2019
2. Mr. Michael Alexander William Fernandez	Authorized Director Group A Chief Executive Officer	-	-	-	Appointed 21 Feb 2020
3. Dr. Suthad Chankingthong	Authorized Director Group A Executive Committee	-	-	-	-
4. Mr. Chamnam Wangtal	Authorized Director Group B Executive Committee	-	-	-	Appointed 3 Dec 2020
5. Mr. Voravut Laithuamthaweekul	Authorized Director Group B Executive Committee	-	-	-	Appointed 1 Mar 2021
6. Mr. A Sachdev	Independent Director / Chairman of the Audit Committee	60,000	600,000	660,000	-
7. Miss Papasorn Mongkholfamai	Independent Director / Audit Committee	60,000	300,000	360,000	-

List of Directors	Position	Directors Remuneration (Baht)			Note
		Attendance fee	Monthly remuneration	Total	
8. Mr. Sittiwate Jewsittiprapai	Independent Director / Audit Committee	-	25,000	25,000	Appointed 3 Dec 2020
9. Mr. Prapat Yorkhant	Director	-	-	-	Resigned 29 Jan 2020
10. Miss Ranchana Rajatanavin	Authorized Director Executive Committee	-	-	-	Resigned 30 Nov 2020
11. Mr. Kitnarong Tirakachorn	Independent Director / Audit Committee	42,000	275,000	317,000	Resigned 1 Dec 2020
12. Miss Kulchaya Wathana	Director /Executive Committee	-	-	-	Resigned 29 Jan 2021
Total		162,000	2,040,000	2,202,000	

(b) Executives remuneration

In 2020, the Company paid remuneration consisted of salary and bonus to 6 executives total of Baht 24,856,000 as follows.

Executives remuneration	Baht
Salary	18,730,000
Bonus	-
Remuneration for Special Projects	1,440,000
Meeting allowance	-
Reception Expenses	1,130,000
Consulting fees (internal management)	3,556,000
Total	24,856,000

2) **Other remuneration**

(a) Other remuneration of Directors

In 2020, the Company did not pay other remuneration to Directors.

(b) Other remuneration of Executives

☐ **Provident Fund and Social Insurance Fund**

The Company has provided a provident fund for the Executives by paid contributions at 5% of salary. In 2020, the Company paid contributions for provident fund and social insurance fund for the Executives of Baht 796,250 and Baht 837,650 respectively.

7.5 personnel

1) Number of employees

As at 31 December 2020 the Company and its subsidiaries had total staff of 343 people. In 2020, the Company paid remuneration to employees that consists of salary, overtime pay, social security, provident fund, total amount of Baht 222.23 million. These include the portion that the subsidiaries has paid employees in the same way with the company total of Baht 102.52 million.

Primary line	Number of employees (persons)	
	The Company	11 subsidiaries
Operations / Services staff (persons)	97	240
Executive staff (persons)	6	-
Total	103	240
Employees remuneration (million Baht)	119.73	102.52

The Company has no significant labor disputes in the last 3 years.

2) Personnel development policy

The Company has the policy on recruitment, development and preservation of its personnel, as it has realized that the personnel are an important thing enabling the company to achieve the goal and success. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

8. Corporate Governance

8.1 Corporate Governance Policies

AQ Estate Public Company Limited determined a corporate governance of company's Board of Directors, the Audit committee and Executive are responsible for the good corporate governance which is the fundamental of sustainable growth and as important key leading to success including building confidence to our shareholders, investor and all parties concerned. The company has a good corporate governance system, international standard, meet the requirement of law and relevant regulations,

business ethics as well as adequate disclosure to all parties concerned. The company established the structure of audit committee comprising professional individuals which is independent from company management. The audit committee will hold a meeting every quarter in order to monitoring the business operations constantly. However, this is based on the principle of transparency, honesty, independence, accountability, fairness and social responsibility. Regarding the progress in implementation of good corporate governance principles, the company has closely followed to perform duties following the policy strictly as the guidelines prescribed by the Stock Exchange of Thailand as follow.

1) Shareholder Rights

The company encourages the shareholders to fully exercise their rights, especially basic rights of shareholders both as investors in the securities and as owners of the company, the adequate access to information through the means that are universally acceptable and reliable such as buy and sell or transfer shares, profit shares of the company, open opportunity for shareholders to express opinions freely in meetings, shareholders' participation in consideration and decision making in significant matters for example; election commission or remove members of the Board, appointment auditor, allocate the dividend, modification of regulation and memorandum of association including approval significant transaction and affecting the directions of our business, hence, votes of shareholders will be calculated by numbers of shares held. Each share is entitled to one vote and no share shall benefit extra privilege differently from others. The rights are inclusive of followings

- ☐ The Company provides information about the shareholders' meeting by sending the meeting invitation letter and supporting documents to the shareholders in advance sufficient and in time as well as the company disclose online on the Company's website. The aforementioned meeting invitation letter will inform the details such as date, time, place and agendas, facts and reasons as well as important information for decision making along with the opinion of the Board of directors for each agenda including shareholder's proxy, etc.
- ☐ Clearly provide important and necessary information for shareholders regarding business operations and keep up with the events. In some cases, although the law is not required disclosure, if the Company deems that any matter is necessary for the shareholders to be informed, it will disclose that information through the Company's website and the SET.
- ☐ In 2020, the Company held the annual general meeting of shareholders on 23 June 2020 which had 8 directors attended. The Company considers it appropriate to hold a shareholders' meeting at AQ Square Building, No. 102, Rimklongbangkapi Road, Bangkapi Sub-district, Huaykwang District, Bangkok, to facilitate the shareholders who are interested

in attending the meeting and asking questions as well as express various opinions under the same meeting room making the meeting run smoothly and efficiently. Besides, the Company also reports information about business operations for shareholders to acknowledge.

- ☐ On the date of the shareholders' meeting, the Company arranged for registration by using a barcode system that represents the registration number of each shareholder that is published on the registration form and the proxy form to facilitate shareholders in the meeting and making the registration process fast. Besides, in exercising the right to vote in each agenda, the method used to collect the ballots of all abstained and disagreeing shareholders who attended the meeting. At the end of the meeting, the shareholders can examine the details.
- ☐ The meeting proceeded according to the agenda as stated in the invitation letter which was delivered to the shareholders and there was no other agenda added to the meeting.
- ☐ The chairman of the meeting allocates sufficient time appropriately and conducts the meeting following the agenda of the meeting. During the meeting, the Chairman gave the shareholders an opportunity to express their opinions and raise questions to the meeting on matters related to the company fully.
- ☐ The Chairman of the Board and Chairman of the Audit Committee including all directors will attend a meeting and answer questions from the shareholders.

2) Stakeholder Rights

The Company realizes the rights of shareholders and all groups of stakeholders such as employees and executives of the company and its subsidiaries including outsiders such as partners in the government sector, society, community, and environment. To ensure that the fundamental rights of these stakeholders are well protected and maintained following legal requirements including a framework for ethical conduct and business ethics, and do not do anything that violates the rights of stakeholders, which is an important part of the company's long-term success with details as follows.

☐ Employees

The Company always regards employees as a key element and strives to make all employees proud and believe in the organization and have welfare to encourage employees to have good health. The Company provides a fitness room, swimming pool to relax employees from working hard all day as well as providing appropriate and fair compensation and welfare such as employees welfare, medical

expenses, health insurance, annual health check, and organize activities for employees to build good relationships through various activities, for example, during the month there are activities that all employees must participate, Annual tourism activities. Besides, the Company supports the development of skills and abilities to work regularly with customer training courses. The Company is committed to improving product quality and quality service which meets the needs of professional customers, as well as the Company, established an agency to contact and listening to suggestions or comments from customers to acknowledge customer demand problems and bring improvements to give customers the most confidence and satisfaction.

☐ **Business partners**

The company adheres to the framework of trade competition honestly by adhering to the contract, Code of Conduct, and a commitment to trading partners strictly.

☐ **Executives**

The company realizes the importance of management which is an important factor in running a successful business. Therefore, the management's compensation structure has been appropriately organized in the same business.

☐ **Competitors**

The company competes fairly and ethically with great professionalism and transparency. To obey law and not to violate or attempt to access competitors' confidential information and to measure disciplinary policies and practices to competitors as stated in the Code of Ethics.

☐ **Creditors**

The Company is keen to conduct business with creditors and suppliers of all types in a fair and ethical manner by following the terms and conditions under the agreement and the law.

☐ **Social and environmental responsibility**

The Company is committed to responsible business practices, care and attention to the community, society, and the environment as a whole to comply with relevant laws and regulations.

8.2 Committees

The management structure of the Company consisted of the Board of Directors and 5 committees such as (1) Audit Committee (2) Executive Committee (3) Nomination and Remuneration Committee (4) Risk Management Committee and (5) Purchasing Committees to study and scrutinize the work of the Board of Directors with details as follows.

1) Board of Directors

As at 1 March 2021 the Board of Directors consisted of 8 directors as follows.

No.	List of Directors	Position	Note
1.	Mr. Auychai Kultipmontre	Chairman of the Board of Directors	Appointed 1 Feb 2019
2.	Mr. Michael Alexander William Fernandez	Director	Appointed 21 Feb 2020
3.	Dr. Suthad Chankingthong	Director	Appointed 9 Oct 2015
4.	Mr. Chamnarn Wangtal	Director	Appointed 3 Dec 2020
5.	Mr. Voravut Laithuamthaweeikul	Director	Appointed 1 Mar 2021
6.	Mr. A Sachdev	Independent Director	Appointed 27 Sep 2018
7.	Miss Papasorn Mongkholmafai	Independent Director	Appointed 9 Oct 2015
8.	Mr. Sittiwate Jewsittipapai	Independent Director	Appointed 3 Dec 2020
9.	Mr. Prapat Yorkhant	Director	Resigned 29 Jan 2020
10.	Miss Ranchana Rajatanavin	Director	Resigned 30 Nov 2020
11.	Mr. Kitnarong Tirakachorn	Independent Director	Resigned 1 Dec 2020
12.	Miss Kulchaya Wathana	Director	Resigned 23 Feb 2021

As at 1 March 2021, the Company had total of 8 directors which consists of 4 Executives Directors, 1 external director who is not an employee of the Company, and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Mr. Apirath Intrachoo, Company Secretary oversees the activities of the Board of Directors, minutes of meeting and documenting about the meeting.

The Structure of Appointment the Board of Directors

Appointment of Directors Directors are elected by shareholders. One share is entitled to one vote.

Termination of Positions For the annual general meeting, the director who take the longest position have to resign after completing his one-third term which may be elected to take a new position or shareholders at meeting may pass the resolution to any director that resigned before reaching his term by voting not less than three fourths of attendance shareholders and the number of shares not less than a half of shareholders voting at the meeting.

Number of Directors, the company have at least 5 but not more than 11 directors and not less than half of directors have a hometown in the Kingdom.

Scope with authority of the Board of directors

1. Corporate governance and to manage for the business operation to comply to the law under the objectives and regulations of the company including the shareholders' meeting resolutions and to maintain the benefits of the company to comply to the principle of good governance including to perform according to the rules and regulations of the Stock Exchange of Thailand, and Office of Securities and Stock Exchange of Thailand.

2. To determine the policy and the direction of operation of the company, to govern, to control and to take care to the management department to operate for compliance to the policies determined with efficiencies, to increase value of economy for the business and for the shareholders.

3. To organize the annual general shareholders' meeting not exceeding 4 months from the closing account date of the company and to organize the extraordinary shareholders' meeting when it is necessary.

4. To organize the board of directors' meeting every quarter and the directors shall attend the meeting no less than 50% of all directors, while umpire of the meeting shall be of majority votes as a resolution, if the votes are in equal, the chairperson of the meeting shall put another vote as an umpire.

5. Has power to assign to any director or many directors or other person to act for the board of directors as reasonably and within the reasonable duration, and the board of directors may cancel, dissolve or change or revise such authority as reasonably.

6. Consider and determine the name of authorized directors who sign the name binding to the company including setting the sub-committee as necessary and reasonably to operate any business of the company.

7. To consider and to approve to the budget of investment and in the business operation of the company annually including to take care to resources of the company.

8. To organize financial information report and general important information to all shareholders completely and sufficiently including confirming to the inspection and certification to the information reported.

9. To determine the principles related to the general trade agreement to conduct among the companies and subsidiary companies, the executives, or related persons.

“Trade Agreement as in description of the persons of ordinary prudence shall make with contract parties generally in the same situations with trading bargain power without influence as oneself being a director, executives and related persons”

10. Consider to approve to the company to pay the dividend during the times to the shareholders from time to time as reasonably under the provisions of the law.

11. To prohibit to the directors to conduct as being a partners or being a director to other juristic person with the same descriptions and to compete with the business of the company; except the notification has been notified to the shareholder for acknowledging prior appointment.

2) Audit Committee

As at 31 December 2020 the Audit Committee consisted of 3 members as follows.

No.	List of Committee	Position	Note
1.	Mr. A Sachdev	Chairman of the Audit Committee	Appointed 27 Sep 2018
2.	Miss Papasorn Mongkholmafai	Audit Committee	Appointed 9 Oct 2015
3.	Mr. Sittiwate Jewsittipapai	Audit Committee	Appointed 3 Dec 2020
4.	Mr. Kitnarong Tirakachorn	Audit Committee	Resigned 1 Dec 2020

Miss Papasorn Mongkholmafai is a member of the Audit Committee who have sufficiently knowledgeable and experienced in the field of accounting able to conduct a review to assess financial statement credibility in accordance with the Security Act (No. 4) B. E. 2551 and Mrs. Pranee Hiranbanthow, Chief Financial Officer, Assistant Managing Director of Operations, and Vice president of Accounting and Finance served as Secretary of Audit Committee who oversee the activities of Audit Committee, minutes of meeting and documenting about the meeting.

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has duties assigned by the Board of Directors of the company as follows:

1. Review for the company to have correct and sufficient financial report.
2. Review for the company to have reasonable internal control system with efficiency and consider to the independency of internal audit unit including giving approval for consideration and appointment, transfer, lay off of internal audit unit or any working unit in charge of internal audit.
3. Review for the company to follow the law on securities and stock exchange, regulations of stock of exchange, Act of Public Company, Act of Accounting or related law to the business of the company.
4. Review for the company to have suitable risk management with efficiency.
5. Consideration to select, to propose and to appoint the independent persons to do auditing for the company and to propose the compensation to such person including to attend to the meeting with the auditor without management department to attend the meeting at least once a year.
6. Consideration to the related particulars or the particulars may be in conflict to the benefits to comply to the law and regulations of the stock exchange to ensure that such particulars are reasonable with maximum benefits to the company.
7. To make report of audit committee openly in the annual report of the company, such report shall be signed by the chairperson of audit committee and must be consisted of at least the following information;
 - 7.1 Opinion on accuracy, completeness reasonably of such financial report of the company
 - 7.2 Opinion on sufficiency of internal control system of the company
 - 7.3 Opinion on performance by the law of securities and stock exchange, regulations of stock exchange or related law to the business of the company.
 - 7.4 Opinion on the auditor's suitability
 - 7.5 Opinion on particulars may be conflict to the benefits
 - 7.6 The times of audit committee's meeting and attending to the meeting of each audit committee
 - 7.7 Opinion or notes totally that the audit committee received from follow up the charter
 - 7.8 Other particulars seen that the shareholders, general investors should know under the scope and duties of responsibilities assigned by the board of directors.
8. To do other duties assigned by the board of directors with from the audit committee's approval
Performance by the first paragraph, the audit committee shall have responsibility to the board of directors of the company directly and the boards of directors still have their responsibilities to the operation of the company to the outsiders.

In case of changing the audit committee's duty, the company shall notify such resolution of changing duty with making list name with scope of operation of the audit committee's changing as to the form determined by the stock exchange and to deliver to the stock exchange within 3 working days from the date of such changing by the method with regulations of the stock exchange on the report via electronic system.

9. Performance of audit committee, if found or suspect in some particulars or any action may be affect significantly to the financial status and operation results of the company, then the audit committee shall report to board of directors of the company in order to improve, to revise within the time determined by the audit committee see as appropriate consider approve.

If the Board of Directors or the Executive fails to make a rectification within a first paragraph, any member of the Audit Committee may report such transaction or action under the first paragraph to the SEC or the SET.

3) Executive Committee

As at 1 March 2021, the Executive Committee consisted of 4 members as follows.

No.	List of Committee	Position	Note
1.	Mr. Michael Alexander William Fernandez	Chief Executive Officer	Appointed 21 Feb 2020
2.	Dr. Suthad Chankingthong	Executive Committee	Appointed 9 Oct 2015
3.	Mr. Chamnam Wangtal	Executive Committee	Appointed 3 Dec 2020
4.	Mr. Voravut Laithuamthaweeikul	Executive Committee	Appointed 1 Mar 2021
5.	Mr. Prapat Yorkhant	Executive Committee	Resigned 29 Jan 2020
6.	Miss Ranchana Rajatanavin	Executive Committee	Resigned 30 Nov 2020
7.	Miss Kulchaya Wathana	Executive Committee	Resigned 23 Feb 2021

Scope of power, duty and responsibility of the executive committee

1. Control and supervise the routine business of the Company to comply with the policy and budget approved by the board of directors to go effectively, including defining the business plans, direction, and strategies under the framework of the law and the scope of power set by the board of directors.

2. Perform other businesses as assigned by the board of directors, including approving the operations of the Company, according to the scope given by the board of directors, which is reviewed regularly.

3. Consider presenting the matters above the scope of their power for the board to consider.

Scope of authority Executive Committee and Chief Executive Officer

1. Chief Executive Officer is responsible for managing operations and normal business operations. For the benefit of the Company Accordance with the objectives and regulations of the company, policies, plans, regulations and resolutions under the framework of law and the authority of the Board of Directors.

2. Consider the allocation of the annual budget prepared by the management and to present to the Committee including control of spending the annual budget of each agency.

3. Chief Executive Officer is authorized to take any action on normal business practice.

4. Chief Executive Officer in a presentation to the Board of Directors approved the investment in the development of any project. That is not in the Company's annual policy.

5. Authorized to represent the company and show them to third persons involved in activities that benefit the business.

6. Appointment of consultants as necessary to the operation of the business.

7. Approve the work plans of each department and approve requests from various departments beyond the primacy of the task.

8. Perform any other duties assigned by the board each time.

9. Consider the action associated with the transaction by definition of the Securities and Exchange Commission (SEC) for approval by the Board of Directors.

10. Consider the profit and loss statement, the proposed interim dividend or dividend to propose to the Board of Directors

The aforementioned appointee to the Chief Executive Officer will be subject to the rules of law and the rules and regulations of the company. In the event of any action there or may have interests or interests of the Chief Executive Officer or individuals who may have a conflict. (As announced by the SEC) Chief Executive Officer or assigned without the power to authorize such operations. Chief Executive Officer shall be proposed to the Board of Directors to the Board for further consideration.

In addition, in the event that any items marked as related items, or items relating to the acquisition or distribution of a company's assets, according to the meaning given by the stock exchange of Thailand to comply with the requirements of the SET.

4) Nomination and Remuneration Consideration Committee

As at 1 March 2021 the Nomination and Remuneration Consideration Committee which was appointed by resolution of the Board of Directors Meeting No. 4/2014 on 5 March 2014, consisted of 3 members as follows.

No.	List of Committee	Position	Note
1.	Dr. Suthad Chankingthong	Chairman of the Nomination and Remuneration Consideration Committee	Appointed 27 Sep 2018
2.	Mr. A Sachdev	Nomination and Remuneration Consideration Committee	Appointed 27 Sep 2018
3.	Mr. Voravut Laithuamthaweeikul	Nomination and Remuneration Consideration Committee	Appointed 1 Mar 2021
4.	Miss Kulchaya Wathana	Nomination and Remuneration Consideration Committee	Resigned 23 Feb 2021

Duties and Responsibilities

The Nomination and Remuneration Committee Perform duties as assigned by the Board of Directors with the scope of authority and responsibility as follows.

Nomination

- (1) Setting guidelines and policies in nominating Board of Directors and other sub-committee members by considering what would be the appropriate number, structure and composition of members, and outlining necessary directors' qualifications, and proposing these ideas for approval by the Board of Directors and/or Shareholders' Meeting as appropriate.
- (2) Searching, selecting and proposing appropriate persons to assume the position of the Company's directors whose terms have expired and/ or became vacant, including newly appointed director.
- (3) Executing other tasks related to nominations as assigned by the Board of Directors.
- (4) Evaluating the performance of the top management and reporting to the Board of Directors for their consent.

Remuneration

- (1) Preparing guidelines and policies in determining the Board of Directors and other sub-committees' remuneration, and proposing it to the Board of Directors and/or Shareholders' Meeting for approval as appropriate.
- (2) Determining necessary and appropriate monetary and non-monetary remuneration, for individual members of the Board of Directors by taking into consideration each director's duties and responsibilities, performance, and comparisons against similar businesses, and the benefits expected in return from each director. The report will be submitted to the Board of Directors for consent and to the Shareholders' Meeting for approval.
- (3) Taking responsibility to support the Board of Directors and being responsible for explaining and answering any questions regarding the Board of Directors' remuneration in the Shareholders' Meeting.
- (4) Reporting policies and principles/reasons in determining the remuneration of directors and management according to the SET guidelines by disclosing them in the Company's annual information disclosure (56-1) and annual report.
- (5) Being responsible for any other tasks related to the remuneration as assigned by the Board of Directors.

The management team and other units have to report or present the information relating to the Nomination and Remuneration Committee in order to support the operation of the Nomination and Remuneration Committee to achieve their assigned tasks.

5) Risk Management Committee

As at 31 December 2020, the Risk Management Committee which was appointed by resolution of the Board of Directors Meeting No. 4/2014 on 5 March 2014, consisted of 3 members as follows

No.	List of Committee	Position	Note
1.	Mr. Michael Alexander William Fernandez	Chairman of the Risk Management Committee	Appointed 21 Feb 2020
2.	Mr. A Sachdev	Risk Management Committee	Appointed 27 Sep 2018
3.	Mr. Chamnarn Wangtal	Risk Management Committee	Appointed 3 Dec 2020
4.	Mr. Prapat Yorkhant	Chairman of the Risk Management Committee	Resigned 29 Jan 2020
5.	Miss Ranchana Rajatanavin	Risk Management Committee	Resigned 30 Nov 2020

6) Purchasing Committee

Purchasing Committees have the authority to approve the purchasing. The Purchasing Committee classified as below.

- ☐ The approval of financial amount less than or equal to 10 million consist of the Purchasing Committee as below.

Chairman	Chief Operating Officer
Committee	Executive Vice President – Project Development
	Executive Vice President – Business Development
	Purchasing

The approval must be reported to Chief Executive Officer acknowledge

- ☐ The approval of financial amount more than 10 million consists of the Purchasing Committee as below.

Chairman	Chief Executive Officer
Committee	Executive Vice President - Project Development
	Executive Vice President - Business Development Project
	Purchasing

The approval must be reported to Executive Board acknowledge.

- ☐ The approval of financial amount more than 20 million consists of the Purchasing Committee as below.

Chairman	Chief Executive Officer
Committee	Executive Boards
	Chief Operating Officer
	Senior Executive Vice President - Special Business
	Executive Vice President - Project Development
	Executive Vice President - Business Development Project
	Purchasing

The approval must be reported to Board of Director acknowledge

In case of off-budget purchasing, there are the workflows as the business operating regulations of AQ Estate Public Company Limited B.E. 2013 item. 5 as follow:

- 1) The Chief Operating Officer is able to authorize the financial amount not more than 10 million Baht
- 2) The Chief Executive Officer is able to authorize the financial amount more than 10 million Baht but not more than 20 million Baht.

- 3) The Executive Boards is able to authorize the financial amount more than 20 million but not more than 50 million Baht.
- 4) The Board of Directors is able to authorize more than 50 million Baht. The approval must be reported to Board of Director acknowledge.
- 5) The Managing Director authorizes sale of land or property and other operations including regular business of the company.

The Executive Boards or Managing Director authorizes the business operation which is not defined and proposes to the Board of Directors for consideration and approval in individual cases.

8.3 Nomination and appointment of Directors and Executives

The company has established a Nomination and Remuneration Consideration Committee in 2014 according to SEC rules and based on historical performance and features to be able to develop the company's business. Growth and prosperity It requires good governance principles as well. The Audit Committee shall have the following basic features.

Independent director, the company has stipulated stricter than the minimum requirements of SEC and the SET.

Director means a director who is independent to comment. The qualifying session to maintain the position.

1. This may be the shareholders of the company, but for no more than one percent of shares with voting rights. (Comply with SEC criteria, but concentrations than the SET criteria)
2. Director who is not a management in Company or a Subsidiary Company.
3. The directors who are independent of management and shareholders have a controlling interest.
4. Must not be a close relative or a person who has been or interests with management. Its major shareholders Or a control.
5. This is no business relationship with the company essences. Which can influence the opinion of an independent and must not be an employee or employees who receive regular salary during one year prior to maintain the position.

Nomination of Directors and Appointment

According to the articles of Association of the company, the Company's Board of Directors consists of Committee of not less than 5 persons and a Committee of not less than one half of the total membership must be resident in the Kingdom.

The general meeting of shareholders at every annual, Directors must retire from office at the rate of one-third. If the number is divided straight into 3 parts does not, then the number closest to the number 1 in 3 is the directors who retired by rotation may be elected to serve as directors of the new company. Both assigned to the shareholders elect directors under the rules and procedures prescribed in the Articles of Association of the Company.

- 1) Each shareholder has one vote per one share, one vote.
- 2) Each shareholder must use all his votes to elect one or several persons as directors, in the case of the election of several directors, the votes to break any much impossible.
- 3) The persons receiving the highest vote down. Was elected as directors or board of directors shall be elected at the time. In the case of a person who was elected in descending order of votes equal to the maximum number of guests. Or be elected at that time. To the chairman a casting votes.

In the event of a vacancy, reasons other than retirement by rotation. The committee will select one person who is qualified. And not prohibited by law. To be appointed at the next Board Meeting. The votes of not less than 3 in 4 of the remaining directors, except directors remaining term of less than two months, such person shall be a director instead. Be in position for the remaining term of the Director whom he represents.

Meeting of Shareholders May approve any director from office before the expiration of their term. The votes of not less than three-fourths of the shareholders at the meeting with voting rights and shares amounting to not less than one-half of the shares held by the shareholders present at the meeting and entitled to vote.

The Company has not set a maximum number of directors to be elected to a new director, includes properties in terms of age. However, the Company will take into account the time devoted to knowledge useful to the company. Including the ability to perform the duties is important.

8.4 Supervision of Subsidiary and Affiliated Companies

The Company set up mechanism to supervise and oversee the operations of its subsidiary and affiliated companies as follows:

- (1) The Company sends representatives of the Company to serve as directors, executives, or authorized persons in such companies according to the ratio of shareholding by the directors of the parent company is director who is authorized to sign and decide on the business of the subsidiaries.
- (2) The Company has a policy to appoint the audits of the Company to serve as the audits of subsidiary and affiliated companies to regulate and ensure accuracy and completeness in the disclosure of financial status information and operation results, transactions between subsidiary companies and related persons, acquisition and disposal of assets or other important transactions, using the same criteria for disclosure of information and preparation of transaction used by the Company.

8.5 Control on the use of inside information

Directors must perform their duties in accordance with the law, objectives and regulations of the company as well as the resolution of the shareholders meeting. Disclosure of important information that effects on the Company. If it is an operational information, it to be approved by the Managing Director at the meeting of the Management Committee of the Company. However, if any information that affects the investor must be approved by the Board of Directors. Policies and procedures for monitoring the use of inside information for personal gain. The Company assigned to the Board of Directors to oversee and determine the offense in the case of Directors and / or Executives used inside information for personal gain. And assigned the Managing Director to consider the offense in cases where Employees use inside information for personal gain.

8.6 Audit fee

The Annual General Meeting of Shareholders 2020 on 23 June 2020 approved the appointment of Karin Audit Co., Ltd as an auditor with 3 auditors as follows.

- | | |
|-----------------------------|-----------------|
| 1. Mr. Jadesada Hungsapruet | CPA No. 3759 or |
| 2. Mr. Jirote Sirirorote | CPA No. 5113 or |
| 3. Ms. Kannika Wipanurat | CPA No. 7305 |

And appointed 7 auditors as the subsidiaries's auditors as follows:

1. Mr. Wichian Proongpanish, Certified Public Accountant Registration No. 5851 and / or
2. Ms. Nonglak Pattanabandith, Certified Public Accountant Registration No. 4713 and / or
3. Ms. Sumana Senivongse Na Ayudhaya, Certified Public Accountant Registration No. 5897 and / or

4. Dr. Mongkhon Laoworapong, Certified Public Accountant Registration No. 4722 and / or
5. Mr. Komin Linphrachaya , Certified Public Accountant Registration No. 3675 and / or
6. Ms. Kojchamon Sunhuan, Certified Public Accountant Registration No. 11536 and / or
7. Ms.Kanwarat Saksriborworn, Certified Public Accountant Registration No.13273

By determined audit fee for AQ Estate PCL and 12 subsidiaries in amounting to Baht 6,300,000 as follows.

(1) Audit fee

Companies	Audit fee (Baht)			
	Quarterly	Total	Yearly	Total
Consolidated financial statements	250,000.00	750,000.00	300,000.00	1,050,000.00
AQ Estate PLC	250,000.00	750,000.00	850,000.00	1,600,000.00
AQ Village Co., Ltd.	40,000.00	120,000.00	270,000.00	390,000.00
AQ Marketing Service Co., Ltd.	26,000.00	78,000.00	126,000.00	204,000.00
AQ Property Management Co., Ltd.	26,000.00	78,000.00	126,000.00	204,000.00
Allied Technologies International Co., Ltd.	31,000.00	93,000.00	210,000.00	303,000.00
Thanont Property Co., Ltd.	30,000.00	90,000.00	200,000.00	290,000.00
Free Zone Asset Co., Ltd.	25,000.00	75,000.00	100,000.00	175,000.00
Vitoonthanakorn Co., Ltd.	36,000.00	108,000.00	157,000.00	265,000.00
Baan Chidthara Co.,Ltd.	10,000.00	30,000.00	60,000.00	90,000.00
Aquarius Hotel & Resort Co.,Ltd.	70,000.00	210,000.00	280,000.00	490,000.00
Aquarius Estate Co., Ltd.	63,000.00	189,000.00	336,000.00	525,000.00
Villa Nakarin Co.,Ltd.	31,000.00	93,000.00	136,000.00	229,000.00
The Tarna Align Resort Co., Ltd.	45,000.00	135,000.00	350,000.00	485,000.00
Total		2,799,000.00	3,501,000.00	6,300,000.00

(2) Non-audit fee

In 2020 the Company paid non-audit fee which includes transportation cost and office supplies for the auditor total of Baht 99,047.

9. Information about Directors, Executives, Controlling person and Company Secretary

Qualification List of Directors, Executives, Controlling person and Company Secretary as at 1 March 2021.

Name - Last Name / Position / Appointed date	Age (Years old)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
1. Mr. Auychai Kultiptomtre Director and Chairman of the Board of Directors Appointed 1 February 2019 In the position of 2 Years 3 months (As of April 2021)	63	☐ Master of Public Administration, National Institute of Development Administration ☐ Bachelor of Art, Public administration, Ramkhamhaeng university ☐ National Defense College, Class 2011 <u>Training / study tour</u> ☐ Director Accreditation Program (DAP) 161/2019 ☐ Representatives attended the ASEAN Customs Director Meeting, Malaysia ☐ Representatives attending the WCO Asia Pacific Regional Heads of Customs Administration, Republic of Fiji ☐ Representatives attended the meeting of the Harmonized System Committee, Belgium ☐ Asean Border Leadership Exchange Program in Singapore ☐ Study the Lessons from Europe Learning Program at the European Union ☐ Study the operations of the Australian Customs and Border Protection Service (ACBPS) in Australia	0.02	None	1 Feb 2019 – Present	Director and Chairman of the Board	AQ Estate PLC
					25 Apr 2019 - 2 Oct 2019	Director and Chief Executive Officer	AQ Estate PLC
					1 Feb 2019 - 24 Apr 2019	Independent Director and Chairman of the Board	AQ Estate PLC
					2013-2018	Deputy Director-General, Department of Customs	Customs Department, Ministry of Finance

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Name - Last Name / Position / Appointed date	Age (Years old)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
4. Mr. Chamnarn Wangtal Authorized Director Appointed on 3 Dec 2020 In the position of 5 months (As of April 2021)	68	☐ Master in Banking Finance, Marshall University, USA ☐ Bachelor of Biology, Saint Vincent College, USA <u>Training</u> ☐ Advanced Market Risk Management from FT New York Institute of Finance ☐ Targeted Selection Interviewer Program from Development Dimensions International ☐ Director Accreditation Program (DAP) 2015, Thai Institute Of Directors (IOD)	None	None	Dec 3, 2020 - Present	Authorized Director	AQ Estate PLC
					26 Dec 2020 - Present	Director	AQ Marketing Service Co., Ltd.
					26 Dec 2020 - Present	Director	AQ Property Management Co., Ltd.
					26 Dec 2020 - Present	Director	Thanon Property Co., Ltd.
					26 Dec 2020 - Present	Director	Freezone Asset Co., Ltd.
					26 Dec 2020 - Present	Director	Aquarius Estate Co., Ltd.
					26 Dec 2020 - Present	Director	Villa Nakarin Co., Ltd.
					26 Dec 2020 - Present	Director	Vitoon Thanakorn Co., Ltd.
					26 Dec 2020 - Present	Director	Baan Chidthara Co., Ltd.
					Dec 29, 2020 - Present	Director	Aquarius Hotel & Resort Co., Ltd.
					Nov 2017 - Present	Director	AQ Village Co., Ltd.
					Sep 2019 - Present	Director	The Tarna Align Resort Co., Ltd.
					2019 - present	Independent Director and Chairman of the Audit Committee	Well Grade Engineering PLC
5. Mr. Voravut Laithuamthaweeikul Executive Committee / Authorized Director Appointed on 1 March 2021 In the position of 1 month (As of April 2021)	40	☐ Master of Business Administration (MBA), Chulalongkorn University ☐ Computer Science, Chulalongkorn University <u>Training</u> ☐ SET 50 Index Options in Practices Thailand Securities Institute (TSI)	None	None	2017 - present	Independent Director and Chairman of the Audit Committee	SLM Corporation PLC
					2014 - present	Independent Director and Chairman of the Audit Committee	Scan Inter PLC
					2014 - 2018	Independent Director and Chairman of the Audit Committee	Scan Inter PLC
					March 1, 2021 - Present	Executive Committee	AQ Estate PLC
					Jul 2012 - Feb 2020	Vice Chairman of the Board	RHB Securities (Thailand) PLC
					Oct 2017 - Feb 2018	Executive Committee	AQ Estate PLC
					2017 - present	Managing Director	Bake Cheese Tart (Thailand) Co., Ltd.
					2011 - present	Managing Director	Eastern Cuisine (Thailand) Co., Ltd.

Name - Last Name / Position / Appointed date	Age (Years old)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
		☐ Single License(Refreshment) Thailand Securities Institute (TSI) ☐ Investment in Mutual Fund Thailand Securities Institute(TSI) ☐ Derivatives License Thailand Securities Institute (TSI) ☐ Single License Thailand Securities Institute(TSI) ☐ MIP (DRG) Thailand Securities Institute (TSI) ☐ MIP (DRI) Thailand Securities Institute (TSI) ☐ Investment in Equity Thailand Securities Institute (TSI) ☐ Debt Instrument Analysis and Valuation Thailand Securities Institute (TSI)					
6. Mr. A Sachdev Independent Director / Chairman of the Audit Committee Appointed 27 Sep 2018 In the position of 2 years 7 months (As of April 2021)	40	☐ MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University ☐ Bachelor of Commerce Monash University Melbourne, Australia ☐ Diploma of Science Monash University Melbourne, Australia	None	None	27 Sep 2018 - Present 2018 - present 2017 - 2018 2010 - 2017	Independent Director / Chairman of the Audit Committee Chief Executive Officer Senior Director Assistant director	AQ Estate PLC Food Capitals PLC Fico Corporation Co., Ltd. CIMB Thai Bank PLC
7. Miss Papasorn Mongkholmafai Independent Director / Audit Committee Appointed on 9 Oct 2015 In the position of 5 years 7 months	35	☐ Master of Business Administration in Management, Ramkhamhaeng University ☐ Bachelor Degree of Accounting, Loei Rajabhat University	None	None	9 Oct 15 – Present 2009 – Present 2009 – Present 2009 – Present	Independent Director / Audit Committee Freelance Accountant Freelance Accountant Freelance Accountant	AQ Estate PLC Smart Tax Communication Co., Ltd G-Track Co., Ltd. Work Communication Co., Ltd.

Name - Last Name / Position / Appointed date	Age (Years old)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
(As of April 2021)		<u>Training</u> ☐ Director Accreditation Program Class 140/2017, Thai Institute of Directors			2009 – Present	Freelance Accountant	Accounting Office and International Taxation
					2009 – Present	Freelance Accountant	STD Caliper Brake Co., Ltd
8. Mr. Sittiwate Jewsittipapai Independent Director / Audit Committee Appointed on 3 Dec 2020 In the position of 5 months (As of April 2021)	35	☐ Certificate of notarial services attorney ☐ Lawyer's License ☐ Thai Bar Association ☐ Master's Degree in Commercial and Business Law, Bristol University, United Kingdom ☐ Bachelor of Laws, Thammasat University	None	None	Dec 3, 2020 – Present	Independent Director / Audit Committee	AQ Estate PLC
					2018 - present	Legal Counsel	Hunton Andrews Kurt (Thailand) Co., Ltd.
					2016-2018	Vice President of Legal Affairs and Secretary	Food Capitals PLC
					2015-2016	Legal Counsel	Legal Office Herbert Smith Free Hills (Thailand) Co., Ltd.
9. Mr. Wirat Aiew-Akson Chief Operating Officer	68	☐ Master Degree of Business Administration (MBA), Kasetsart University ☐ Faculty of Law, Ramkhamhaeng University ☐ Bachelor of Science (Agricultural Economics), Kasetsart University	None	None	Oct 2013 - present	Chief Operating Officer	AQ Estate PLC
					30 Jan 2017 - Present	Director	Vitoon Thanakorn Co., Ltd.
					2013 - present	Director	AQ Village Co., Ltd.
					2013 - present	Director	Baan Chidthara Co., Ltd.
					2013 - present	Director	Aquarius Estate Co., Ltd.
					2013-present	Director	Aquarius Hotels & Resort Co., Ltd.
					May 2011 - present	Director	AQ Property Co., Ltd.
					May 2011 - present	Director	AQ Marketing Service Co., Ltd.
					May 2011 - present	Director	Thanon Property Co., Ltd.
					Sep. 2011 - Present	Director	Free zone Asset Co., Ltd.
					Oct 2014 - present	Director	Villa Nakarin Co., Ltd.
					Sep.2019-Present	Director	The Tarna Align Resort Co., Ltd.
					May 2011 - 9 Oct 2015	Executive Committee	AQ Estate PLC
					2013 - Sep 2015	Director	Vitoon Thanakorn Co., Ltd.
					May 2011-Oct 2013	Director and Managing Director	AQ Estate PLC
					May 2011 - Jun 2012	Acting Managing Director and Director	AQ Estate PLC
					May 2011 - Jun 2012	Director	Allied Technologies International Co., Ltd.

Name - Last Name / Position / Appointed date	Age (Years old)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
10. Mrs. Pranee Hirunbanthow Chief Financial Officer Assistant Managing Director of Operations Vice president of Accounting and Finance	65	☐ Master Degree of Business Administration (MBA), Ramkhamhaeng University	25,000 shares or 0.00003%	None	2018 - present	Chief Financial Officer	AQ Estate PLC
		☐ Bachelor of Business Administration (Accounting), Ramkhamhaeng University			2006 – Present	Assistant Managing Director of Operations	AQ Estate PLC
					2005 - present	Vice president of Accounting and Finance	AQ Estate PLC
11. Mr. Apirath Intrachoo Company secretary Appointed on 2013	52	☐ Bachelor of Laws, Ramkhamhaeng University	None	None	2013 – Present	Company secretary	AQ Estate PLC
					2013 – Present	Assistant Legal Manager	AQ Estate PLC
					1998 - 2013	Senior lawyer	AQ Estate PLC

Note: Include shares of spouse and underage children.

Details on the tenure as Directors and Executives in Subsidiaries, Associates and Related companies as of 1 March 2021.

No.	List of Directors	The Company	Subsidiaries												Associates (None)	Related Companies (None)
			1	2	3	4	5	6	7	8	9	10	11	12		
1.	Mr. Auychai Kultipmontre	X														
2.	Mr. Michael Alexander William Fernandez	I, II	I						I		I		I	I		
3.	Dr. Suthad Chankingthong	I, II	I	I	I				I	I	I	I	I	I		
4.	Mr. Chamnarn Wangtal	I, II	I	I	I		I	I	I	I	I	I	I	I		
5.	Mr. Voravut Laithuamthaweeikul	I, II														
6.	Mr. A Sachdev	I														
7.	Miss Papasorn Mongkholmafai	I														
8.	Mr. Sittiwate Jewsittipapai	I														
9.	Mr. Wirat Aiew-Akson	II	I	I	I		I	I	I	I	I	I	I	I		
10.	Mrs. Pranee Hirunbanthow	II														

Notes

(1) X = Chairman of the Board Y = Vice Chairman I = Director II = Executive

(2) Related Companies shall mean juristic person definition of the person who may have a conflict of this announcement.

List of subsidiaries

- | | |
|--|-------------------------------------|
| 1) AQ Village Co., Ltd. | 7) Aquarius Estate Co., Ltd. |
| 2) AQ Marketing Service Co., Ltd. | 8) Villa Nakarin Co.,Ltd. |
| 3) AQ Property Management Co., Ltd. | 9) The Tarna Align Resort Co., Ltd. |
| 4) Allied Technologies International Co., Ltd. | 10) Vitoonthanakorn Co., Ltd. |
| 5) Thanont Property Co., Ltd. | 11) Baan Chidthara Co.,Ltd. |
| 6) Free Zone Asset Co., Ltd. | 12) Aquarius Hotel & Resort Co.,Ltd |

Responsibilities of the Company Secretary

The secretary of the company must perform the duties as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) BE 2551 which came into force on August 31, 2008 with responsibility. Careful And honesty Including having to comply with laws, objectives, Articles of Association, Board resolution as well as the resolution of the shareholders' meeting. The legal duties of the company secretary are as follows:

- 1) Prepare and maintain the following documents
 - A. Director registrar
 - B. Notice of the Board of Directors Meeting, Minutes, and the Company's annual report.
 - C. Notice of shareholders meeting, and minutes.
- 2) Keep the report of interest that reported by Directors or Executives and submit a copy of the report of interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days from the date the company received the report.
- 3) Perform other activities as specified by the Capital Market Supervisory Board.

In addition, the Company secretary has other duties as the company (or the Board of Directors) assigned.

10. Corporate Social Responsibilities

10.1 Overview Policy

The company gives priority to the rights of stakeholders, whether they are internal stakeholders include employees and executives of the company and subsidiaries or external stakeholders include the rival creditors. The Government and other relevant agencies, because the company is aware of strong support from the various stakeholders to create competitiveness and profitability for the company, which is considered to be a long-term success of the company. The details are as follows:-

Employees: The Company had presented to staff with equality fair and appropriate compensation, including welfare for employees, such as health insurance/support staff activities to develop the body as a venue for sustainable development.

Partners: The Company has to purchase goods and services from the partner is subject to the terms and conditions for trade, including compliance with the contract partner.

Creditors: The Company comply with the terms of the agreement.

Customer: The Company cares and is responsible to the customer. Maintain customer confidentiality and there are agencies or individuals who are responsible for receiving customer complaints to hurry the customer as soon as possible. The company has developed a project to be shady, safe and secure in the project. To ensure that customers had confidence and comfortable.

Rivals: The Company complies with the competition rule. Maintain the norms of conduct on competition requirements. Avoid dishonest methods to destroy competitors.

Community: The Company had to responsible for social and community environments.

The fight against corruption, the company has managed to avoid corruption, by having the Committee considering procurement so that consideration is transparent and audited.

Business ethics

The company has issued rules regarding the Board's code of ethics. Management and employees (Code of Conduct) so the people involved as the guiding principle of the company's mission with integrity and impartially, both operating companies and stakeholders, the public and society by those involved to sign to acknowledge and agree to abide by, and the company has to communicate with employees regularly and track compliance with such guidelines is regularly, as well as set forth by discipline.

Conflict of interest

To prevent the conflicts of interest, Committee be carefully monitoring when incurred, which may have conflict of interests by formulating policies and approval procedures related to policies and methods of supervising the management and associated data within the company to use in order to benefit as follows:

- ☐ Items may have a conflict of interest: When the committee acknowledge there is a conflict of interest and related transaction and consider appropriate all have to follow the guidelines of the SET by entering transaction with a third party; (Arm's Length Basis) , and has revealed the details. Value, Partners The reasons and necessity in the annual report and in the year 2019 , the company does not have a conflict of interest in the list. .
- ☐ Monitoring Company's inside information
- ☐ Define executives reported changes in securities pursuant to section 59 of the Securities and Exchange Act 1992.

- ☐ The Company not allow Executives or agencies which has internal information to expose internal information to third parties or who are not involved.

10.2 Activities for the benefit of society and the environment

Because the situation at COVID-19 in the country is at risk, the Company allows employees to work at home or divide working periods to reduce the risk and to control the spread and there has no layoff or a reduction in wages in any way.

10.3 Anti-Corruption

1. Anti-Corruption Policy

Corruption means any form of bribery whether in the form of giving, demanding, or agreeing to give; or any action of offering, giving, promising, granting, or being committed to give any valuables or benefits ('bribery') to a public official, government agency, private entity or responsible individual, whether directly or indirectly, to induce favorable actions or to restrain the person or entity from performing their duties or to commit illegitimate actions. This also includes demanding, obtaining, or agreeing to obtain any illegitimate valuables or benefits for oneself or others to induce favorable actions or to restrain the person from performing either legitimate or illegitimate duties. The exceptions are for instances allowed by law, rules, announcements, regulations, local customs, or customary business practice.

2. Scope of Enforcement and Harmonization of Laws

In implementation of the Company's Anti-Corruption Program, the Company requires its directors, executives and employees, and also its representatives, agents, advisors, outsourced service providers as well as business partners, to act appropriately and in compliance with applicable laws. In addition, the Company requires that the implementation of the Anti-Corruption Program be appropriately communicated via the Company channels and operations. Those who do not adhere to the Anti-Corruption Program may ultimately be punished by dismissal or termination of contracts. Violation of laws will be subject to legal process or actions in accordance with applicable laws. The Company encourages companies in its financial business group to implement anti-corruption undertakings in line with its anti-corruption policy and program in a manner appropriate to the situation of each company. The Company will establish channels and processes as well as co-coordinating communications as deemed appropriate.

3. Anti-corruption Policy

3.1 Objective

The Company has established this anti-corruption policy to indicate a direction and framework for its anti-corruption undertakings in accordance with principles and best practices generally accepted as being relevant to the country's economic and social environment as well as the financial business.

The Company encourages the adoption and implementation of this anti-corruption policy by companies in its financial business group as appropriate to each company.

Directors, executives, employees, and relevant parties are required to adhere to and practice this anti-corruption policy in doing business to support the Company as an organization with good and efficient business management under a code of conduct and business ethics.

3.2 Anti-Corruption Policy

- (1) The Company prohibits directors, executives and employees from engaging in corruption.
- (2) The Company supports the values of honesty and responsibility in performing duties.
- (3) The Company encourages all its concerned parties to understand and realize this policy, and to co-operate in any actions that help fight corruption.
- (4) The Company is determined to be a transparent organization which is corruption-free and never involved with any corruption.
- (5) The Company has established an anti-corruption program suited to specific situations and relevant laws.
- (6) The Company will treat its employees fairly and has established procedures to penalize personnel engaging in corruption or violating or failing to comply with the anti-corruption measures. The Company will take actions in accordance with the established procedures to investigate and levy disciplinary punishment on employees at fault in relation to corruption matters.

3.3 Operational Guidelines

The Company has included anti-corruption operational guidelines in its Code of Conduct and Business Ethics to the effect that the Company opposes corruption and will never commit bribery for business gain. The Company will co-operate with and support the anti-corruption measures of government and the private sector. The Company will not solicit, accept, or agree to accept cash, gifts or other benefits from customers or other parties, except in the case of customary practices. The Company will co-operate with the government and private sectors in exchanging useful knowledge and

experiences in anti-corruption and in joining anti-corruption activities. The Company aims at and is committed to cultivating value for concerned parties so that they continue to co-operate on anti-corruption undertakings, and are determined to put into practice the anti-corruption program.

4. Policies and Guidelines for Concerned Persons regarding Misconduct or Reporting of Fraud

The Company recognizes that understanding and cooperation between the Company and various groups of stakeholders are crucial to achieving sustainable development. Therefore, the Company has policies and guidelines in place so that various groups of stakeholders can report any suspicions and queries related to corruption. The Company will hear all such reports in a fair, transparent way and subject them to a proper investigation, which will be carried out in a confidential manner to ensure staff who make the reports will have their identities protected.

The Company shall proceed to take disciplinary actions against employees who violate or fail to comply with this policy. Such violations may ultimately lead to disciplinary actions or dismissal.

5. Channels of Communication between the Company and Various Groups of Stakeholders

Various groups of stakeholders can raise their concerns, file complaints, and report suspicions regarding corruption by sending a letter to the Company's Corporate Secretary or Compliance Unit 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang Bangkok 10310 or email : information@aqestate.com

11. Internal Control and Risk Management

The Company's Board of Directors, The Audit Committee and the management is responsible for the internal control system efficiency continuously. By the Board of Directors is reviewing policies and delegated to the Audit Committee to review and evaluate the system of internal control, transparency reduces business risk and management of company assets efficiently. In the practice of internal audit internal audit Department has reviewed the internal control system of each unit of the company that placed with sufficient accuracy. If there is a fault with the performance of the duties of the essence will make a report to the Audit Committee and the Board of Directors of the company consider the Edit command. In addition, the company has the policy of the Board of Directors. Executives and employees comply with the code of conduct in the performance of the duties of good faith and fair regularly and not to take part in combined action, or conceal any actions that pose a risk to the company if they have a serious mistake, and if found, the person above has led the company to use inside information to benefit will be punished according to the regulations, an employee of the company.

1) Controls to the Management's operation.

The company has the separation of responsibilities between the Board of Directors of the company with the management team clearly. By the Board of Directors is responsible for formulating policies and overseeing the implementation of management policies, therefore, Chairman. And the Managing Director is party guys each other by both positions must be selected by the Board to obtain the most appropriate addition. The Board of Directors also established administrations in various fields and commissioned operation under various policies assigned to it and is responsible for the overall operating result. Control costs and investment to the extent that the Board approve the annual budget plan. Action policy. To solve a problem or a conflict affecting the Organization, internal accounting and administrative information, and storing the property to verify each other. The company has prepared a manual for practitioners. The related transaction of listed companies on the company's major shareholders. Director Executives or people related to such persons it considers as with third parties and in accordance with the principle of securities market's committee, and Securities Commission and the securities market supervision.

2) Information and communication systems

The company has organized various important information sufficient for decision making by the Board of Directors, in a meeting with accounting literature, complete and stored base on categories and organized according to accounting generally policies accepted accounting principles and business suits, as well as the company has used in the computer system to control, the Internal Audit Division can be reviewed every transaction.

3) Monitoring and evaluation

The company has a process and tools that support the management and Board of Directors to monitor development performance. The assessment according to defined standards, criteria, scorecards, monitoring results Key Performance Indicators (KPI), the Board compared the performance of HR management is according to defined business goals. If that occurs, there is no difference from a target. The company has undertaken to resolve within a reasonable period, as well as to comply with the internal control system regularly and reporting inspection results each quarter offers the Audit Committee and the Audit Committee to operate freely. The analysis report of the last year by the company to operate prudently enough.

4) Risk management.

The company has defined the objectives of the organization which clearly covers what the organization wants to achieve the objectives associated with the activity level, the important work of the Organization and in accordance with the objectives and associated plans, strategy of the organization. Executive corporate risks identified and covered in the level of critical activities.

5) Shareholders' rights

The company's policy recognize basic shareholder rights the same shareholders and shareholders ' meeting, procedures and guidelines of the stock exchange of Thailand.

In the year 2020, the company held a shareholders meeting 1 time is the annual general meeting of shareholders 2020 that the company has delivered invitation letter, along with supporting information, data and meeting agenda provided to shareholders prior to the meeting date, The Company was informed to shareholders approximately 14 working days prior to the meeting date. Each agenda was present together with committee commenced by minute of meeting. So that the shareholders can trace back. The Company was agree to shareholders to present a proxy in case the shareholders was unable to attend the meeting. In the other hand the company has published minute of meeting information to the shareholders ' meeting was listed in the company's website, shareholders can submit questions about the company's operation through the website before the date of the shareholders ' meeting.

11.1 The Board of Directors' Comment regarding the internal control system

The Board of Directors' meeting No. 1 held on 25 February 2021 by independent director and audit committee includes 3 members attended the meeting. The Board has assessed the Company's internal control system by questioning information from the management and inspection documents from the management including the assessment of the management and preparation of the report of the Audit Committee. The conclusion after an assessment of the internal control of the company in various five components: (1) Internal organization control (2) risk assessment (3) The operational control (4) Information and Communication system, and (5) Tracking and trace back system.

The Board of Directors concluded that the Company's internal control systems are adequate and appropriate. The Company has provided sufficient personnel to implement the system effectively. The internal control system can monitor the operations of its subsidiaries to protect the Company's assets and its subsidiaries by illegally used or without authority of the directors or executives as well as sufficiently monitor the transactions with persons who may have conflicts of interest and related party.

For other internal control subjects, the Board of Directors considered that the Company has sufficient internal control as well.

However, the auditor, Ms. Kannika Wipanut, Certified Public Accountant, Registration No. 7305 from Karin Audit Company Limited who is an auditor of quarterly and annual financial statements for 2020 Qualified opinion with an emphasis of matters in Independent Auditor's Report as follows.

I have audited the financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statement of financial position as at December 31, 2020, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statement, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

- (1) As discussed in Note 21 to the financial statements, the Company engaged an independent appraiser to appraise such leasehold right in July 2013, using Income Approach, the discounted value of leasehold right is Baht 275 million. This method is calculated using the discounted cash flows of the revenues for the year of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016, the Company entered into the contract with a non-related party to transfer a leasehold right of beach front amounting to Baht 10 million. The hotel management contract requires the company to provide beach front area for hotel customer, then the Company has complied to the contract. Currently, the transfer of leasehold rights is in progress with the relevant authority. On February 5, 2015, the indirect subsidiary company entered into a letter of intent with a foreign company for entering into a hotel management agreement. However, on March 24, 2016, such foreign company postponed entering into a hotel management agreement until the Stock Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. However, such foreign company terminated a hotel management agreement on September 22, 2016, then refunded partial deposit payment of US 60,000 dollars. The Indirect subsidiary recorded loss on deposit of Baht 2.40 million. In March 2017,

the indirect subsidiary company has engaged an independent appraiser to re-appraise the leasehold right, using Income Approach on Profit Rant Method determined by renting such leasehold right at the market rental rate and discounted to present value to be Baht 79.40 million. Such appraisal assumed that the Company's the credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1 to the financial statements. The market information of comparative land of same size and condition was limited and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment on assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income as at December 31, 2020, amount of Baht 153.73 million. However, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of rental rate to determine the fair value because such appraisal is under unusual assumption as discussed above which has significant uncertainty when such situation will be resolved. In addition, the indirect subsidiary has no rental rate actually occurred at the present and no market price of rental rate basing the same size of area to be compared with the rental rate on such leasehold right as the area is very huge, which these factors may have material effects to the assessment of fair value of such leasehold right.

- (2) As discussed in Note 15.2 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2020, amount of Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern. The resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.
- (3) As discussed in Note 12 to financial statement as at December 31, 2020, the Company has investment in bills of exchange of a company amount of Baht 1,072.16 million. Such transaction has continued changed the due date and I have continue given the emphasis of matter on my audit report since the occurred date. Last investment in bill of exchange which due date on March 31, 2021. As the analysis of such company's debt on May 5, 2020, the Company believe that the authorizer and the final shareholder's asset of such company is Baht 1,810.76 million. Which is

over than amount of such company's bills of exchange, and the Company's management believe that able to receive by whole amount, so the Company do not record for allowance for doubtful debt. I received the last financial statement of such company which was for the year ended 2018 which was not audited by auditor, as at December 31, 2018 total assets was amount of US Dollar 170.43 million, and shareholders' equity was amount of US Dollar 113.69 million. The Company has not received other the financial statement. I have not able use other audit procedure to satisfy how appropriate for amount of allowance for doubtful debt.

- (4) As discussed in Note 10 to financial statement as at December 31, 2020, the Company has loans to a company amount of Baht 412.14 million. Such transaction has continued changed the due date and I have continue given the emphasis of matter on my audit report since the occurred date. Loan to accompany which due date on December 31, 2020 and has postponed being March 31, 2021. The Company has considered financial statement audited by auditor as at December 31, 2019, shareholders' equity was amount of Baht 100.53 million. However, Company's management believes that able to receive by whole amount, so the Company do not record for allowance for doubtful debt. In addition, as such Company's financial statement, it's temporary stopped the construction due to the adjusted plat form and it's must get approval from a government. Such Company's assets have pledged for loans from financial institution. There has uncertainty of project value of such company's assets. I have not able to use other audit procedure to satisfy how appropriate for amount of allowance for doubtful debt.

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 Consolidated 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 under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated 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 qualified opinion.

11.2 The opinion of the Audit Committee

As the assessment of the internal control systems above, the Independent Director and Audit Committee do not have any further observations from the Board of Directors.

11.3 Head of Internal Audit and supervisors overseeing the company's operation

The Audit Committee meeting in 2020 appointed Miss Prueksa Laopichit to serve as head of the Company's internal auditor replaces Miss Kasinee Tanyoopaiboon because of experience in internal audit work in a business / industry similar to the company and have been trained in courses related to operational aspects of internal audit as well as having an understanding of the Company's activities and operations, it is deemed appropriate to properly perform such duties.

However, the consideration and approval of the appointment, removal, transfer the incumbent head of internal audit of the company must be approved by the Audit Committee.

12. Related Party Transaction

12.1 Related transactions with related parties that may lead to conflicts in the past year

-None-

12.2 Measures for transactions with related parties

According to the company policy, The process of entering into a related transaction between the Company or Subsidiaries and person who may have conflict of interest, must be proposed to the meeting of the Board of Directors for consideration. By such meeting must have member of the Audit Committee attended the meeting to consider and approve the related transactions. Such related transactions must comply with the law governing securities and exchange and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand by the person who may have conflicts of interest or stakeholders in such related transaction, without the right to vote on the transaction.

12.3 Policy and trends for transactions in the future

The company has a policy not to cause related transactions in the future. Except the transactions continued from the past such as collection of liabilities and repayment of debts to persons who may have conflict and project management services, construction contract, sales administration, advertising to persons who may have conflicts carrying out the project named "Krisda Nakorn". However, the Company has a policy not to allow other people except the Company and its subsidiaries use the name "Krisda Nakorn" to carry out the project anymore.

If there is a related transaction, the Company will set various terms and conditions in making such related transaction to comply with normal commercial terms and market prices that can be compared to the price charged to third parties. The Company will provide the Audit Committee or the Company's auditor or independent experts, as the case may be, to consider, review and comment on the suitability of the price and the reasonableness of the transaction.

Any related transactions that may occur in the future, the Board of Directors shall comply with the law governing securities and stock exchange and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand as well as compliance with the disclosure requirements of related transactions and the acquisition or disposal of important assets of the Company. If the Company has related transactions between persons who may have conflicts in the future, The Company will arrange the Audit Committee to comment on the appropriateness of transaction. If the audit committee is not proficient in the consideration of related transactions, The company will provide person with special expertise such as the Company's auditors or independent experts to comment on such transactions. Opinion of the Audit Committee or persons with special expertise will be used for the decision of the Board or shareholders, as the case may be. The Company will disclose such related transactions in the notes to the financial statements and Form 56-1 of the Company.

Because in the past, the company has a structure that may cause conflict of interest and there are many related transaction with people who may have conflicts. The Company has prepared the plan for eliminate conflict of interest and conflict prevention measures which was considered and approved by the shareholders meeting of the Company. The plan was approved by more than three-fourths of the total number of shareholders attending the meeting.

In 2020, the Company has no transactions between persons with conflict of interest.

13. Key Financial Information

13.1 Summary Financial Statements

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018 - 2020

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	111,157	36,459	84,088	19,873	4,250	10,547
Current investments	-	-	1,066,894	-	-	1,066,894
Trade accounts and other current receivable	256,440	177,359	121,086	874,397	1,175,632	1,225,111
Short-term loans	412,145	412,145	488,658	1,806,119	1,833,254	2,223,648
Inventories	1,679,755	1,962,172	2,266,441	1,001,967	1,092,793	1,158,109
Current tax assets	55,984	53,750	49,800	34,790	32,182	29,858
Other current financial assets	1,072,160	1,072,160	-	1,072,160	1,072,160	-
Other - current assets	-	-	-	-	-	-
Non current asset or disposal groups classified as held for sale	86,900	-	-	-	-	-
Total current assets	3,674,541	3,714,045	4,076,967	4,809,306	5,210,271	5,714,167
NON-CURRENT ASSETS						
Investments in subsidiaries	-	-	-	35,473	125,480	-
Other long - term investments	-	-	900,000	-	-	900,000
Deposit financial institution under pledged	72,041	94,382	-	50,264	50,471	-
Other non current financial assets	900,000	900,000	-	900,000	900,000	-
Trade accounts and other non - current receivable	3,229	59,319	14,135	508	1,160	1,333
Long - term loans	-	2,426	-	-	-	-
Investments property	8,454	128,053	126,386	264,793	270,440	276,087
Property, plant, equipment and leasehold rights	1,059,019	1,215,508	1,164,584	22,235	25,189	29,661
Right-of-use assets	225,932	-	-	8,641	-	-
Goodwill	-	-	-	-	-	-
Intangible assets	1,067	15,360	2,596	61	25	944
Deferred tax assets	-	353	353	-	-	-
Other non - current assets	734,993	733,537	826,424	1,201	-	51,382
Total non - current assets	3,004,735	3,148,938	3,034,478	1,283,176	1,372,765	1,259,407
TOTAL ASSETS	6,679,276	6,862,983	7,111,445	6,092,482	6,583,036	6,973,574

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018 - 2020

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
LIABILITIES AND SHAREHOLDERS EQUITY						
CURRENT LIABILITIES						
Bank overdrafts and short - term borrowings from						
financial institutions	2,961	2,994	-	-	-	-
Trade accounts and other current payable	344,435	271,014	379,505	180,845	230,874	365,508
Current portion of long - term debts	17,823	17,001	5,287	1,073	1,053	1,033
Current portion of liabilities under lease agreements	31,600	-	-	3,456	-	-
Short - term loans	990	990	-	-	-	-
Current provisions for employee benefits	425	1,209	381	425	786	381
Other current provisions	3,036,602	2,995,152	2,996,061	2,986,584	2,986,792	2,988,681
Current financial liabilities	25,482	-	-	-	-	-
Total current liabilities	3,460,318	3,288,360	3,381,234	3,172,383	3,219,505	3,355,603
NON CURRENT LIABILITIES						
Long - term debts	23,418	33,058	203	-	-	-
Liabilities under lease agreements	48,124	-	-	5,608	-	-
Trade accounts and other non - current payable	2,972	2,485	2,449	434	-	-
Deferred tax liabilities	5,988	6,292	2,445	-	-	-
Non - current provisions for employee benefits	4,730	4,370	1,841	3,150	3,195	1,495
Other non current provisions	46,168	48,971	55,553	46,168	46,168	46,168
Total non-current liabilities	131,400	95,176	62,491	55,360	49,363	47,663
TOTAL LIABILITIES	3,591,718	3,383,536	3,443,725	3,227,743	3,268,868	3,403,266

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018 - 2020

				(Unit: Thousand Baht)		
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
LIABILITIES AND SHAREHOLDERS EQUITY (continued)						
SHAREHOLDERS EQUITY						
Share capital						
- Authorized share capital						
294,012.03 million common share, Baht 0.50 par value	147,006,013	147,006,013	147,006,013	147,006,013	147,006,013	147,006,013
- Issued and paid up						
85,324.81 million common shares, Baht 0.50 per share	42,662,405	42,662,405	42,662,405	42,662,405	42,662,405	42,662,405
Discount on common shares	(32,759,548)	(32,759,548)	(32,759,548)	(32,759,548)	(32,759,548)	(32,759,548)
Premium on common shares from capital reduction	153,537	153,537	153,537	153,537	153,537	153,537
Discount from decrease in shareholding in subsidiary	(47,939)	(47,939)	(47,939)	-	-	-
Deficit	(6,920,952)	(6,529,191)	(6,340,735)	(7,191,655)	(6,742,226)	(6,486,086)
Other components of shareholders' equity	-	-	-	-	-	-
Total shareholders' equity of parent - net	3,087,503	3,479,264	3,667,720	2,864,739	3,314,168	3,570,308
Non - controlling interests	55	183	-	-	-	-
Total shareholders' equity - net	3,087,558	3,479,447	3,667,720	2,864,739	3,314,168	3,570,308
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	6,679,276	6,862,983	7,111,445	6,092,482	6,583,036	6,973,574

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018 - 2020

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
REVENUES						
Revenues from sales of property	406,552	486,066	399,816	134,545	111,793	68,217
Revenues from hotel business	98,522	131,411	100,727	-	-	-
Revenues from property rental operations and related services	20,618	21,451	20,506	-	-	-
Total revenues	525,692	638,928	521,049	134,545	111,793	68,217
COSTS						
Costs of property sold	(341,828)	(371,891)	(274,206)	(111,603)	(85,883)	(51,423)
Costs of service from hotel business	(192,727)	(199,772)	(161,398)	-	-	-
Cost of property rental operations and related services	(9,382)	(10,666)	(9,713)	-	-	-
Total cost	(543,937)	(582,329)	(445,317)	(111,603)	(85,883)	(51,423)
Gross profit (loss)	(18,245)	56,599	75,732	22,942	25,910	16,794
Other income	60,415	134,574	303,379	328,204	278,301	415,262
Profit before expenses	42,170	191,173	379,111	351,146	304,211	432,056
Distribution costs	(43,168)	(42,025)	(37,689)	(16,136)	(16,886)	(16,786)
Administrative expenses	(379,434)	(334,447)	(266,603)	(783,699)	(541,951)	(398,944)
Total expenses	(422,602)	(376,472)	(304,292)	(799,835)	(558,837)	(415,730)
Profit (loss) before financial cost and income tax	(380,432)	(185,299)	74,819	(448,689)	(254,626)	16,326
Finance cost	(11,408)	(1,331)	(136)	(740)	(20)	(34)
Profit (loss) before income tax	(391,840)	(186,630)	74,683	(449,429)	(254,646)	16,292
Income (expense) income tax	(49)	260	204	-	-	-
Profit (loss) for the year	(391,889)	(186,370)	74,887	(449,429)	(254,646)	16,292

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018 - 2019

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
Other comprehensive income (loss)						
Items that will not be reclassified in profit or loss later						
Loss from the measurement of new						
values of defined employee benefits	-	(2,114)	-	-	(1,494)	-
Total items that will not be reclassified in profit or loss later	-	(2,114)	-	-	(1,494)	-
Other comprehensive loss for the year - Net tax	-	(2,114)	-	-	(1,494)	-
Total comprehensive loss for the year	(391,889)	(188,484)	74,887	(449,429)	(256,140)	16,292
Loss for the period attributable to :						
Owners of the parent	(391,761)	(186,342)	74,887	(449,429)	(254,646)	16,292
Non - controlling interest	(128)	(28)	-	-	-	-
	(391,889)	(186,370)	74,887	(449,429)	(254,646)	16,292
Total comprehensive loss attributable to :						
Owners of the parent	(391,761)	(188,456)	74,887	(449,429)	(256,140)	16,292
Non - controlling interests	(128)	(28)	-	-	-	-
Total comprehensive loss for the period	(391,889)	(188,484)	74,887	(449,429)	(256,140)	16,292
Basic loss per share : Owners of the parent						
(equivalent to par value of Baht 0.50 per share)	(0.0046)	(0.0022)	0.0009	(0.0053)	(0.0030)	0.0002
Weighted average number of shares (In Thousand Shares)	85,324,811	85,324,811	85,316,210	85,324,811	85,324,811	85,316,210

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018 -2019

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss for the year	(391,889)	(186,370)	74,887	(449,429)	(254,646)	16,292
Adjustments of reconcile net profit (loss) to cash received (paid)						
Adjusted income tax	49	(260)	(204)	-	-	-
Adjusted financial cost	11,408	1,331	136	740	20	34
Adjusted interest income	(12,032)	(95,036)	(105,837)	(125,645)	(217,462)	(239,073)
Adjusted trade accounts and other current receivables (increase) decrease	(110,529)	(8,388)	15,442	12,435	(4,107)	(6,366)
Adjusted trade accounts and other non-current receivable (increase) decrease	3,973	(45,784)	(252)	593	156	300
Adjusted inventories decrease	306,645	306,301	275,211	97,103	74,627	33,139
Adjusted restricted deposit with bank decrease	22,341	-	-	207	-	-
Adjusted other non current assets (increase) decrease	(25,498)	(2,401)	(715)	(1,201)	912	(371)
Adjusted trade accounts and other current payable increase (decrease)	96,630	(159,774)	(13,959)	(44,148)	(164,030)	(15,436)
Adjusted housing estate juristic persons expenses	487	-	-	434	-	-
Depreciation, losses and amortization	95,752	86,037	83,417	12,119	11,622	13,445
Adjusted Bank overdrafts and short - term borrowings from financial institutions	-	13	-	-	-	-
Adjusted provision for liabilities	(4,263)	(485)	362	(481)	(1,465)	251
Adjusted bad debt and doubtful debts	8,348	8,887	1,056	353,279	348,698	200,887
Adjusted with provision for liabilities damages from lawsuits increase	45,713	287	2,858	274	251	2,858
Adjustment with loss from impairment of goodwill	-	8,036	-	-	-	-
Adjusted provisions for employee benefits	785	1,984	364	380	1,296	295
Adjustment with default interest payment	-	-	(38,405)	-	-	(38,405)
Adjusted with other income	(2,753)	(1,395)	(15,373)	(115)	(379)	(40)
Adjusted amortized expenses	8,668	5,254	-	60	17	-
Adjusted for Loss on disposal of non-current asset	-	-	3,307	-	-	90
Adjusted by (reversal) of allowance of credit loss diminution of value in inventories	(24,431)	3,028	(151,102)	(6,277)	(9,311)	(59,435)
Adjusted allowance for loss investment in subsidiaries	-	-	-	90,007	-	-
Adjusted with (Profit) loss from amortization property, plant, equipment and leasehold rights	793	34,878	-	(17)	-	-
Adjusted loss from estimates of property development	22,237	-	-	-	-	-
Adjusted with (Profit) loss from sale property, plant, equipment and leasehold rights	5,148	-	-	-	-	-
Payment provisions for employee benefits	(1,209)	(741)	-	(786)	(685)	-
Adjusted allowance for loss from asset held for sale	25,114	-	-	-	-	-
Total adjustment of reconcile net profit (loss)	81,487	(44,598)	131,193	(60,468)	(214,486)	(91,535)
Cash provided by (used in) operating activities						
Cash paid for income tax	(8,090)	(8,180)	(7,565)	(2,608)	(2,324)	(1,767)
Net cash provided by (used in) operating activities	73,397	(52,778)	123,628	(63,076)	(216,810)	(93,302)

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018 - 2020

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2020	2019	2018	2020	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES						
Cash paid for current investments	-	(5,266)	359,115	-	(5,266)	48,606
Cash paid for other long-term investment	-	-	(730,000)	-	-	(730,000)
Cash paid for purchase of investment in subsidiary	-	(90,500)	-	-	(90,500)	-
Cash received from sales of property, plant, equipment and leasehold rights	17	-	184	17	-	37
Cash paid for sales of property, plant, equipment and leasehold rights	(1,175)	(13,477)	(60,647)	(90)	(586)	(599)
Cash paid for intangible assets	(254)	(180)	(876)	(73)	-	-
Cash paid for short-term loans	-	-	(719,000)	(432,962)	(341,460)	(1,035,593)
Cash received from short-term loans	-	76,513	230,342	486,864	599,264	1,208,272
Interest income	29,035	47,683	108,665	28,633	49,061	96,620
Net cash provided by (used in) investing activities	27,623	14,773	(812,217)	82,389	210,513	(412,657)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash bank overdrafts and short - term borrowings from financial institutions	(33)	-	-	-	-	-
Cash paid for long-term loans	(8,635)	(3,622)	(50,139)	-	-	-
Cash paid for short-term loans	-	(101)	-	-	-	-
Cash paid for decrease liabilities that occurs from lease agreements	(9,202)	(4,871)	(2,495)	(2,968)	-	(776)
Interest paid	(8,452)	(1,292)	(3,866)	(722)	-	(13)
Cash received from capital increase	-	-	507	-	-	507
Net cash used in financing activities	(26,322)	(9,886)	(55,993)	(3,690)	-	(282)
Cash and cash equivalents net (decrease) increase - Net	74,698	(47,891)	(744,582)	15,623	(6,297)	(506,241)
Cash and cash equivalents at beginning of the year	36,459	84,088	828,670	4,250	10,547	516,788
Cash and equivalents in subsidiary	-	262	-	-	-	-
Cash and cash equivalents at end of the year	111,157	36,459	84,088	19,873	4,250	10,547

Supplemental disclosure of cash flows information :

Non cash transactions

- On January 1, 2020, from the first adoption of new accounting standards The effects on the financial statements are as follows:
 - As at January 1, 2020, the company transferred leasehold rights to rights of use assets (Note 21) in the amount of Baht 75.30 million.
 - As at January 1, 2020, the company transferred Trade accounts and other current receivable to rights of use assets (Note 21) in the amount of Baht 7.95 million.
 - As at January 1, 2020, the company transferred Trade accounts and other non - current receivable to rights of use assets (Note 21) in the amount of Baht 52.12 million.
 - As at January 1, 2020, the company recorded investments property in the amount of Baht 28.33 million.
- As at January 31, 2020, the subsidiary transfers the classification of property, plant, equipment and leasehold rights or non current asset or disposal asset groups classified as held for sale (Note 14)

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018 - 2020

(Unit: Thousand Baht)

Consolidated Financial Statements

	Issued and Paid-up Share Capital	Premium (Discount) on Shares	Premium on Common Shares from Capital Reduction	Discount from Increase in Shareholding in Subsidiary	Deficit	Other components of shareholders' equity		Total shareholders' equity of the Company	Non-Controlling Interests	Total Share holders equity-net
						Other comprehensive income	Total other components of shareholders' equity			
						Gains on re-measurements of defined benefit plans				
Balance as at January 1, 2018	42,657,341	(32,754,991)	153,537	(47,939)	(6,415,622)	-	-	3,592,326	-	3,592,326
Increase in share capital	5,064	(4,557)	-	-	-	-	-	507	-	507
Total comprehensive income for the period	-	-	-	-	74,887	-	-	74,887	-	74,887
Balance as at December 31, 2018	<u>42,662,405</u>	<u>(32,759,548)</u>	<u>153,537</u>	<u>(47,939)</u>	<u>(6,340,735)</u>	<u>-</u>	<u>-</u>	<u>3,667,720</u>	<u>-</u>	<u>3,667,720</u>
Balance as at January 1, 2019	42,662,405	(32,759,548)	153,537	(47,939)	(6,340,735)	-	-	3,667,720	-	3,667,720
Increase in share capital	-	-	-	-	-	-	-	-	211	211
Total comprehensive income for the year	-	-	-	-	(186,342)	(2,114)	(2,114)	(188,456)	(28)	(188,484)
Transferred to retained earnings	-	-	-	-	(2,114)	2,114	2,114	-	-	-
Balance as at December 31, 2019	<u>42,662,405</u>	<u>(32,759,548)</u>	<u>153,537</u>	<u>(47,939)</u>	<u>(6,529,191)</u>	<u>-</u>	<u>-</u>	<u>3,479,264</u>	<u>183</u>	<u>3,479,447</u>
Balance as at January 1, 2020	42,662,405	(32,759,548)	153,537	(47,939)	(6,529,191)	-	-	3,479,264	183	3,479,447
Total comprehensive income for the year	-	-	-	-	(391,761)	-	-	(391,761)	(128)	(391,889)
Balance as at December 31, 2020	<u>42,662,405</u>	<u>(32,759,548)</u>	<u>153,537</u>	<u>(47,939)</u>	<u>(6,920,952)</u>	<u>-</u>	<u>-</u>	<u>3,087,503</u>	<u>55</u>	<u>3,087,558</u>

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018 - 2020

(Unit: Thousand Baht)

	Separate Financial Statements						
	Issued and Paid-up Share Capital	Premium (Discount) on Shares	Premium on Common Shares from Capital Reduction	Deficit	Other components of shareholders' equity		
					Other comprehensive income		Total Share holders equity-net
					Gains on re-measurements of defined benefit plans	Total other components of shareholders' equity	
Balance as at January 1, 2018	42,657,341	(32,754,991)	153,537	(6,502,378)	-	-	3,553,509
Increase in share capital	5,064	(4,557)	-	-	-	-	507
Total comprehensive income for the period	-	-	-	16,292	-	-	16,292
Balance as at December 31, 2018	42,662,405	(32,759,548)	153,537	(6,486,086)	-	-	3,570,308
Balance as at January 1, 2019	42,662,405	(32,759,548)	153,537	(6,486,086)	-	-	3,570,308
Total comprehensive income for the period	-	-	-	(254,646)	(1,494)	(1,494)	(256,140)
Transferred to retained earnings	-	-	-	(1,494)	1,494	1,494	-
Balance as at December 31, 2019	42,662,405	(32,759,548)	153,537	(6,742,226)	-	-	3,314,168
Balance as at January 1, 2020	42,662,405	(32,759,548)	153,537	(6,742,226)	-	-	3,314,168
Total comprehensive income for the year	-	-	-	(449,429)	-	-	(449,429)
Balance as at December 31, 2020	42,662,405	(32,759,548)	153,537	(7,191,655)	-	-	2,864,739

13.2 Financial Ratios

Key Financial Ratios as at 31 December 2018 – 2020.

อัตราส่วนทางการเงิน		2020	2019	2018
LIQUIDITY RATIO				
Current ratio	(times)	1.06	1.13	1.21
Quick ratio	(times)	0.23	0.52	0.52
Cash flow ratio	(times)	0.02	(0.01)	0.03
Accounts receivable turnover ratio	(times)	2.42	4.30	4.10
Average collection period	(days)	150.83	84.88	89.02
Inventory Turnover ratio	(times)	0.30	0.28	0.19
Average sale period	(days)	1,216.67	1,303.57	1,921.05
Payable turnover ratio	(times)	1.75	1.78	1.42
Repayment period	(days)	208.57	205.06	257.04
Cash Cycle	(days)	1,158.92	1,183.40	1,753.03
PROFITABILITY RATIO				
Gross profit margin	(%)	(3.47)	9.33	14.53
Operating profit margin	(%)	(72.37)	(28.85)	9.08
Other income ratio	(%)	10.31	17.32	36.80
Cash to profitability	(%)	N/A	N/A	165.24
Net profit margin	(%)	(66.86)	(23.99)	9.08
Return on equity	(%)	(11.94)	(5.22)	2.06
EFFICIENCY RATIO				
Return on assets	(%)	(5.79)	(2.67)	1.07
Return on fixed assets	(%)	(26.04)	(8.40)	13.51
Assets turnover	(times)	0.09	0.11	0.12
FINANCIAL POLICY RATIO				
Debt to Equity ratio	(times)	1.16	0.97	0.94
Interest coverage ratio	(times)	9.64	N/A	3.42
Debt service coverage ratio	(times)	51.36	N/A	0.08
Dividend payout ratio	(%)	N/A	N/A	N/A

14. Management Discussion and Analysis

14.1 Overview

1) Summary of operations and the factors that result in significant changes

AQ Estate Public Company Limited (herein after called “the Company”) was incorporated in Thailand and was registered as a public company in the year 1993. The Company undertakes its business in Thailand and is engaged mainly in property development and sales. The Company changes its registered office to be located at No.102, Rim Klong Bang Kapi Road, Bang Kapi Sub-District, Huay Kwang District, Bangkok, Thailand.

Status of the Company

- a) On August 26, 2015, the Supreme Court’s Criminal Division for Persons Holding Political Positions (“the Supreme Court”) sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Company Limited (“Golden”) (the 19th defendant) and K & V SRS Garden Home Company Limited (“Garden Home”) the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of land net of commission fee on sales would be Baht 8,924.30 million and in year 2016. The management expects that the forced sale value of land would be Bath 5,800 million. The Legal Execution Department has set a date for the sale of collateral on December 27, 2017 however on that date, the Enforcement Officer has been notified of the order refraining from enforcement of the Supreme Court Criminal Division of Political Position (“Supreme Court”), dated December 25, 2017. The abstention of the case will be effective until the Supreme Court to change the order so, the Enforcement Officer has rescinded the sale of collateral under the order of the Supreme Court.

The Supreme Court has no order to enforce the case because the third defendant filed a petition to stay execution to the Supreme Court on December 21, 2017. The Supreme Court held a hearing on the petition on December 25, 2017 and has ordered the copy of the petition to the Enforcement Officer and all stakeholders for acknowledge and they can filing an objection period related parties know the partner involved to object to the petition within 15 days from the date of receiving a copy of the petition and also to postpone the hearing of case to investigate the petition on 5 and 8 March 2018 and ordered to stop the execution during the Supreme Court ruling on the petition until the Supreme Court orders otherwise changed. The Supreme Court Criminal Division politicians had canceled the execution of the lawsuit on that day (March 5, 2018) in accordance with the docket on December 25, 2017 and cancel hearing date on March 8, 2018. On April 9, 2018, the Legal Execution Department has set a date for the sale of collateral on the first times on June 6, 2018 and second on June 27, 2018, the third on July 18, 2018 and the fourth on August 8, 2018. The initial price, is set by the Committee of set the price of assets, amounted to Baht 8,950.78 million. The initial price will be equal to the price set by the committee in the first auction. If anyone bid, the Legal Execution officer will reduce the initial price 10% at each time but will not be lower than 70% of the first price. In case of sale with collateral, the Legal Execution officer will deduct the current debt form the referred price and round up as the announcement. On July 26, 2018, the Supreme Court's Criminal Division for Persons Holding Political Position ordered for the black case no. Aor Mor Kor 1/2018 to cancel the suspension order for legal execution according to the report of the proceeding dated May15, 2018 and to allow the legal execution officer to process for the land auction except for the disputed land. On September 14, 2018, that Company received the announcement from the Legal Execution Department dated August 17, 2018 and the Legal Execution officer announced the public auction for the assets in the case for 4 schedules as following schedules 1 on October 17, 2018, schedules 2 on November 7, 2018, schedules 3 on November 28, 2018 and schedules 4 on December 19, 2018, On October 17, 2018, the public auction and it sold the collateralized assets to the purchaser at the price of Bath 8,914.07 million. At the present, the Legal Execution officer is preparing of accounts and the Bidders has filed an application for the postponement of the period of payment to be on February 1, 2019. The properties sold at the auction were divided into 3 groups as follows:

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor Mor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was Bath 4,019.62 million. The

buyer had placed the deposit of Bath 201 million. The remaining would be paid within February 1, 2019 and on January 24, 2019, the buyer paid Bath 3,818.62 million.

The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho. 59/ 2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of Bath 1,261.02 million, deposit of Bath 65 million and on September 15, 2020, the buyer paid amount of Baht 1,196.02 million. The petitioner, K&V SRS Company Limited held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition, and the court made an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account on August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account. (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

The third group was the case of Central Bankruptcy Court in decided case No. L. 1249/2012. The property sold at auction from this case of 1,868-3-97.72 rai and land ownership belongs to K&V SRS Company Limited. The auction buyer purchased price amount of Baht 3,633.43 million and deposit amount of baht 182.50 million. On March 23, 2020, the buyer paid amount of Baht 3,450.93 million K&V filed the objection, causing the buyer to submit such matter to court against the petition of K&V Company, which was between the three objections and divided as follow.

1. Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of Miss Charoen Yukongtham in the ratio of 800.66 and proceeded to sell the auction. In this case the petitioner had applied for revocation as the auction unlawful. The court accepted the petition as objection and called the Golden Company as the third objector, then completed the examination witnesses and made the appointment to hear order on March 5, 2019. The case result was dismissed by the court.
2. Central Bankruptcy Court in undecided case No. SL. 388/2018, the petitioner filed claiming that bring the property of petitioner was sold together with land Golden Company unlawful and to suspend temporarily the auction. The court had ordered the petition and attached documents to the petition. In the event that was no legal reason to suspend the auction, according to petition. The court therefore ordered to dismiss the petition. Later, on March 20, 2019, K&V SRS Garden Home Company Limited, the petitioner filed an appeal. Later on April 23, 2019, the official receiver, the objector No. 1, filed an objection to the appeal requesting the appeal and on May 2, 2019, Krung Thai Bank Public Company Limited, the objector No. 2 filed an appeal against the appeal which the Central Bankruptcy Court ordered the appointment of the Court of Appeals for Special Cases dated September 3, 2019. Court denied such appeal, the preliminary case result was terminated by the court.
3. Undecided case No. SL.438/2018 regarding the revocation auction of the second debtor's land (K&V SRS Garden Home Company Limited). In this case, the objector had submitted the request to revoke as unlawful auction and requested to the temporarily suspend enforcement on February 4, 2019. The court ordered the company attorneys, the stakeholders (Golden Company) and called the second objector which will appoint witnesses on April 25, 2019 and April 26, 2019. The court appointed the witness examination on May 14, 2019. The case result was dismissed by the court.

- b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Company Limited (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.
- c) On October 16, 2015, the Company, "Golden" and Progress Property Management Company Limited ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company

and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition, the board of directors meeting No12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore, the officer will report to the court to lift this bankruptcy case according.

On June 22, 2017, the Company was filed the lawsuit in the civil court and the plaintiff filed (1) to nullify the Asset Management and Profit Sharing Agreement (the "Agreement") dated October 16, 2015 (2) to nullify the appointment and registration of directors (3) to nullify the resolution of the Board of Directors from April 8, 2016 and (4) to nullify the resolution of the Board of Directors from October 19, 2015. The Court scheduled to settle issues in court and to determine the litigation process guideline on August 28, 2017. The legal advisor of the Company has the opinion for this litigation that the purpose of the Asset Management and Profit Sharing Agreement is for the Company to have the right to manage for the 3rd Defendant in order for the debt restructuring and the sale of land for payment of damage to the Bank and to minimize the impact from the capital increase to pay for the damages to the Bank. However, after the date of the Agreement in October 2015, there has not been any impact. In consideration for the fact that the land is mortgaged to the Bank, the sale of land depends on (1) the 3rd Defendant as the owner of the land can process with the consent from the Bank as the creditor or (2) the Bank can enforce the asset seizure and sale of land according to the Supreme Court's judicial order which is final and enforceable. From the past, the Company has negotiated with the Bank and mutually agreed for the guideline for debt restructuring including the sale of land without the consent from the 3rd Defendant. Even if the Agreement is nullified, it will not affect the debt restructuring plan or the status financial of the Company. In addition, it will release the Company from the profit sharing under the Agreement. Due to the appointment On May 21, 2018 the plaintiff filed a petition to withdraw the lawsuit and the court allowed the plaintiff to withdraw the lawsuit and distribute the case from the directory.

On January 17, 2018, according to Case No. P. 240/ 2018, requesting to cancel the Asset management profit sharing between the Company and Progressive Company. The Company proposes that the three defendants did not default the contract. The contract has the above mention conditions of clear duty for each party. The Court's hearing will be hold on November 23, 2018. The court read the verdict on March 18, 2019 the court therefore ordered to dismiss the petition.

On June 17, 2019, the plaintiff appealed the judgment and on July 18, 2019, the three defendants filed a petition, Later, on June 4, 2020, the Supreme court read the judgment of the Court of

Appeals, which reversed judgment that the 1st defendant transfer the shares held by Golden Technology Industrial Park Company Limited amount to 5,440,000 shares return to the plaintiff. If 1st defendant does not take action, the judgment shall be taken of the court instead of intention. Any other request to cancels costs fee for both court on July 1, 2020, the lawyers of the three defendants filed a petition to extend the period on the 1st and the court permit to extend the period till the date on August 4, 2020. And as at July 31, 2020, AQ Estate Public Company Limited with the three defendants filed a petition to extend the period on the 2nd that the court permit to extend the period till the date on September 3, 2020. The three defendants not to filed a petition. The case had terminated.

On August 3, 2018, Case NO. P.4393/2018. AQ Estate Public Company Limited sue Golden Technology Industrial Park Company Limited and Progress Property Company Limited (co-defendant) to be a civil case, to refund advance which AQ has paid reservation according to the property management agreement, amounting of Baht 74,999,995 million.

On August 6, 2019, the co-defendant filed a petition to postpone the case, claiming that the Golden company was sued by the Krung Thai Bank in bankruptcy cases. The bankruptcy court will consider on August 20, 2019. Therefor the civil court has agreed to wait for the outcome of the bankruptcy case and then postponed the appointment to hear the results on September 17, 2019. Later, the Krung Thai Bank bankruptcy case of discontinued Golden Technology Industrial Park Company Limited, so the civil case will be continuing. The courts on January 14, 2021, sentenced the case, the defendant is Golden Company pay to AQ Estate Public Company Limited amount Baht of 52,381,259.93 million plus 7.5% of interest per year. A lawyer fee of Baht 30,000. Which is currently expand to file the appeal of the plaintiff and the defendant.

- d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million, respectively was presented as loans considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have

temporary suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

The board of direction meeting No. 12/2016, dated October 13, 2016, acknowledged that the company submitted the regent of debt restructure to one bank. The Company was non-performing land additional pledge value Baht 1,000 million. And complete the debt restructure within one year. The Company request the right to sell the pledged land to repay bank loan. However, the company in waiting bank approved. In additions the meeting acknowledged that the surveyor reported that there are 177 land intruders the company recorded additional production of Baht 51.93 million for selling this land.

And then, according to minute of board of director's meeting No. 15/2016, dated on November 24, 2016 acknowledged that on November 22, 2016, the Company has met and acknowledged bank requirement to changes the conditions of debt restructure. The bank would like Golden to enter into debt restructure at civil case in whole amount (approximately by Baht 20,000 million) and pay for Baht of 1,000 million, and then allow the Company ask for a party in civil case in order to manage sell the pledged land. Also, the meeting acknowledged if Golden could not enter into debt restructure above within November 2016, the bank will send the case into office of the Attorney, Office of the National Anti -Corruption Commission, Office of the Auditor General of Thailand, and night being legal execution of assets of the Company. At present, Golden has not yet entered the debt restructure and the Company has not been informed about legal execution of assets of the Company.

On January 5, 2017, the bank informed the Company and Golden that the bank cannot accept the proposals of the Company regarding debt restructuring. And on April 5, 2017, the bank informed (1) Golden has enter the debt restructuring as civil black case number Tor.268/2006 in whole amount, under the condition of Por-Kor-Sor.007/2017 dated on January 5, 2017 within April 2017. (2) The Company has following the judgmental of the Supreme Court's Criminal Division for Persons Holding Political Positions as case red number. Aor-Mor.55/2015 and repayment for damage fee amount of Baht 10,004,467,480 to the bank within June 2017. If there have non proceeding, the bank might proceed the legal execution for every case.

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be enough for payment of damages to the bank and/or mutually discuss the terms and conditions for the

payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

On August 10, 2017, the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the company.
3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank.

The attorney general has filed a request for confiscation at Supreme Court on August 24, 2017, and the court issued the enforcement order to seize and freeze the defendant's property. The plaintiff has investigated the defendant's property and found the nineteenth defendant (Golden Technology Industrial Park Company Limited), which the court sentenced to joint liability in the amount of Baht 8,368.73 million holds ownership of land located in Samutprakarn province, totaling 97 plots. However, the legal advisor of company explained that the enforcement is just one step in the execution of this case because the process will also require a collateral land survey, draw map of property, set the final auction date and open auction. In this case, the collateral land is in the jurisdiction of Samutprakarn province. Therefore, the plaintiff must ask the court to have order to court of Samutprakarn for acting instead. By lawsuit has ended, the debt or owed amount that the court sentenced the company to repay the debt to the financial institution is the same amount with civil case. This amount is the balance that the financial institution has been filed at the Civil Court according to the report of proceedings. In case of selling collateral, the money must be paid to settle the judgment of court first because the court issue writ of execution. When the financial institutions receive such funds, it must be offset against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

Thus, the civil case which Krungthai Bank Public Company Limited as a plaintiff accused Golden Technology Industrial Park Company Limited. (the 1st defendant) and others, totaling 4 persons

(according to Black Case No. Tor. 268/2006, Red Case No. Tor.2687/2007) is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100 at the rate of 15% per annum, since the date after filing date until completion of debt repayment and on September 28, 2017 Sentenced Golden Technology Industrial Park Company Limited to pay 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from May 31, 2004 until payment is completed and bring Golden Technology Industrial Park Company Limited money paid on November 1, 2004 amounting to Baht 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 9, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it makes another confiscation of Golden Technology Industrial Park Company Limited. On May 5, 2020, the preliminary case result was terminated by the court.

As disclosed in Note 30 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12, 2017 to July 14, 2017 and Baht 1,925 million on July 17, 2017 to July 21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2020 as follows:

	(Unit: Million Baht)
Compensation as per Court sentence	10,004.47
<u>Add</u> Necessary expenses for selling land as per a contract for the asset management	128.90
Specific Business Tax (At forced sale value)	191.40
Withholding income tax (At forced sale value)	58.00
Transferring fee (At Land Department price)	110.61
<u>Less</u> Forced sale value*	(5,800.00)
Compensation for damages	(1,635.74)
Estimated the damage - net	3,057.64

* The Company appraise the valuation of collateral land by appraisal report of SL. Standard Appraisal Co., Ltd. dated on May 5, 2017, comparative market price method amounts of appraised price Baht 11,600 million and amount of forced sale value by Baht 5,800 million. (In year 2015 the appraised value and the forced sale value of such collateral land as appraisal report dated on May 25, 2016, amount by Baht of 12,749 million and 8,924 million, respectively).

The actual damage will substantially depend on the Company's ability to sell such collateral land at the estimated price and Garden Home will not make a claim against the Company and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million and Garden Home will not exercise recourse against the company and the outcome of the negotiation with the bank.

On October 17, 2018 the Company sold the collateral. Bidders are bidding for Baht 8,914.07 million which is higher than the estimated sales force. Currently, the Company cannot reverse its provisioning provision. It is waiting for the bidder to pay the remaining price and bidders has paid in full.

On August 24, 2020, the company received a notice to repay the debt. According to the decided case Aor mor No.55/2015, The Company still has a debt obligation under the aforementioned judgment pending with Krungthai Bank Public Company Limited amount of Baht 8,368,732,100 million. The Krungthai Bank wishes to collect all the debts and the Company must pay Baht 8,368,732,100 million within 30 days from the date the Company received this letter.

The Company has sent a letter to Krungthai Bank Public Company Limited dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case No. Aor Mor. 55/2015 or pay as principal in the civil court in decided case No. Thor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders The Company reserves the right to take any action in according to the law or protect the legitimate rights in all cases ,if Krungthai Bank Public Company Limited take any action that causes damage to the Company to the end.

- e) On September 25, 2019, AQ Estate Public Company Limited sued Krung Thai Bank Public Company Limited (the 1st defendant) and others, totaling 13 persons to be a civil case, financial statements revision for 1st quarter 2019 of Krung Thai Bank to claim the refund 3,898,704,840 Baht to pay for damages in lawsuit of the Supreme Court's Criminal Division for persons Holding Political Positions (according to Black Case No. Aor-Mor. 3/2012, according to Red Case No. Aor-Mor. 55/2015), if the defendant fails to comply with payment of damages amount. The court are meeting of settlement of issue and define prosecution guidelines or the courts meeting schedule the hearing

date on November 18, 2019. The totaling of defendant filed to expand the time on February 9, 2020. The lawyer has comment to the court should be consider trend and judgment for conditional in contract on August 10, 2017. The court has postponed the date of arbitration to April 27, 2020 due to the issue of COVID-19. The court has cancelled and has postponed the date of arbitration to September 30, 2020. On September 30, 2020, the 13 defendant's attorney asked the plaintiff's attorney to withdraw the second to thirteenth defendant because they are director of the first defendant and acting on behalf of the first defendant. The plaintiff's attorney accepts the matter and has proposed the plaintiff's management and the court has determined day of settlement of issues or making a decision on the law on November 19, 2020. The court has postponed the date of arbitration to June 14, 2021.

Utilization of capital increase fund

The Company received the proceeds from allotment of new ordinary shares to private placement as approval by the Extraordinary General Meeting of Shareholders No. 1/2017 on 30 June 2017 that has allocated and offering of new 100,000 million ordinary shares to the private placement. The Company has increased capital of THB 72,640 million at the price of THB 0.05 per share, totaling THB 3,632 million. The total expenses and fees were THB 63.73 million. The capital increase after deducting expenses amounted to THB 3,568.27 million. Details of the utilization of capital increase fund as follows:

The proceeds from the capital increase	3,568.27	Million Baht
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Deduct Utilization of capital increase as of 31 December 2020

1) Payment following the judgment of KTB	(1,635.74)	Million Baht
2) Development of AQ ARBOR, Chonburi, Chiangmai, Rangsit	(65.00)	Million Baht
3) Invested in hotel business	(121.00)	Million Baht
4) Development of AQ ALIX	(26.00)	Million Baht
5) Working capital	(236.23)	Million Baht
Remaining capital increase fund as of 31 December 2020	<u>1,484.30</u>	<u>Million Baht</u>

The remaining capital increase amount THB 1,484.30 million was invested in BFixed the bill of exchange and loan.

2) Industry and economic conditions that affect the operation

2.1) Economic conditions in 2020

The Office of the National Economic and Social Development Board reported that The Thai economy in the fourth quarter of 2020 declined by 4.2%, which improved compared to a 6.4% decline in the third quarter. Expenditure side, Private consumption continued to expand. Private investment and merchandise exports declined at a slower rate while public spending and investment expanded. And exports of services continued to decline. Production Side, the agricultural field has returned to expand. Industrial production, accommodation, and food service, transport and storage, and wholesale, retail, and repair fields were decreased at a slower rate, while the electrical and gas fields continuously decline. When adjusting the results of the season, the Thai economy in the fourth quarter of 2020 expanded by 1.3% from the third quarter of 2020 (QoQ_SA), including, in 2020, the Thai economy declined 6.1%, compared to 2.3% expansion in 2019.

2.2) Sales of property business

Krungsri Research reported that the housing market in the Bangkok Metropolitan Region (BMR) is forecast to decline steeply in 2020 because of: (i) the sharp drop in domestic purchasing power as the economy weakens (Krungsri Research forecasts Thai GDP would shrink by 5% in 2020); this will be more pronounced in the first half of the year with worldwide lockdowns temporarily halting economic activities and for some individuals, income; (ii) the anticipated global recession and its effect on foreign buyers; (iii) enforcement of stricter LTV rules for buyers of second and subsequent homes; and (iv) excess supply of properties in many areas. These will collectively weaken investor confidence and discourage property purchases.

- ☐ In the first quarter of 2020, the number of new residential property units coming into the market collapsed 43.9% YoY. In detail, new condominium units fell by 67.5% YoY and detached houses by 36.1% YoY. Overall, developers had cut back on new projects and in response to declining interest from buyers since 2019, they had switched to selling inventory units by offering attractive deals such as larger-than-usual price discounts, leasing deals, and up to 2 years of payment-free accommodation. The worsening business conditions were reflected in the drop in first-month take-up rates for all market segments; it was especially bad for condominiums which fell to a 13-year low of 18.5% (compared to 61.5% average in the first quarter of each of the past 5 years). For townhouses, take-up rate fell to a 20-quarter low of 14.2%, while for detached houses it hit a 52-quarter low of 3.9%.

- ☐ For all of 2020, the number of newly launched units is expected to shrink by 26% to an 9-year low. And because most developers will postpone new projects until at least the second half of the year, when the economic outlook would be better, presales are forecast to fall by 17%, following a 16.8% decline the year earlier. Likewise, housing transfers is projected to drop by 24.3%, with the sharpest drop in the first 6 months of the year, when Thai and overseas buyers are likely to postpone transfers, and possibly cancelling if they have lost their jobs or their loan applications are rejected.

2.3) Hotel business

The Office of the National Economic and Social Development Board reported that accommodation and food service activities sector declined by 35.2 percent, following the contraction in number of foreign tourists. However, it improved from a 39.3-percent decrease in the previous quarter, in tandem with the improvement in domestic tourism. In this quarter, Thai tourism receipts recorded at 0.159 trillion Baht, declined by 45.1 percent, but slightly improved from a 57.1-percent decrease in the previous quarter. This was in line with the improvement in domestic tourism after the first wave of COVID-19 pandemic ended, as well as the implementation of the economic measures to support the domestic tourism sector. In addition, issuing the Thailand Special Tourist Visa (STV) for foreign tourists resulted in the number of foreign tourists stood at 10,822 persons (included Thailand Privilege Card holders), the first time in three quarters. However, the number of foreign tourists still decreased by 99.9 percent in this quarter. The Average Occupancy Rate was at 32.49 percent, improved from 26.69 percent in the previous quarter, however the figure was still lower than 70.71 percent expansion in the same period last year. Moreover, the new wave of COVID-19 pandemic in the last two weeks of December 2020 brought about the pressure over domestic tourism.

In 2020, accommodation and food service activities sector declined by 36.6 percent, compared with a 7.8-percent growth in 2019. The number of foreign tourists was at 6.70 million persons in 2020 (decreased by 83.2 percent). Receipts from foreign tourists were at 0.441 trillion Thai Baht (figure from Balance of Payment), which decreased by 76.2 percent. Receipts from Thai tourists were at 0.482 trillion Thai Baht (decreased by 55.4 percent). The average occupancy rate was at 29.51 percent, compared with 70.08 percent in 2019.

Krungsri Research reported that in 2020, hotel and tourism industries worldwide suddenly had to endure the unprecedented and immediate disruption by the COVID-19 pandemic. To keep the pandemic under control, governments worldwide imposed strict lockdowns that severely restricted international travel. Global travel crashed by a record-breaking rate of 74% from 2019 level. The hardest-

hit were the Asia-Pacific region (-84%), with severe drops in arrivals in Singapore (-85.1%), Thailand (-83.2%), South Korea (-85.6%) and Japan (almost -90%).

Currently, the global COVID-19 situation remains critical and many countries (including Thailand) have experienced fresh outbreaks. The number of new cases continues to rise steadily and experts predict foreign tourist arrivals in Thailand will only recover to pre-pandemic level in 2024. This forecast is based on: (i) uncertainty over the rollout of vaccination programs and efficacy of the different vaccines; (ii) the World Health Organization's (WHO) estimate that herd immunity will require 65-70% of the population to be vaccinated, and despite the commencement of vaccination programs in many countries, it will require large investment in time and money to achieve this; and (iii) the prediction by the University of California that tourist confidence in international travel will only recover 3-6 months after the pandemic is over. Beyond this, international travel remains a luxury and given the pressure on consumer spending power over the past year, demand will recover slowly and it will be uneven.

In Thailand, 2020 was a torrid year for the hotel and tourism industries. It was dominated by extremely depressed conditions, mirroring conditions worldwide. Hence, contribution from hotel accommodation and food services to GDP slumped 38.3% to THB635bn. Details of selected indicators are given below.

- In 2020, foreign arrivals reached only 6.7 million, tumbling 83.2% YoY. This was the direct consequence of worldwide lockdowns and cross-border travel restrictions. In Thailand, the government declared a state of emergency on 25 March and following this, Thai airspace was shut between 3 April and 30 September. Over this period, there were no tourist arrivals at all. The situation began to improve slightly in October, when Thailand started to allow tourists into the country under the Special Tourist Visa (STVs). The requirements include 14-day quarantine on arrival, health checks before and after travel, and proof of sufficient health insurance coverage. As a result of this, 10,822 tourists came to Thailand in Q4, and although this is only a fraction of the number under normal conditions, it was significantly above the government's target of 3,600 arrivals (1,200 per month for each of the last 3 months of the year). Nevertheless, for the year as a whole, arrivals from all the main markets tumbled, including from China (-88.6%), India (-86.9%), South Korea (-86.2%) and Malaysia (-85.5%).

In 9M20, tourism receipts crashed 76.8% YoY to THB332bn. This drop was seen across the industry, with strong declines recorded from major markets of China (-86.6% YoY), India (-83.7%), South Korea (-81.5%), the United Kingdom (-65.6%) and Russia (-41.4%).

- ☐ At the same time, Thais made 90.5 million domestic trips (-47.6% YoY). During April and May last year, domestic tourism almost came to a halt because of the national lockdown. The economy slipped into a sharp recession, unemployment rose, and spending power flatlined. Domestic tourism started to return to life in June, and between then and December, total domestic trips fell by an average of 41.4%, aided by easing lockdown measures and continuous efforts by the government to breathe life back into the sector, notably through the 'We Travel Together' program which will run from 1 July 2020 to 30 April 2021.

For full-year 2020, revenue from domestic tourism slumped 55.4% to THB482bn (Table 5). The 3 major tourist attractions – Bangkok, Chonburi and Phuket – accounted for 38% (THB160bn) of domestic tourism revenue in 2020.

3) C sign posted on AQ securities by the SET

C sign posted on AQ securities by the Stock Exchange of Thailand because shareholders' equity < 50% of paid-up capital for the following financial statements.

- ☐ Financial Statements Quarter 1 Ending 31 March 2020
- ☐ Financial Statements Quarter 2 Ending 30 June 2020
- ☐ Financial Statements Quarter 3 Ending 30 Sep 2020
- ☐ Financial Statement Yearly 2020 Ending 31 Dec 2020

With reference to AQ Estate Public Company Limited has organized a meeting to provide information to investors and related persons (Public Presentation) in the securities of the company which were up to the mark "C" since the Company has shareholders' equity less than 50% of the paid-up capital for the financial statements 2020 in the Year 2020 ended 31 December 2020, the meeting is held on 11 March 2021 at 10:00 a.m. in the building AQ Estate Plc. No. 102 Rim Klong Bangkapi Road, Bangkapi Subdistrict, Huai Khwang District, Bangkok. The Company's reported results of the meeting are as follows.

The cause of company lost a lot due to the provision for liabilities from the judgment of the Supreme Court's Criminal Division for Holders of Political Positions to compensate for Krung Thai Bank totaling 3,057.64 million baht. In the Supreme Court's Criminal Division for Persons Holding Political Positions ordered the joint company responsible for compensation of 10,004.47 million baht. Debt Obligations remain outstanding to pay for the amount of 8,368.73 million baht.

Solution: The auction of collateral land amounted to 4,300 rai. The Board of Director set the selling price of land auction at 8,914.07 million baht, which is higher than the company payment amount.

On 17 October 2018 was the first time in sale by auction. The bidder of land auction was secured for 8,914.07 million baht which the bidder deposit by the regulations of the Legal Execution Office of 448.50 million baht. Bidders are allowed to extend the payment period to 1 February 2019 for the remainder. On 24 January 2019, the auctioneer made a payment of 3,819 million baht for the auction assets group 1. The auction assets group 1 and 2 are owned by Golden Company and group 3 is owned by K&V SRS Garden Home Company which the Golden Company holds 99.97% of shares and the land came to be secured for Golden Company. K&V SRS Garden Home has filed a petition to revoke the sale of assets by claiming that it is unlawful for all 4 such cases. The court dismissed the petition and the petitioner filed an appeal one case and the court will not accept the appeal and the case shall be terminated.

At present, the auctioneer bought such land and paid all land successfully. As for the amount of 1,196.02 million baht, the auctioneer placed the money to the Legal Execution Division. On 15 September 2020, Krung Thai Bank received the remaining land payment and has used a civil court judgment to request payment of all debts and Krung Thai Bank has recorded the whole amount as interest income. Hence, the company filed a lawsuit against Krungthai Bank and Krungthai Bank's management due to breach of the agreement. In the event that AQ Company wins the lawsuit in this case, the reserve liabilities are set to be transferred to deficit, resulting in the remaining loss of 3,863.31 million baht. As a result, the shareholders' equity amounted to 6,145.15 million baht which compared with the registered and paid-up capital, less discount on net share capital of 9,902.86 million baht. The ratio was 62.05%, exceeding the 50% threshold. Therefore, the Company is able to successfully resolve the C mark.

On 25 September 2019, AQ Estate Plc. (Plaintiff) filed a lawsuit against Krungthai Bank Plc. (Defendant) in a civil case requesting Krungthai Bank to change its financial statements for the first quarter of 2019 in which the proceeds received from the auction of the secured land in the amount of 3,898.70 million baht to be recorded as damages in the case of the Supreme Court's Criminal Division for Persons Holding Political Positions. The Court has scheduled the date for litigation or prosecution witnesses on 18 November 2019. All defendants request permission to extend their testimony until 24 February 2020 and on 24 February 2020, 13 defendants have applied for an extension of time to file their testimony further 30 days. The court has allowed the postponement to make appointment for settlement of issues on 27 April 2020 and with the situation of outbreak of the Coronavirus 2019 (COVID-19), the court canceled the appointment and a new appointment for settlement of issues on 30 September 2020 and on 30 September 2020, Thirteen defense attorneys ask the plaintiff's attorney to withdraw the lawsuit against the 2nd to 13th defendants as the director of the 1st defendant acting on

behalf of the 1st defendant. The plaintiff's attorney accepts the matter to propose the plaintiff's management by making appointment for settlement of issues or a legal decision on 19 November 2020. On this day, the defense attorney requested to postpone in diagnosis because Krungthai Bank has been diagnosed by Office of the Council of State that was not being a state enterprise. Therefore, the problem is that the prosecutor officer could defend as the defendant for all 13 defendants or not and Plaintiffs are discussing ways to compromise the debt to the defendant, therefore does not oppose the postponement of appointment for settlement of issues on 22 February 2021, on the day The court to postpone the settlement of issues on 14 June 2021.

The Board of Directors agreed to await the outcome of the civil case above. If there is any progress in such case, the Company will continue to report the progress to shareholders and investors through the SET system.

4) Change in key accounting policy

In 2020, the Company did not change its accounting policy. However, significant accounting policies for the preparation of consolidated and separate financial statements. Details are in Note 5 to the financial statements.

5) Auditor show qualified opinion with an emphasis of matters

Ms. Kannika Wipanurat, Certified Public Accountant, Registration No. 7305 from Karin Audit Company Limited show qualified opinion with an emphasis of matters on the Financial statements for the year ended 31 December 2020 as follows.

Qualified Opinion

I have audited the financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statement of financial position as at December 31, 2020, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statement, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

- (1) As discussed in Note 21 to the financial statements, the Company engaged an independent appraiser to appraise such leasehold right in July 2013, using Income Approach, the discounted value of leasehold right is Baht 275 million. This method is calculated using the discounted cash flows of the revenues for the year of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016, the Company entered into the contract with a non-related party to transfer a leasehold right of beach front amounting to Baht 10 million. The hotel management contract requires the company to provide beach front area for hotel customer, then the Company has complied to the contract. Currently, the transfer of leasehold rights is in progress with the relevant authority. On February 5, 2015, the indirect subsidiary company entered into a letter of intent with a foreign company for entering into a hotel management agreement. However, on March 24, 2016, such foreign company postponed entering into a hotel management agreement until the Stock Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. However, such foreign company terminated a hotel management agreement on September 22, 2016, then refunded partial deposit payment of US 60,000 dollars. The Indirect subsidiary recorded loss on deposit of Baht 2.40 million. In March 2017, the indirect subsidiary company has engaged an independent appraiser to re-appraise the leasehold right, using Income Approach on Profit Rent Method determined by renting such leasehold right at the market rental rate and discounted to present value to be Baht 79.40 million. Such appraisal assumed that the Company's credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1 to the financial statements. The market information of comparative land of same size and condition was limited and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment on assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income as at December 31, 2020, amount of Baht 153.73 million. However, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of rental rate to determine the fair value because such appraisal is under unusual assumption as discussed above which has significant uncertainty when such situation will be resolved. In addition, the indirect subsidiary has no rental rate actually occurred at the present and no market price of rental rate basing the same size of area to be

compared with the rental rate on such leasehold right as the area is very huge, which these factors may have material effects to the assessment of fair value of such leasehold right.

- (2) As discussed in Note 15.2 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2020, amount of Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern. The resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.
- (3) As discussed in Note 12 to financial statement as at December 31, 2020, the Company has investment in bills of exchange of a company amount of Baht 1,072.16 million. Such transaction has continued changed the due date and I have continue given the emphasis of matter on my audit report since the occurred date. Last investment in bill of exchange which due date on March 31, 2021. As the analysis of such company's debt on May 5, 2020, the Company believe that the authorizer and the final shareholder's asset of such company is Baht 1,810.76 million. Which is over than amount of such company's bills of exchange, and the Company's management believe that able to receive by whole amount, so the Company do not record for allowance for doubtful debt. I received the last financial statement of such company which was for the year ended 2018 which was not audited by auditor, as at December 31, 2018 total assets was amount of US Dollar 170.43 million, and shareholders' equity was amount of US Dollar 113.69 million. The Company has not received other the financial statement. I have not able use other audit procedure to satisfy how appropriate for amount of allowance for doubtful debt.
- (4) As discussed in Note 10 to financial statement as at December 31, 2020, the Company has loans to a company amount of Baht 412.14 million. Such transaction has continued changed the due date and I have continue given the emphasis of matter on my audit report since the occurred date. Loan to accompany which due date on December 31, 2020 and has postponed being March 31, 2021. The Company has considered financial statement audited by auditor as at December 31, 2019, shareholders' equity was amount of Baht 100.53 million. However, Company's management believes that able to receive by whole amount, so the Company do not record for allowance for doubtful debt. In addition, as such Company's financial statement, it's temporary stopped the construction due to the adjusted plat form and it's must get approval from a government. Such

Company's assets have pledged for loans from financial institution. There has uncertainty of project value of such company's assets. I have not able to use other audit procedure to satisfy how appropriate for amount of allowance for doubtful debt.

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 Consolidated 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 under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated 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 qualified opinion.

Emphasis of matter

Without change in qualifying my opinion as above, I draw attention to note that;

- (1) As discussed in Note 1 to the financial statements that, On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower (the 19th defendant) and the subsidiary of the 19th defendant have mortgaged their land. On August 10, 2017, the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The Company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this

case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the Company.

3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank

In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million and in year 2016, the management expects that the forced sale value of such land would be Bath 5,800 million. References to independent appraisers, the Company has recorded the liabilities, according to the judgment of Supreme Court Criminal Division of Political Position Holders, less estimated value of collateral to be sold as mentioned above and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million. Incidentally, the exactly amount of the company's obligation may be changed up or down depending on the auction price to be auctioned in the future. On October 17, 2018, the Company sold auction of the said collateral property. The successful bidder won auction at a price of Baht 8,914.07 million and the bidder can extend the payment period to February 1, 2019. The properties sold at the auction were divided into 3 groups as follows:

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor-Mor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was Baht 4,019.62 million. The buyer had placed the deposit of Baht 201 million. The remaining would be paid within February 1, 2019 and on January 24, 2019, the buyer paid Baht 3,818.62 million.

The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho. 59/ 2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of Baht 1,261.02 million, deposit of Baht 65 million and on September 15, 2020, the buyer paid Baht 1,196.02 million. The petitioner, K&V SRS Co., Ltd., held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition and the court made

an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account On August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

The third group was the case of Central Bankruptcy Court in decided case No. L. 1249/2012. The property sold at auction from this case of 1,868-3-97.72 rai and land ownership belongs to K&V SRS Company Limited. The auction buyer purchased price of Baht 3,633.43 million, deposit of Baht 182.50 million and on March 23, 2020, the buyer paid Baht 3,450.93 million. K&V filed the objection, causing the buyer to submit such matter to court against the petition of K&V Company, which was between the three objections and divided as follow.

1. Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of Ms. Charoen Yukongtham in the ratio of 800.66 and proceeded to sell the auction. In this case the petitioner had applied for revocation as the auction unlawful. The court accepted

the petition as objection and called the Golden Company as the third objector, then completed the examination witnesses and made the appointment to hear order on March 5, 2019. The case result was dismissed terminated by the court by the court.

2. Central Bankruptcy Court in undecided case No. SL. 388/2018, the petitioner filed claiming that bring the property of petitioner was sold together with land Golden Company unlawful and to suspend temporarily the auction. The court had ordered the petition and attached documents to the petition. In the event that was no legal reason to suspend the auction, according to petition. The court therefore ordered to dismiss the petition. Later, on March 20, 2019, K&V SRS Garden Home Company Limited, the petitioner filed an appeal. Later on April 23, 2019, the official receiver ,the objector No. 1, filed an objection to the appeal requesting the appeal and on May 2, 2019, Krung Thai Bank Public Company Limited, the objector No. 2 filed an appeal against the appeal which the Central Bankruptcy Court ordered the appointment of the Court of Appeals for Special Cases dated September 3, 2019, the preliminary case result was terminated by the court.
3. Undecided case No. SL.438/2018 regarding the revocation auction of the second debtor's land (K&V SRS Garden Home Company Limited). In this case, the objector had submitted the request to revoke as unlawful auction and requested to the temporarily suspend enforcement on February 4, 2019. The court ordered the company attorneys, the stakeholders (Golden Company) and called the second objector which will appoint witnesses on 25 and April 26, 2019. On April 25, 2019 the court appointed the witness examination on May 14, 2019.

On August 24, 2020, the company received a notice to repay the debt. According to the decided case Armor.no.55/2015, The Company still has a debt obligation under the aforementioned judgment pending with Krung Thai Bank, amount Baht 8,368,732,100, Krungthai Bank wishes to collect all the debts and the Company must pay Baht 8,368,732,100 within 30 days from the date the Company received this letter. The Company has sent a letter to Krung Thai Bank dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case no. Armor. 55/2015 or pay as principal in the civil court in decided case no. Thor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company

and all its shareholders The Company reserves the right to take any action in according to the law or protect the legitimate rights in all cases, if Krung Thai Bank take any action that causes damage to the Company to the end.

- (2) As disclosed in Note 10 and 12 to the financial statements, as per the resolution of the Board of Directors' meeting No. 10/2017 held on July 11, 2017, the Board of Directors approved the Company to invest in debt securities of three unrelated companies totaling Baht 1,600 million (unsecured), bearing interest rate 5 - 6 per annum to maturity date August 11- 17, 2017 and the Company has renewed some debt instruments for Baht 500 million until June 30, 2018 (According to the resolution of the Board of Directors' meeting No. 3/2018 dated March 21, 2018).

According to the resolution of the Board of Directors' meeting No. 15/2017 held on November 14, 2017 approved to reduce the burden on the company and the Company has entered into an agreement to appoint a private fund management company with an unrelated company to manage the investment in short-term bills of exchange, for not exceeding six months and fund management fee is charged at 0.25% per annum of the fund's net asset value at the end of the day as a base for calculation and on November 13, 2017 the Company transferred assets of Baht 1,100 million for the establishment of private funds.

According to the Company's Board of Directors No.3/2018, On March 21, 2018, resolved to cancel the contract with Solaris Asset Management Co., Ltd. for the private fund management and to request for securities return, effective on March 22, 2018. The Company received the securities of net amount after deduction of fees and expenses on March 28, 2018.

According to the resolution of the Board of Executive meeting No. 19/2017 held on September 18, 2017, the Board approved the Company to invest in debt securities of one unrelated company amounting to Baht 200.79 million (unsecured), bearing interest rates ranging from 5.5% per annum to maturity date February 28, 2018, and the Company has renewed the debt securities until June 30, 2018 (According to the resolution of the Board of Directors' Meeting No. 3/2018 on March 21, 2018).

According to the resolution of the Board of Directors' meeting No. 6/2018 held on June 30, 2018, the Company and its subsidiaries provided financial assistance to two unrelated parties. The borrowers have informed the Company of their intention that they will not roll over their bill of exchange. However, they would like to enter into a loan agreement with the Company instead of the repayment under the bills of exchange to the Company within June 30, 2018. The loans are

amounting Baht 514.6 million and Baht 204.4 million, interest rate 6.0% per annum and 5.5% per annum and loan and interest repayment date on December 28, 2018.

According to the resolution of the Board of Directors' meeting No. 6/2018 dated June 30, 2018, the Company has approved to extend the period of bills of exchange due within April to July 2018 total 3 bills amounting to Baht 118.46 million, for 6 months discount rate of 6.5% per annum no more than December 28, 2018.

According to the resolution of the Board of Directors' meeting No.8/2018 dated August 14, 2018, the Company has approved to extend the period of bills of exchange due within August and September 2018, total 7 bills amounting to Baht 1,027.57 million, and interest Baht 17.65 million, discount rate of 6.5% per annum to be November 30, 2018.

According to the resolution of the Board of Directors' meeting No. 13/2018 dated November 28, 2018, the Company has approved to extend the period of bills of exchange due within December 28, 2018, total 8 bills amounting to Baht 1,066.89 million, discount rate of 6.50% per annum to be January 31, 2019.

According to the resolution of the Board of Directors' meeting No. 13/2018 dated November 28, 2018, the Company has approved to extend the period of bills of exchange due within December 28, 2018, total 2 bills amounting to Baht 447.39 million and Baht 41.26 million, discount rate of 5.5% and 6% per annum, respectively no more than January 31, 2019.

According to the resolution of the Board of Directors' meeting No. 1/2019 dated January 31, 2019, the Company has approved to extend the period of bills of exchange due within January 31, 2018, total 8 bills amounting to Baht 1,072.16 million, discount rate of 6.50% per annum to be February 28, 2019.

According to the resolution of the Board of Directors' meeting No. 1/2019 dated January 31, 2019, the Company has approved to extend the period of bills of exchange due within January 31, 2019, total 2 bills amounting to Baht 445.15 million and Baht 14.86 million, interest rate of 5.5% and 6% per annum, respectively no more than February 28, 2019.

According to the resolution of the Board of Directors' meeting No.2/2019 dated February 28, 2019, the Company has approved to extend the period of bills of exchange due within February 28, 2019, total 8 bills amounting to Baht 1,072.16 million, interest rate of 6.50% per annum to be June 30, 2019.

According to the resolution of the Board of Directors' meeting No.2/2019 dated February 28, 2019, the Company has approved to extend the period of bills of exchange due within February 28, 2019, total 1 bills amounting to Baht 412.14 million, interest rate of 6% per annum no more than April 30, 2019.

According to the resolution of the Board of Directors' meeting No.4/2019 dated April 25, 2019, the Company has approved to extend the period of bills of exchange due within April 30, 2019, total 1 bills amounting to Baht 412.14 million, interest rate of 6% per annum no more than June 30, 2019.

According to the resolution of the Board of Directors' meeting No.6/2019 dated July 1, 2019 the Company has approved to extend the period of bills of exchange due within June 30, 2019, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be August 31, 2019.

According to the resolution of the Board of Directors' meeting No.6/2019 dated July 1, 2019, the Company has approved to extend the period of bills of exchange due within June 30, 2019, total 1 bill amount of Baht 412.14 million, at interest rate 6% per annum no more than September 30, 2019.

According to the resolution of the Board of Directors' meeting No.8/2019 dated August 29, 2019 the Company has approved to extend the period of bills of exchange due within August 31, 2019, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be December 31, 2019.

According to the resolution of the Board of Directors' meeting No.8/2019 dated August 29, 2019, the Company has approved to extend the period of bills of exchange due within September 30, 2019, total 1 bill amount of Baht 412.14 million, at interest rate 6% per annum no more than December 31, 2019.

According to the resolution of the Board of Directors' meeting No.2/2020 dated February 27, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2019, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be March 31, 2020.

According to the resolution of the Board of Directors' meeting No.2/2020 dated February 27, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2019, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be March 31, 2020.

According to the resolution of the Board of Directors' meeting No.4/2020 dated April 24, 2020 the Company has approved to extend the period of bills of exchange due within March 31, 2020, total

8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be September 30, 2020.

According to the resolution of the Board of Directors' meeting No.4/2020 dated April 24, 2020 the Company has approved to extend the period of bills of exchange due within March 31, 2020, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be September 30, 2020.

According to the resolution of the Board of Directors' meeting No.8/2020 dated September 24, 2020 the Company has approved to extend the period of bills of exchange due within September 30, 2020, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be December 31, 2020. Currently, in the process of finding assets to pay off debt.

According to the resolution of the Board of Directors' meeting No.8/2020 dated September 24, 2020 the Company has approved to extend the period of bills of exchange due within September 30, 2020, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be December 31, 2020. Currently, in the process of finding assets to pay off debt.

According to the resolution of the Board of Directors' meeting No.12/2020 dated December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be March 31, 2021. Currently, in the process of finding assets to pay off debt.

According to the resolution of the Board of Directors' meeting No.12/2020 dated December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be March 31, 2021. Currently, in the process of finding assets to pay off debt.

- (3) I draw attention to Note 2.1 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-months period ended 30 September 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

6) Related Actions following the Auditor's Qualified Opinion and Emphasis of matter

Investments in bill of exchange and short-term loans, a total of 1,484 million Baht

☐ Bill of Exchange of 1,072 million Baht

In the second-quarter 2020, the Board of Director intends to call a debtor's Bill of Exchange for repayment of all obligations, which amounted to 1,072 million baht. During September 2020, Khun Supasit Pokinjarurat's group contacted about a debt repayment plan by entering into negotiations with the company. The company had a Board meeting to consider debtors' debt repayment plan under the Bill of Exchange, which was negotiated with Khun Supasit Pokinjarurat's group on 24 September 2020. The debt repayment plan will be paid in cash and property. In the case of a property must be assessed valuation (Due Diligence). The company has hired Orion Advisory Company Limited, an external consultant (Company that has not been approved by the Office of the Securities and Exchange Commission) to take into consideration and valuation submission and therefore requires a time to make a decision.

The Board of Directors considered the ability to liquidate the debtor's assets from Bill of Exchange and debt securities analysis in the ultimate shareholder. From such information in order to consider a decision by the Board of Director, the Bill of Exchange's debtor has the ability to repay debt due to the ultimate shareholder's assets value rather than debt obligations. Therefore, the Board of Director decided to approve the extended repayment of a Bill of Exchange until 31 March 2021.

☐ Loans to Krungthai Land Company Limited of 412 million Baht

In the second-quarter 2020, the Board of Director wishes to call the debtor to pay a debt on the loan amounting to 412 million baht. Management of Krungthai Land Company Limited has contacted the company to repay the loan to be paid in cash and property during September 2020. The Company has arranged a Board meeting to consider ways for receiving payments from debtors on 24 September 2020. The Board of Directors has considered ways to pay off debt so that Krungthai Land Company Limited has the ability to repay a debt to the company. The property will be used to pay off debts that have to be assessed property value (Due Diligence). The company has hired Orion Advisory Company Limited, an external consultant (Company that has not been approved by the Office of the Securities and Exchange Commission) to take into assets consideration and valuation submission. Therefore, the Board of Directors resolved to extend the repayment period to 31 March 2021.

Risk prevention policies of the Board of Directors

The company has negotiated with the debtors to pledge collateral at the end of 2018. At present, the company has not been received any collaterals or guarantees from debtors. As a result, no additional hedging policy and not considered an alternative to other investments.

The company hired the Orion Advisory Company Limited (Company that has not been approved by the Office of the Securities and Exchange Commission) to evaluate and analyze Planet Energy Holding Company Limited in accordance with the Attachment 1 Re: Debt Securities Analysis. The Planet Energy Holdings Company Limited is a Singapore fund, which is not required to prepare financial statements. Therefore, the Company has analyzed the debt securities only. In the case of loans to Krungthai Land Company Limited, there is an evidence that the annual financial statements 2019 have been audited by the auditor. The Board of Director has an opinion if the analysis repayment plan has been completed and debt settlements, the auditor will be able to express an opinion on the company financial statements.

Investments in shares of The Tarna Align Resort Company Limited (The Tarna) 125 million Baht

The Board of Director had a methodology for business auditing by Law Office of Legal Intelligence Company Limited to investigate the lawsuit of Tarna Company on 25 April 2019 and the audit result is no lawsuit. The Company hired Fast and Fair Valuation Company Limited (the Company received approval from the Office of the Securities and Exchange Commission) to assess the assets and evaluation assets are worth more than the purchase price. In this regard, the accounting department has reviewed the information on liabilities, assets and receivables completely as shown in the financial statements for the year 2019 ended 31 January 2019 which audited by the auditor. The management team traveled and inspected such place of business operation.

The lawsuit was filed at the Tarna Company after the due diligence completed and the lawsuit was filed before AQ Public Company Limited entered into a purchase and sale agreement on 5 July 2019 and this purchase and sale agreement was made on 2 September 2019. AQ Public Company Limited received the judgment after 30 April 2020 and the Tarna Company has made its appeal the case to prevent damage in this case. AQ Public Company Limited has a written notice to the seller of ordinary shares to be informed about this lawsuit without a lawsuit against the seller. In the case of the Tarna Company to compensate for damages from the lawsuit, AQ Public Company will continue to seek compensation from sale of ordinary shares due to the purchase and sell agreement stating that "The parties do not breach of agreement which have a right to claim for damages based on the actual damages". The Company will report further progress.

Coordinator name or recommended as a broker to sell a business by offering to the management of AQ Public Company Limited. The management team have taken the matter to the Board of Directors meeting on 29 August 2019. The Board resolved to approve the purchase of 1,387,500 ordinary shares in Tarna Company at a price of 90.44 baht, totaling 125.48 million baht.

Reasons for the impairment of investment in the Tarna

AQ Public Company Limited has acquired the ordinary shares of the Tarna on 2 September 2019. As at the date of purchase ordinary shares in the Tarna Company, the quarterly consolidated financial statements 3/2020 was recorded goodwill in the amount of 8.04 million baht and accounting standards will have to test for impairment of investments in group companies each year using a method based on the earnings of the Tarna Company. Test results of the monetary value to receive from the Tarna Company is lower than that recorded in the consolidated financial statements. Therefore, the consolidated financial statements have been reduced goodwill in the Tarna Company amounted to 8.04 million baht in the year 2019. As a result of the Tarna Company was filed a civil suit and the Court of First Instance ordered the Tarna Company to repay a debt of 45.32 million baht by dividing the principal amount of 37.34 million baht and interest of 7.98 million baht. The Court of First Instance had already sentenced the case, the auditor had considered the damage provision from litigation in the financial statements of the Tarna Company.

Sale of land sublease rights and building of the Bangkok Free Trade Zone project at a price of 100 million Baht

On 14 August 2010, Board meeting has been held at No.7/2020 by considering the old warehouse style and in a neighborhood with modern warehouses for rent including facilities to transport goods from the containers. In the warehouse for rent of the company's subsidiaries must be renovated and dismantled for new construction. The company must make a large amount of investment for the renovation and demolition which compared to the remaining lease term will not break even the investment cost. The Company need to invest in a rental warehouse cheap resulting in repair costs and the cost will be liable to the tenant. Therefore, it is expected that the cash flow from the project rental in the future is less than the project sales. At present, the Board of Directors resolved to approve the sale of leasehold rights and warehouses at a price of 100 million baht that the price is negotiated for entering such transaction is reasonable.

Progress on the revocation of the property management agreement and benefit sharing

On 16 October 2015, the Company entered into a property management and benefit sharing (agreement) with the Golden Technology Industrial Co., Ltd. (Golden Company) and Progress Property Management Co., Ltd. (Progress Company). The company agreed to comprehensive power of compound a debt including sale management of land as collateral for debts repayment to Krung Thai Bank. Both parties have agreed not to claim the debt and exercise of recourse against each other as collateral under the agreement and operational flexibility. The Progress Company has transferred its shares of Golden Company 5.44 million shares, representing 68% of the company.

The company reported that progress had been filed with the Civil Court to revoke the contract, which the company has fought not a breach of contract. The court verdict was on 18 March 2019 by a judge to dismiss the plaintiff and the case is being considered by the Court of Appeal (Details of the company letter No. SET. 020/2020 dated 9 June 2020). However, the notes to the financial statements 1.1 states that the Court of First Instance had read the verdict of the Appeal Court on 4 June 2020. The judge returned the company to transfer its shares held by the Golden Company 5.44 million shares to plaintiff. Subsequently, the Company filed a petition for extension period in the Supreme Court, which the court granted an extension of time until 3 September, 2020.

The Stock Exchange of Thailand requested the company to explain the progress of the revocation cases of agreement and the impact of the Appeal Court ruled that the Company transfer the shares held in Golden Company to the plaintiff. Progress lawsuit: The Company is currently awaiting the court of appeal in order to transfer the shares back to the Progress Property Company Limited (The company is considering whether to file a petition). In the case of AQ Public Company Limited has transferred 5.44 million shares of Golden Company back to the Progress Property Company, there would be no impact on the company due to the sale of land as collateral auction conducted by the Legal Execution Officer and the auction of the collateral land has been completed.

7) Progress on the execution of Supreme Court of Criminal Division for Politicians

AQ Estate Public Company Limited reported the progress on enforcement of the Supreme Court's Criminal Division Politicians and others as follows.

Lawsuit regarding the sale at public auction collateral

The company would like to notify according to the letter No. TorLor. 013/2020 dated 24 April 2020 which AQ Estate Public Company Limited reported the price of sale at public auction collateral was 8,914.07 million baht on 17 October 2018. Such securities sold at auction is divided into 3 groups as follows.

1. Group 1: The criminal case of persons holding political positions with decided case No. OrMor. 55/2015 by seizure properties and sale of land auction of Golden Technology Industrial Park Co., Ltd. was 1,768 rai. The property buyer from auction was worth 4,019.62 million baht. The buyer had placed a deposit of 201 million baht on 24 January 2019 and the buyer paid in the amount of 3818.62 million baht.

- 1.1 On September 25 2019, the AQ Estate Public Company Limited (Plaintiff) filed a lawsuit to Krung Thai Bank Public Company Limited (Bank) as the 1st with a group of 13 persons (defendants) which was a civil case requesting the bank to revise the first quarter of financial statements in 2019 by bringing the amount of 3,898.71 million baht (The deposit of 201 million baht and money from sale of land auction in the amount of 3,818.62 million baht and auction fees deductible to 120.91 baht) recorded as payment for damages in the case of the Supreme Court's Criminal Division for Persons Holding Political Positions with decided case No. 3/2012, decided case No. OrMor. 55/2015. If the defendant did not revise the first quarter of financial statements in 2019, the defendant will have to pay damages in the amount of 3,818.65 million baht. Made an appointment for settlement of issues shall be on 27 April 2020. With reference to the Coronavirus disease 2019 (COVID- 19) outbreak situation in Thailand. The Court canceled the appointment.

On 30 September 2020, the court postponed the appointment to 19 November 2020. The defendant and the plaintiff went to court. The Lawyers of Krung Thai Bank (Defendant) requested to postpone the case because Krung Thai Bank got a decision from the Office of the Council of State that they are not a state enterprise. So it had a problem that the prosecutor can defend as a defense attorney for all 13 defendants or not, and the plaintiff was discussing ways to compromise the debt to the defendant. Therefore the plaintiff does not object to the postponement of the case. The court made an appointment on 22 February 2021. And later, **the court postponed the appointment on 14 June 2021.**

- 1.2 On 26 September 2019 to 10 January 2020, the Supreme Court's Criminal Division for Persons Holding Political Positions had enforced by issuing a writ of execution to the Legal Execution Office of Civil Case for notifying to seize the right of claim 9 deposit of company accounts in four banks, totaling 69.40 million baht and some banks had seized the money in such accounts of 2.14 million baht to the Legal Execution Department on 15 October 2019 (As at 31 December 2019, the company had deposits of 4.25 million baht. The bank had confiscated in the amount of 2.14 million baht, the remaining 2.11 million baht pledged as collateral).

2. Group 2: For the civil lawsuit of decided case No. 4007/2552 and undecided branch case No. Tho. 59/2018, Krisdamahanakorn Public Company Limited was the plaintiff to file a lawsuit against Golden Technology Industrial Park Company Limited (Golden) which was the defendant as regards the deposit of land. Land in this case for sale by auction was 659-3-60 rai. The ownership of the land belongs to Golden Company, the auction buyer bought at the price of 1,261.02 million baht and placed deposit 65 million baht, the remaining balance must be paid 1,196.02 million baht. The land and its area of this case was seized and sale of land auction in the amount of 659-3-60 rai. The ownership of land belongs to Golden Company, the auction buyer bought at the price of 1,261.02 million baht and placed deposit 65 million baht, the remaining balance must be paid 1,196.02 million baht and filed a petition for revocation of sale by auction, claiming that the auction was unlawful. On 20 March 2019, the court ruled that the petitioner was only a shareholder of Golden Company and the petitioner did not have as stakeholders in the compulsory execution. In addition, the filing a petition to revoke of sale auction in this case involved or affecting the petitioner which was a judgment debtor the Central Bankruptcy case. The petitioner claims that could not make debt payments to creditors in full amount and received damage, therefore, considered as a litigation against the debtor's property. Upon the petitioner was adjudged bankrupt, the power to set up defend against the property of petitioner was only the authority of official receiver and the petitioner had no authority to file a petition in this case. The results of trial court dismissed the petition.

On 17 June 2019, K & V SRS Company Limited (Petitioner) filed an appeal against the order of the Civil Court. Currently, the Golden Technology Industrial Park Co., Ltd., (the 1 st defendant) has filed an appeal to the Court on 5 August 2019. The Court of Appeals considers the Court of First Instance on 12 March 2020.

3. Group 3: The Central Bankruptcy Court for the decided case No. Lor. 1249/2012, the property and sale of auction was 1,868-3-97.72 rai. The ownership of land was to K&V SRS Company Limited. The auction buyer bought at a price of 3,633.43 million baht, placed deposit of 182.50 million baht and the remaining must be paid in the amount of 3,450.93 million baht within 1 February 2019. K&V Company filed an objection, causing the buyer to file an objection with the court for opposing the petition of K&V Company which was between the three objections, divided as follows:

- 3.1 Undecided case No. SorLor. 365/2018 regarding the Receiver had ordered to the deed No. 610 with an area of 18 rai 83 square wah from sale by auction which was part of Miss Charoen Yookongtham in the ratio of 800.66 and conducting sale by auction. In this lawsuit, the petitioner had applied to revoke sale of auction that sale of auction was an unlawful. Made an

appointment for court's decree on 5 March 2019. The results of trial court dismissed the petition.

3.2 The Central Bankruptcy Court case about undecided case No. SorLor. 338/2018, the petitioner filed a complaint by bringing the property of petitioner to be sold combine with the land of the Golden Company unlawful and the person who wished to bid must be placed collaterals for bidding the prices in all 3 lawsuits and bidding together 3 lawsuits, therefore, requesting to temporarily suspend the sale of auction. The court dismissed a petition and K&V SRS Garden Home Company Limited (Petitioner) filed an appeal on 20 March 2019. Subsequently, the Central Bankruptcy Court ordered a hearing the order of the Court of Appeal for Specialized Cases on 3 September 2019 and not accepting the appeal. The case was final.

3.3 Undecided case No. SorLor. 438/2018, regarding the revocation sale of land auction of the 2nd debtor (K&V SRS Garden Home Co., Ltd.) In this lawsuit, the objection filed a petition for revocation sale by auction which was an unlawful and requests to temporarily suspend enforcement. The court had already examined the witnesses and scheduled to hear the verdict on 14 May 2019. The Central Bankruptcy Court issued an order lifting the petition of the petitioner.

Currently, the buyer of collateral land has filed a court case to pay the remaining upon the case completion of the amount which required to settle outstanding 4,646.95 million baht. In 2020, the buyer already made the payment to Krungthai Bank.

Lawsuit against the property management agreement

1. Case of the civil court case for undecided case No. Phor. 240/2018 between Progress Property Co., Ltd., was the plaintiff to file against AQ Public Company Limited as the 1st with a group of 13 persons and requested to terminate the property management agreement by claiming that all three defendants were breach of contract. In this regard, the three defendants had fought with such conditions clearly the responsibilities of each party. AQ company had been carrying out their duties and Court of First Instance dismissed the plaintiff on 17 June 2019. The case is being considered by the Court of Appeal. The plaintiff filed an appeal of the judgment. And on 18 July 2019, all three defendants submitted an appeal. Later on June 4, 2020, the court of the first instance read the verdict of the appeals court with the judgment that Defendant No. 1 shall transfer the shares of Golden Technology Industrial Park Co., Ltd., of 5,440,000 shares back to the plaintiff. The case was terminated.
2. The case of AQ Estate Public Company Limited has sued Golden Technology Industrial Park Company Limited and Progress Property Company Limited (Co-defendant) is a civil case in order

to collect the money which AQ company has paid for the reserve under property management agreement in the amount of 75 million baht. The court has scheduled to strike prosecution witnesses on 26-27 May 2020 and examining defendants on 28 May 2020 and examining interpleader on 29 May 2020 and to hear the verdict on 29 July 2020. Because the COVID 19, the court canceled the appointment and the appointment of witnesses on 3 December 2020 and 4 December 2020. In this case, the Court of First Instance read the verdict on January 14, 2021, that Golden Technology Company has to pay 52,381,259.93 Baht to AQ Estate PLC, with interest at 7.5% per year and a lawyer fee of 30,000 Baht. Currently, it is in the process of extending the period of submission of the plaintiff's complaint.

Other cases

1. The civil court case was undecided No. Mor.Yo 49/2019 between Vitoonthanakorn Company Limited, the plaintiff and Mr. Jesada Yindee as the 1st and Mrs. Pichitra Yindee in case of breach of loan agreement (according to property management agreements and share the benefits). Both parties agreed to enter into a compromise agreement and the court gave the following consent judgment as follows:

- 1.1 Both defendants admitted that the plaintiff owed amount 32,863,561.64 baht.
- 1.2 Both defendants agreed to transfer the land title deed and a certificate of utilization (Nor Sor Kor) in total of 6 plots with buildings for the plaintiff. The two defendants accept that the land was not attached to any obligations or did not involve any offense follows.
 - Utilization Certificate (Nor Sor 3 Kor), No. 2788, Land No. 196, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 51 rai 3 ngan 60 square wah.
 - Utilization Certificate (Nor Sor 3 Kor), No. 2789, Land No. 197, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 25 rai 3 ngan 80 square wah.
 - Utilization Certificate (Nor Sor 3 Kor), No. 2254, Land No. 169, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 10 rai 1 ngan 40 square wah.
 - Utilization Certificate (Nor Sor 3 Kor), No. 2192, Land No. 186, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 12 rai 2 ngan 80 square wah.
 - Utilization Certificate (Nor Sor 3 Kor), No. 3621, Land No. 236, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 8 rai 32 square wah.
 - Utilization Certificate (Nor Sor 3 Kor), No. 3622, Land No. 237, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, area of 5 rai 2 ngan 48 square wah.

This will transfer to be completed within 30 days from the date of 17 October 2019. On 18 October 2019, both defendants brought the plot of land that had to be transferred to the

plaintiff back for sale with a third party. So the plaintiff sued as a criminal offense for defrauding creditors at the North Bangkok District Court, it is a black case No.Or. 3882/2563. The court scheduled a data inquiry on 16 November 2020. Later, on the date of the appointment, both defense lawyers requested to postpone the case. The court has postponed the date of the data hearing to be filed on 22 March 2021, on this day, the court made an appointment with the two defendants for a hearing on 8 June 2021.

- 1.3 According to the indictment in this case, both defendants registered to mortgage the land as collateral for loans by registering the mortgage deed No. 17056,17078 Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province and Utilization Certificate (Nor Sor 3 Kor), No. 2185, Lat Bua Khao Subdistrict, Si khiu District, Nakhon Ratchasima Province, and title Deed No.169326, Bang Kaew Subdistrict, Bang Phli District (Phra Khanong), Samut Prakan Province, with the plaintiff. Currently, the delivery deadline has elapsed. The company allows the receivership officials and land employees to seize.
2. According to the resolution of the Board of Directors' Meeting No. 9/2014 on 26 September 2014, the Board of Directors had approved the investment in Villa Nakarin Company Limited and the share purchase agreement had specified the calculating returns by actual costs and expenses at the end of project not over 30 months from the date of agreement which was due date on 31 March 2017. The Company's management estimated the debt payment to shareholders in the amount 46.17 million baht on due date. The company reported the operating results to the existing shareholders of Villa Nakarin Company Limited that Villa Nakarin Company Limited had the operating loss results and not in accordance with the plan. The company will cancel about returns, but the shareholders requested that the completed project would have to be agreed again (AQ ARBOR Suanluang Rama 9-Pattanakarn Project. Currently, development projects are progressing 83.92 % and the project is under construction, with its total of 49 plots of land into 24 plots).
3. For undecided No. 21/2008and decided No.4007/2019 dated 25 April 2019, Krisadamahanakorn Plc. (Name while suing) was the plaintiff suing Golden Technology Industrial Park Company Limited as a defendant for breach of agreement to refund of 654 million baht with interest as of 31 July 2009. Court of First Instance sentenced Golden to return the principal amount of Baht 654 million plus interest from the date of filing. AQ Plc. had a letter requesting the Samut Prakan executing officer to seize 24 land title deed, according to the judgment of such land sold at auction. After the debt payment to Krung Thai Bank is complete, the remaining balance will be averaged to pay the deposit.

Civil case between Golden Company Limited and Krung Thai Bank

- The civil case at civil court between Krung Thai Bank Public Company Limited is the plaintiff with the Golden Technology Industrial Park Company Limited as the 1st with a group of 4 persons of undecided case No. Thor. 68/2006 and decided case No. Thor. 2687/2007. The court of Appeals upheld judgment of the Court of First Instance to settle the Golden 8,409.60 million baht including with interest of the principal amount of 8,368.73 million baht from the date of 31 May 2004 onwards until complete repayment date on 25 December 2018. The 1st defendant (Golden Company) had filed a petition then. The case is currently being considered by the Supreme Court. **At 5 May 2020 The Supreme Court considered standing by the Court of First Instance.**

The case is final. For this civil case, it has no effect on AQ. Because the Golden Technology Industrial Park Co.,Ltd. is neither subsidiary nor associated company of AQ.

14.2 Operating results and profitability

AQ Estate Public Company Limited and its subsidiaries have an operating result for the year 2020 with a net loss of (391.89) million Baht. In the same period of the year 2019, the Company's net loss was (186.37) million Baht. It changed from the year 2019 (205.52) million Baht which changed more than 20% by the following reasons:

Revenues

In Thousand Baht	2020	Changed (%)	2019	Changed (%)	2018
Revenues from sales of property	406,552	(16.36)	486,066	21.57	399,816
Income from hotel business	98,522	(25.03)	131,411	30.46	100,727
Revenues from property rental operations and related services	20,618	(3.88)	21,451	4.61	20,506
Total revenues from sales and services	525,692	(17.72)	638,928	22.62	521,049
Other income	60,415	(55.11)	134,574	(55.64)	303,379
Total revenues	586,107	(24.23)	773,502	(6.18)	824,428

1) Revenues from sales and services

Revenues from sales and services of the company and its subsidiaries were Baht 525.69 million for the year 2020, compared with Baht 638.93 million in the year 2019, representing a decrease of Baht (113.24) million or (17.72)% because the following reasons:

- Revenues from sales of the property in the year 2020 were 406.55 million Baht which decrease by (79.51) million Baht or (16.36)% compare to the year 2019 of 486.07 million Baht. The main reason is revenues from sales of the property decreased because

purchasing power in the country tends to be sluggish in line with the economic conditions which were severely affected by the epidemic of Covid-19.

□ Income from the hotel business of the Company and its subsidiaries in the year 2020 was 98.52 million Baht which decreased by (32.89) million Baht or (25.03)% compared to the year 2019 of 131.41 million baht because the hotel started operating after the epidemic of COVID-19.

□ Revenues from property rental operations and related services in the year 2020 were 20.62 million Baht which decrease by (0.83) million Baht or (3.88)% compared to the year 2019 of 21.45 million Baht.

2) Other income

Other income of the Company and its subsidiaries for the year 2020 was 60.42 million Baht which decreased by (74.16) million Baht or (55.11)% compared to the year 2019 of 134.57 million Baht.

The main reason is that in 2020, interest income is reduced with details as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Management fee income	14,901	11,641	17,200	19,800
Interest income	12,032	95,036	125,645	217,462
Revenue from doubtful debt refunded	-	-	169,616	24,807
Rental income	3,608	4,039	13,830	14,536
Revenue from sale of merchandises in convenient store	10,950	12,017	-	-
Others	18,924	11,841	1,913	1,696
Total	60,415	134,574	328,204	278,301

Expenses

In Thousand Baht	2020	Changed (%)	2019	Changed (%)	2018
Costs of property sold	(341,828)	(8.08)	(371,891)	35.62	(274,206)
Costs of service from hotel business	(192,727)	(3.53)	(199,772)	23.78	(161,398)
Cost of property rental operations and related services	(9,382)	(12.04)	(10,666)	9.81	(9,713)
Total cost of sales and services	(543,937)	(6.59)	(582,329)	30.77	(445,317)
Distribution costs	(43,168)	2.72	(42,025)	11.50	(37,689)
Administrative expenses	(379,434)	13.45	(334,447)	25.45	(266,603)
Finance cost	(11,408)	757.10	(1,331)	878.68	(136)
Tax income (expenses)	(49)	(118.85)	260	27.45	204
Total expenses	(977,996)	1.89	(959,872)	28.06	(749,541)

1) Cost of sales and services

Cost of sales and services in the year 2020 was 543.94 million Baht, compared with the year 2019, which was 582.33 million Baht, decreased by (38.39) million Baht or (6.59)%. It was consistent with lower sales and service income with details of the cost-income ratio as follows:

- (1) Costs of property sold were 84.08% of revenues from sales of property. The cost ratio increased from the last year which was 76.51% because in 2020 the company had costs of property sold increased from the promotions to stimulate sales in the sluggish economy.
- (2) Costs of service from hotel business were 195.62% of income from the hotel business. The cost ratio increased from the last year which was 152.02%. because in 2020 the hotel business was impacted by the epidemic of COVID-19. The income decreased but it still had regular expenses.
- (3) The cost of property rental operations and related services was 45.50% of revenues from property rental operations and related services. The cost ratio decreased from the last year which was 49.72%.

2) Distribution costs

The Company and its subsidiaries had distribution costs of 43.17 million Baht, which was increased from the last year by 1.14 million Baht or 2.72%. Because of the year 2020, the company has increased distribution costs to stimulate sales in the sluggish economy.

3) Administrative expenses

The Company and its subsidiaries had administrative expenses of 379.43 million Baht, which was increased by 44.99 million Baht or 13.45% because of personnel costs and prosecution costs increased.

4) Finance cost

The Company and its subsidiaries had a financial cost of 11.41 million Baht, which increase from the last year by 10.08 million Baht because in the year 2020, the Company and its subsidiaries loaned from financial institutions.

5) Income tax income (expense)

The Company and its subsidiaries had income tax expenses of (0.05) million Baht, which was changed from the last year by (0.31) million Baht or (118.85)% according to TAS 12 (revised 2014) income tax.

PROFITABILITY RATIO		2020	2019	2018
Gross profit margin	(%)	(3.47)	9.33	14.53
Operating profit margin	(%)	(72.37)	(28.85)	9.08
Other income ratio	(%)	10.31	17.32	36.80
Cash to profitability	(%)	N/A	N/A	165.24
Net profit margin	(%)	(66.86)	(23.99)	9.08
Return on equity	(%)	(11.94)	(5.22)	2.06

The gross profit margin was (3.47)%, which decreased from the year 2019 that the gross margin was 9.33%. Because the cost of sales and services ratio increased compared to the last year. In 2020, the Company had the cost of sales and services of 103.47% from the promotions to stimulate sales in the sluggish economy. Besides the hotel business was also affected by the epidemic of COVID-19. The income decreased but it had regular expenses, making the gross profit decreased.

The operating profit margin was (72.37)%, which decrease from the year 2019 which had an operating profit margin of (28.85)%. The main reasons were the year 2020 the Company and its subsidiaries had decreased gross profit, while the cost of distribution increases from stimulating sales in a sluggish economy and increased personnel costs and litigation costs.

The other income ratio was 10.31%, which decreased from the year 2019 which had the other income ratio of 17.32% because the Company and its subsidiaries had other income decreased from the year 2019 by (74.16) million Baht from decreased interest income.

The net profit margin was (66.86)% and the return on equity was (11.94)%, decreasing from the last year because the year 2020, the company has a net loss (391.89) million Baht from gross profit and other income decreased. While the company has increased expenses because purchasing power in the country tends to be sluggish in line with the economic conditions which were severely affected by the epidemic of Covid-19.

14.3 Ability to manage assets

1) Receivables Management

In 2020, the Company had trade and other current receivables of 256.44 million Baht, which increase by 79.08 million Baht or 44.59% composed of trade accounts receivable - net of 3.59 million Baht and other current receivables - net of 252.85 million Baht with overdue trade receivables over 12 months of 4.36 million Baht, which decreased from the last year of (1.47) million Baht.

Trade and other current receivables are stated at their invoice value less allowance for expected credit losses. The allowance for expected credit losses is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts. The AQ Estate Group provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables with details as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Other companies – net				
- Trade account receivables – net	3,588	11,154	-	-
- Other receivables – net	252,852	166,205	53,308	70,627
Total	256,440	177,359	53,308	70,627
Related companies – net (Note 7)				
- Trade account receivables – net	-	-	243,217	243,217
- Other receivables – net	-	-	577,872	861,788
Total	-	-	821,089	1,105,005
Trade account and other account receivables – net	256,440	177,359	874,397	1,175,632

The aging analyses of trade and other account receivables - other companies as at December 31, 2020 and 2019 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Trade account receivables - other companies				
Within credit term	29	-	-	-
Overdue				
- Not over 3 months	2,930	3,210	-	-
- Over 3 months to 6 months	1,220	808	-	-
- Over 6 months to 12 months	1,565	1,533	-	-
- Over 12 months	4,358	5,831	-	-
Total trade account receivables	10,102	11,382	-	-
Less Allowance for doubtful accounts	(6,514)	(228)	-	-
Net	3,588	11,154	-	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Other current receivables				
Other receivables (Note 14)	57,704	7,052	319	660
Revenue department receivables	31,212	34,342	-	-
Advance payment for construction	23,005	42,857	19,671	20,158
Accrued interest receivables	29,999	47,002	29,996	46,984
Prepaid expenses	3,846	13,607	2,148	2,143
Deposit of land (Note 9.1)	90,500	5,000	-	-
Others	17,954	17,713	2,542	2,050
Total	254,220	167,573	54,676	71,995
<u>Less</u> Allowance for doubtful accounts	(1,368)	(1,368)	(1,368)	(1,368)
Net	252,852	166,205	53,308	70,627
Trade account and other receivables related companies (Note 7)	-	-	821,089	1,105,005
Trade account and other receivables net	256,440	177,359	874,397	1,175,632

Deposit of land

On May 21, 2019, subsidiary (Thanon property Co.,Ltd) contract for deposit of land with a non-related person amount of 1 chanot square 1 ngan 35 square wah, agree to pay deposit for purchase land Baht 5 million term in 3 periods as follow ;

1. 1st amount Baht 1 million. On the date of signing contact.
2. 2nd amount Baht 1 million. Paid within May 31, 2019
3. 3rd amount Bath 3 million. Paid within June 30, 2019

On February 21, 2020, the subsidiary contracts for the land sale and purchase agreement with a non-related person Amounting to Baht 108 million, terms of payment transactions are divided into 2 installment as follow ;

Installment 1 payment amounting to Baht 6,000,000 from the date of the contract to purchase this land and the payment for the study of information is 5,000,000 Baht as part of the settlement of the contract to purchase this sale and in combination with the 1st installment payment of Baht 6,000,000, totaling 11,000,000 Baht.

Installment 2 The remaining price is 97,000,000 Baht, payable within 1 year from the date of the contract to purchase this land by paying as a cashier's cheque or transferring funds to the seller's account, along with the purchase agreement and registration of the transfer of ownership of land at the Bangkok Land

Office, Phra Khanong Branch. (Approved by the resolution of the board of directors meeting No. 1/2020 on February 21, 2020.) As at December 31, 2020, the subsidiary company paid land for purchase and sale agreement amounting to Baht 90.50 million and has obligation under such agreement amounting to Baht 17.50 million.

On February 15, 2021, The Company has made a letter requesting to extend the payment period in the second installment contract for another 6 months, which will expire on August 15, 2021.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

2) Inventory and deterioration or obsolescence

In the year 2020, the Company had inventories of 1,679.76 million Baht, decreased (282.42) million Baht or decreased (14.39)% compared to the last year.

Inventory Valuation

- ☐ Inventories of real estate business are valued at the lower of cost by using specific method or net realizable value.
- ☐ Inventories of service business are values at the lower of cost by using the moving average method or net realizable value.
- ☐ Cost of inventory for real estate business comprises all cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.
- ☐ Cost of service business comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.
- ☐ Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.
- ☐ The AQ Estate Group provides an allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

- ☐ The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Details are as follows:

(Unit : Thousand Baht)				
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<u>Inventories in real estate business</u>				
Cost	1,849,166	2,156,305	1,019,703	1,116,806
Less: allowance of declining value	(265,506)	(289,937)	(63,736)	(70,013)
Net	1,583,660	1,866,368	955,967	1,046,793
Inventories in food and beverage business	14,595	14,304	-	-
Total	1,598,255	1,880,672	955,967	1,046,793
<u>Land held for development</u>				
Balance as at January 1,	180,586	180,586	139,779	139,779
Addition	-	-	-	-
Balance as at December 31,	180,586	180,586	139,779	139,779
Allowance for declining value	(99,086)	(99,086)	(93,779)	(93,779)
Land held for development-net	81,500	81,500	46,000	46,000
Total inventories - net	1,679,755	1,962,172	1,001,967	1,092,793

As at December 31, 2020 and 2019, the partial of land held for development at cost amount of Baht 5.02 million with net book value amount of Baht 5.02 million are pledged at the Court for litigation.

During the year ended December 31, 2020, the AQ Estate Group have following movements in real estate under development.

(Unit : Thousand Baht)		
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2020	1,866,368	1,046,793
Recorded cost of construction and utility cost during the year	53,366	15,024
Purchase during the year	5,753	5,753
Transferred to be cost of goods sold during the year	(366,258)	(117,880)
Write-down of merchandises recognized as a part of cost of sales during the year	24,431	6,277
Balance as at December 31, 2020	1,583,660	955,967

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

	(Unit : Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2020	289,937	70,013
<u>Less</u> Reversal of allowance of diminution in value of inventories	(24,431)	(6,277)
Balance as at December 31, 2020	265,506	63,736

As at December 31, 2020, the reversal of allowance of diminution in value of inventories amount of Baht 265.51 million in Consolidated Financial Statements and amount of Baht 63.74 million in Separate Financial Statements.

In 2020, The Group has engaged several independent asset valuation companies for appraisal projects that are under development. Comparing the data with the market and the cost method. Some projects value lower than the book value. The Group have already recorded the allowance for diminution in the financial statements.

The AQ Estate Group have mortgaged certain land and structures thereon to secure loans as discussed in Note 27.2 and pledged at Court for litigation of the AQ Estate Group, of which net book values as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Loans from financial institution				
(Note 27.2)	265,515	268,881	-	-
Pledged at Court for litigation	-	-	-	-
Total	265,515	268,881	-	-

On April 28, 2016 and May 18, 2016, the Company has entered into the Commission Fee and the Sole Agency with a local non - related company to sell collateral land of the lawsuit as discussed in Note 1. The commission fee is 2.5 % of the total agreed purchase price and the sole agent fee is 1.5 % of the total agreed purchase price but not over than amount of Baht 150 million. Such company will receive the payment of those fees only when successfully sale of such land. However, on June 16, 2016 this company changed the payment term of sole agent fee by asking the Company to make a payment on a monthly basis amount of Baht 1.50 million per month for 4 months since June to September 2016,

totaling Baht 6.0 million. Total monthly sole agent fee is considered as a part of sole agent fee to be paid to such company.

On October 27, 2016 the company issued the letter one contractor to terminate one construction contract effective on November 1, 2016. As at September 30, 2016 the Company still had a commitment with respect to the construction contract of Baht 453.41 million. On November 16, 2016 the contractor asked for pending advance payment of Baht 80,013,403.32 (balance as at July 31, 2016) which would be treated as payments for the following items.

1. Construction works in August 2016 amount of Baht 35,867,382.16
2. Construction works in September 2016 amount of Baht 29,763,708.64
3. Accumulated retentions until September 2016 amount of Baht 11,360,420.10
4. Additional works amount of Baht 3,052,667.74

The contractor provided the details of expenses including materials, dismantling expenses, and etc. The amount of Baht 23.44 million and claimed for loss compensation amount of Baht 70.42 million. Presently, the Company is in the process of works inspection and negotiates with the contractor.

However, based on the results of works inspection, the Company will pay for Clause 2 amount of Baht 28,986,169.66 only. The pending advance will be used for net offsetting with the items in Clause 1 and 2.

Clause 3 amount of Baht 11,321,543.15, the Company has not yet considered this item.

Clause 4 amount of Baht 3,052,667.74, the Company has assigned a working team to assess the actual value of such additional works.

The Company has been sued in addition; the board of directors had a resolution to refund reservation fees for customers who want to terminate the reservation contracts of the project.

On October 1, 2018, the subsidiary was sued by Mctric Public Company Limited, a contractor in the property development project that the company requested to stop construction, undecided case No. Por. 5671/2018, in case of breach contract of work, claim for damages. According to the date of February 4, 2019, which the day for settlement of issues and set the prosecution date or witness examination of the plaintiff. The court has already queried both parties and then both parties agreed with allowing the court to submit expressions to the Mediation and Conciliation Center of the Civil Court and a mediation appointment was on July 11, 2019, and on the day of the appointment, the court examined the indictment and testimony and then determined the issue of the dispute as follows: 1. Does the plaintiff have the power to sue? 2. Did the defendant breach the contract? 3. Did the plaintiff

correctly request to terminate the contract by legal? 4. The defendant is liable to pay damages to the plaintiff. The parties have requested to postpone the mediation again on August 26, 2019. Both cannot reach an agreement, the courts meeting schedule the hearing date on March 24-26, 27 and 31 March 2020. The appointment hears the judgment on May 29, 2020. The court has postponed the date of arbitration to July 1, 2020 due to the issue of Covid 19. On July 1, 2020, the hearing of the plaintiff's witnesses is held on 18-20, November 2020, and the defendant's witnesses are conducted on 24 and 27, November 2020. On October 19, 2020, the plaintiffs and the defendants have agreement. They filed to the court for schedule had to compromise agreement and consent judgement.

The subsidiary was sued by Mctric Public Company Limited. undecided Case No. Por. 1726/2019. amount sued Baht 37,665,617.72 (Shasa Retreat Hotel Soonvijai project), the day for settlement of issues on July 22, 2019 and that day. The court has examined the expression and it appears that the testimony and counterclaims have not been submitted to the plaintiff. The plaintiff has not submitted a statement to resolve the counterclaim. Therefore, unable to point out problems, so to postpone the appointment of the new day for settlement of issues on September 23, 2019. The case, the defendant are counterclaims to the plaintiff to get payment amount of Baht 108,202,728.48 with interest 15% per annum for amount of Baht 106,663,506.56. Both cannot reach an agreement, the courts meeting schedule the hearing date on May 20-22 and May 26-27, 2020. The appointment hears the judgment on July 29, 2020. The court has postponed the date of arbitration to July 1, 2020 due to the issue of Covid 19. On July 1, 2020, the hearing of the plaintiff's witnesses is held on 8-9 and 11, December 2020, and the defendant's witnesses are conducted on 16-17, December 2020. This case, the defendants withdraws the lawsuit because the two sides have had to compromise agreement on civil black case number Por.5671/2018.

And undecided case No. Por. 1727/2019, amount sued Baht 25,470,331.32 (Shasa Retreat Hotel Soonvijai project), the day for settlement of issues on July 22, 2019, and that day, the plaintiff's lawyer filed a petition requesting the court to mediate this case together with the undecided case No. 5617/2018 and undecided case No. Por 1726/2019. The plaintiff's lawyer stated that he requested to submit a statement to resolve within 30 days. The court then allowed the plaintiff to submit a statement to resolve the counterclaim within August 21, 2019 and to postpone the day for settlement of issues on October 7, 2019. Both cannot reach an agreement, the courts meeting schedule the hearing date on April 28-30, 2020, 1 and 5 March 2020. The appointment hears the judgment on July 8, 2020. The court has postponed the date of arbitration to May 26, 2020 due to the issue of Covid 19 and the courts will be meeting on June 29, 2020. On June 29, 2020, the hearing of the plaintiff's witnesses is held on 20-22,

October 2020, and the defendant's witnesses are conducted on 29-30, October 2020. This case, the defendants withdraws the lawsuit because the two sides have had to compromise agreement on civil black case number Por.5671/2018.

According to the resolution of the Board of Directors Meeting No. 9/2020 held on October 15, 2020, approved a settlement with MacTrick Public Company Limited in the amount of Baht 12,000,000 million with payment amount of Baht 3,000,000 million within October 31, 2020 and the rest pay 1,000,000 baht per month and return 4 letters of guarantee to McTrick Public Company Limited via McTrick Company Limited Public must deliver construction equipment worth Baht 3,824,611.26 million within 60 days after making the compromise agreement at the court. The subsidiary company entered into a compromise agreement on October 19, 2020 and if MacTric Public Company Limited fails to deliver construction equipment to the said value. The company will continue to deduct from the money that the company has to pay. As of October 29, 2020, the subsidiary company has delivered the first check and received 4 original bank guarantees.

On December 31, 2020, the subsidiary has obligations under the compromise agreement amounting of Baht 7 million.

3) Other current financial assets

In 2020, the Company had other current financial assets of 1,072,160 million Baht, which was no change compared to the last year with details as follows.

	(Unit : Thousand Baht)
	Consolidated /Separate
	Financial Statements
	Bill
Balance as at January 1, 2020	1,072,160
Increase (decrease) during the year	-
Balance as at December 31, 2020	1,072,160

Detail of outstanding bills as at December 31, 2020

(Unit: Thousand Baht)				
Consolidated Financial Statements / Separate Financial Statements				
Name	No.	Due Date	Amount	Date of payment after the period
Planet Energy Holdings Pte., Ltd.	PLN025/2020	March 31, 2021	420,377	-
Planet Energy Holdings Pte., Ltd.	PLN026/2020	March 31, 2021	254,647	-
Planet Energy Holdings Pte., Ltd.	PLN027/2020	March 31, 2021	59,528	-

(Unit: Thousand Baht)

Consolidated Financial Statements / Separate Financial Statements

Name	No.	Due Date	Amount	Date of payment after the period
Planet Energy Holdings Pte., Ltd.	PLN028/2020	March 31, 2021	96,579	-
Planet Energy Holdings Pte., Ltd.	PLN029/2020	March 31, 2021	85,675	-
Planet Energy Holdings Pte., Ltd.	PLN030/2020	March 31, 2021	75,296	-
Planet Energy Holdings Pte., Ltd.	PLN031/2020	March 31, 2021	69,762	-
Planet Energy Holdings Pte., Ltd.	PLN032/2020	March 31, 2021	10,296	-
Total			1,072,160	

According to the resolution of the Board of Directors' meeting No. 10/2017 held on July 11, 2017, the Board of Directors approved the Company to invest in debt securities of three unrelated companies totaling Baht 1,600 million (unsecured), bearing interest rate 5.0 - 6.0 per annum to maturity date August 11-17, 2017. The Company has renewed the bond issuance period of Baht 1,600 million until the end of November 2017 (according to the resolution of the Board of Directors Meeting No. 14/2017) and the Company has renewed some debt instruments for Baht 500 million until June 30, 2018 (According to the resolution of the Board of Directors' meeting No. 3/2018 dated March 21, 2018).

According to the resolution of the Board of Directors' meeting No.15/2017 held on November 14, 2017 approved to reduce the burden on the company and the Company has entered into an agreement to appoint a private fund management company with an unrelated company to manage the investment in short-term bills of exchange for not exceeding 6 months Fund management fee is charged at 0.25% per annum of the fund's net asset value at the end of the day as a base for calculate on November 13, 2017 the Company transferred assets of Baht 1,100 million for the establishment of private funds.

According to the resolution of the Board of Directors No.3/2018, on March 21, 2018 resolved to cancel the contract with Solaris Asset Management Co., Ltd. for the private fund management and to request for securities return that effective on March 22, 2018. The Company received the securities of net amount after deduction fees and expenses on March 28, 2018.

According to the resolution of the Board of Executive meeting No.19/2017 held on September 18, 2017 the Board approved the subsidiary to invest in debt securities of one unrelated company amounting to Baht 200.79 million (unsecured), bearing interest rates ranging from 5.5 percent per annum to maturity date February 28, 2018 and the Company has renewed the debt securities until June 30, 2018 (According to the resolution of the Board of Directors' Meeting No. 3/2018 on March 21, 2018).

According to the resolution of the Board of Directors' Meeting No.6/2018 held on June 30, 2018, the Company and its subsidiaries provided financial assistance to two unrelated parties. The borrowers have informed the Company of their intention that they will not roll over their bill of exchange. However, they would like to enter into a loan agreement with the Company instead of the repayment under the bills of exchange to the Company within June 30, 2018. The loans are amounting Baht 514.60 million and Baht 204.40 million, interest rate 6.0 % per annum and 5.5 % per annum respectively, and loan and interest repayment date on December 28, 2018. (Note 6)

According to the resolution of the Board of Directors' meeting No.6/2018 dated June 30, 2018 the Company has approved to extend the period of bills of exchange due within April to July 2018, total 3 bills amount of Baht 118.46 million for 6 months discount rate of 6.5% per annum no more than December 28, 2018.

According to the resolution of the Board of Directors' meeting No.8/2018 dated August 14, 2018 the Company has approved to extend the period of bills of exchange due within August and September 2018, total 7 bills amount of Baht 1,027.57 million, interest Baht 17.65 million, discount rate of 6.5% per annum to be November 30, 2018.

According to the resolution of the Board of Directors' meeting No.13/2018 dated November 28, 2018 the Company has approved to extend the period of bills of exchange due within December 28, 2018, total 8 bills amount of Baht 1,066.89 million, discount rate of 6.50% per annum to be January 31, 2019.

According to the resolution of the Board of Directors' meeting No.1/2019 dated January 31, 2019 the Company has approved to extend the period of bills of exchange due within January 31, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate of 6.50% per annum to be February 28, 2019.

According to the resolution of the Board of Directors' meeting No.2/2019 dated February 28, 2019 the Company has approved to extend the period of bills of exchange due within February 28, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate of 6.50% per annum to be June 30, 2019.

According to the resolution of the Board of Directors' meeting No.6/2019 dated July 1, 2019 the Company has approved to extend the period of bills of exchange due within June 30, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be August 31, 2019.

According to the resolution of the Board of Directors' meeting No.8/2019 dated August 29, 2019 the Company has approved to extend the period of bills of exchange due within August 31, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be December 31, 2019.

According to the resolution of the Board of Directors' meeting No.2/2020 dated February 27, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be March 31, 2020.

According to the resolution of the Board of Directors' meeting No.4/2020 dated April 24, 2020 the Company has approved to extend the period of bills of exchange due within March 31, 2020, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be September 30, 2020.

According to the resolution of the Board of Directors' meeting No.8/2020 dated September 24, 2020 the Company has approved to extend the period of bills of exchange due within September 30, 2020, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be December 31, 2020.

According to the resolution of the Board of Directors' meeting No.12/2020 dated December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be March 31, 2021. In the meantime, Planet Energy Holdings Pte., Ltd. has presented assets for debt settlement, the financial advisor analyzes the status of that company.

As at December 31, 2020, the Company has investment in bills of exchange of Planet Energy Holdings Pte., Ltd. amount of Baht 1,072.16 million. Last investment in bill of exchange which due date on March 31, 2021. The Company has appraised to predictive to receive from the analysis of such company's debt on May 5, 2020, the Company believe that the authorizer and the final shareholder's asset of such company is Baht 1,810.76 million. Which is over than amount of such company's bills of exchange, and the Company's management believe that able to receive by whole amount, so the Company do not record for allowance for doubtful debt.

4) Progress on deposit of bill of exchange and loans

As AQ Estate Plc. (AQ) increased and allotted the shares to the private placement on July 2017 for the amount of 3,632 million Baht in order to use the increased capital to pay debt to Krungthai Bank Plc. (KTB) according to the order from the Supreme Court's Criminal Division for Persons Holding Political Position and it has already paid for 1,636 million Baht and the remaining increased capital is 1,996 million Baht. During the same period, the Board of Directors approved for the investment in the bill of exchange (B/E) for 1,600 million Baht and empowered the Board of Executive Directors to consider the investment in debt instruments in the companies that have good financial status with the limit of each investment of not greater than 500 million Baht and it can roll the B/E of the companies which have already approved by the Board of Directors. The Board of Executive Directors has the power to consider

the investment in the corporate bonds of the companies which have clear source of fund to repay and low risk and to consider the extension of the investment for 15-30 days of each period in order for the Company to redeem the fund to pay for debt in time. The Company has invested in the B/E of 5 companies and when due, it has extended the investment in B/E every time.

As of 31 December 2020, the remaining capital increase amount THB 1,484.30 million was invested in BFixed the bill of exchange and loan with details as follows.

No.	Issuers/Loan agreement	Issued Number	Issue Date	Maturity Date	Yield	Amount (Baht)	
1	Krungthai land development Co., Ltd.)	Loan		31-Mar-21	6	412,144,693.51	
2	Planet Energy Holding Pte.,Ltd (PEH)	PLN025/2020	31-Dec-20	31-Mar-21	6.5	420,376,984.22	
		PLN026/2020	31-Dec-20	31-Mar-21	6.5	254,646,797.01	
		PLN027/2020	31-Dec-20	31-Mar-21	6.5	59,527,822.67	
		PLN028/2020	31-Dec-20	31-Mar-21	6.5	96,579,142.41	
		PLN029/2020	31-Dec-20	31-Mar-21	6.5	85,674,592.00	
		PLN030/2020	31-Dec-20	31-Mar-21	6.5	75,296,505.00	
		PLN031/2020	31-Dec-20	31-Mar-21	6.5	69,762,134.47	
		PLN032/2020	31-Dec-20	31-Mar-21	6.5	10,296,032.72	
	Total						1,484,304,704.01

Return on bills of exchange and loans as of 31 December 2020. The details are as follows.

No.	Company	Return on Investment (Baht)
1	Krung Thai Land Development Co., Ltd.	93,810,620.00
2	Thai Filatex Public Co., Ltd.*	12,899,136.97
3	Vintage Engineering Public Co., Ltd.*	16,716,725.95
4	Planet Energy Holdings Pte. Ltd.	203,394,733.77
5	East Coast Furnitech Public Co., Ltd.*	7,147,894.28
Total		333,969,110.97

* However, Thai Filatex Plc., Vintage Engineering Plc. and East Coast Funitech Plc. do not have any liabilities to the company.

The Board considered that the Company does not need to use the funds yet, including both companies have the potential to pay back debt, so the said lending is appropriate. The payment of damages according to the Supreme Court's judgment of the Politician Criminal Division for KTB, is still in a process of auction of 4,300 rai of land. The price of such land is likely to exceed the remaining damages of 8,368.73 million Baht. because the Legal Execution Department set the selling price of

8,850 million Baht. Therefore, the Company still believes that the selling price must be higher than the Legal Execution Department determined for sale.

The Board of Directors gave the management a policy to prevent further risks, both closely monitor the operating status of investment firms and short-term lending as well as to find ways to negotiate for collateral and/or additional guarantees and assigned the management team to find other investment options for use in future consideration.

However, the auditor's report with a qualified opinion for the second-quarter 2020 financial statements evaluated the adequacy of an allowance for doubtful accounts of investments in the Bill of Exchange and short-term loans, totaling 1,484 million baht from the financial statements 2018 to the current period. For reasons that are not supported by evidence and how to determine the other, the auditor's report stated the latest Planet's Financial Statements received by the company (Financial statements had not been audited by the auditor for the year 2018) that assets of Planet Company amounted to USD 170.43 million and shareholders' equity of USD 113.59 million. The Company believes that the property of authorized persons and ultimate shareholders of such companies totaled 1,810.76 billion baht, according to an analysis of debt securities on 5 May 2020. As for Krungthai Land, the audited annual financial statements for the year 2019 was shareholders' equity of 100.53 million baht and a temporary construction freeze. In both cases, the Company's management believes that it will be able to collect the full amount. Therefore, the allowance for doubtful accounts has not been considered.

Opinion of the Board of Directors

☐ Bill of Exchange of 1,072 million Baht

In the second-quarter 2020, the Board of Director intends to call a debtor's Bill of Exchange for repayment of all obligations, which amounted to 1,072 million baht. During September 2020, Khun Supasit Pokinjarurat's group contacted about a debt repayment plan by entering into negotiations with the company. The company had a Board meeting to consider debtors' debt repayment plan under the Bill of Exchange, which was negotiated with Khun Supasit Pokinjarurat's group on 24 September 2020. The debt repayment plan will be paid in cash and property. In the case of a property must be assessed valuation (Due Diligence). The company has hired Orion Advisory Company Limited, an external consultant (Company that has not been approved by the Office of the Securities and Exchange Commission) to take into consideration and valuation submission and therefore requires a time to make a decision.

The Board of Directors considered the ability to liquidate the debtor's assets from Bill of Exchange and debt securities analysis in the ultimate shareholder. From such information in order to

consider a decision by the Board of Director, the Bill of Exchange's debtor has the ability to repay debt due to the ultimate shareholder's assets value rather than debt obligations. Therefore, the Board of Director decided to approve the extended repayment of a Bill of Exchange until 31 March 2021.

☐ **Loans to Krungthai Land Company Limited of 412 million Baht**

In the second-quarter 2020, the Board of Director wishes to call the debtor to pay a debt on the loan amounting to 412 million baht. Management of Krungthai Land Company Limited has contacted the company to repay the loan to be paid in cash and property during September 2020. The Company has arranged a Board meeting to consider ways for receiving payments from debtors on 24 September 2020. The Board of Directors has considered ways to pay off debt so that Krungthai Land Company Limited has the ability to repay a debt to the company. The property will be used to pay off debts that have to be assessed property value (Due Diligence). The company has hired Orion Advisory Company Limited, an external consultant (Company that has not been approved by the Office of the Securities and Exchange Commission) to take into assets consideration and valuation submission. Therefore, the Board of Directors resolved to extend the repayment period to 31 March 2021.

Risk prevention policies of the Board of Directors

The company has negotiated with the debtors to pledge collateral at the end of 2018. At present, the company has not been received any collaterals or guarantees from debtors. As a result, no additional hedging policy and not considered an alternative to other investments.

The company hired the Orion Advisory Company Limited (Company that has not been approved by the Office of the Securities and Exchange Commission) to evaluate and analyze Planet Energy Holding Company Limited in accordance with the Attachment 1 Re: Debt Securities Analysis. The Planet Energy Holdings Company Limited is a Singapore fund, which is not required to prepare financial statements. Therefore, the Company has analyzed the debt securities only. In the case of loans to Krungthai Land Company Limited, there is an evidence that the annual financial statements 2019 have been audited by the auditor. The Board of Director has an opinion if the analysis repayment plan has been completed and debt settlements, the auditor will be able to express an opinion on the company financial statements.

5) Investments in subsidiaries

Investments in subsidiaries as at December 31, 2020 and 2019 were as follows:

	Paid-up Share Capital (Million Baht)	Percentage of Ownership (%)		(Unit: Thousand Baht)	
		2020	2019	Separate Financial Statements	
				Cost Method	
				2020	2019
Allied Technologies International Co., Ltd.	100	99.90	99.90	100,315	100,315
Thanont Property Co., Ltd.	25	99.80	99.80	23,612	23,612
AQ property management Co., Ltd.	1	99.93	99.93	1,000	1,000
AQ Marketing Services Co., Ltd.	1	99.94	99.94	1,000	1,000
AQ Village Co., Ltd.	1	99.94	99.94	999	999
Free Zone Asset Co., Ltd.	1	99.98	99.98	42,105	42,105
Aquarius Estate Co., Ltd.	54	99.99	99.99	480,998	480,998
Villa Nakarin Co., Ltd.	270	99.99	99.99	170,232	170,232
The Tarna Align Resort Co., Ltd.	139	99.82	99.82	125,480	125,480
Total				945,741	945,741
Less Allowance for impairment of investments				(910,268)	(820,261)
Net				35,473	125,480

INVESTMENT IN SUBSIDIARY (AQUARIUS ESTATE CO., LTD.)

On July 12, 2013 the Company has acquired a business of Aquarius Estate Co., Ltd. which was unanimously approved by the Board of Directors' Meeting no. 7/2013 held on June 25, 2013 from former shareholder by 85 percent of the share capital of Aquarius Estate Co., Ltd. in value of Baht 400 million. The Company has paid the shares on July 11, 2013 at amount of Baht 54 million and the rest was paid on July 19, 2013 at amount of Baht 346 million. Aquarius Estate Co., Ltd. has invested in shares in Aquarius Hotel and Resort Co., Ltd. by 100 percent of the share capital in value of Baht 1 million. As at the acquisition date, net book value of assets net from liability of indirect subsidiary company is lower than investment amount of Baht 0.28 million.

On February 11, 2014 the Company obtained additional control of Aquarius Estate Co., Ltd. (Aquarius) a real estate trading company by acquiring 15% of the shares and voting interests in the company at total amount of Baht 81.00 million. As a result, the Group's equity interest in Aquarius increased from 85% to 99.99%. The Company paid for the shares on February 12, 2014.

Taking control of Aquarius will enable the Group to have efficiency in management control.

INVESTMENT IN SUBSIDIARY (VILLA NAKARIN CO., LTD.)

The Board of Directors' meeting No. 9/2014 held on September 26, 2014 has approved the investment in Villa Nakarin Co., Ltd. amount of 2.70 million shares with totaling approximately amount of Baht 170 million or price per share of Baht 62.96 from a former shareholder representing 99.99% of the total paid-up shares. Costs consisted of first payment at Baht 124.06 million and the compensation from operation result afterwards the Company. Agreed to pay the compensation to the seller at 80% of profit after deducting cost of goods sold, selling and administrative expenses as specified in the agreement. Which shall be determined when the project is completed and sold or not more than 30 months commencing from the agreement date. Due to on March 31, 2017 (At present during under negotiation extend for a while.) The management of the Company has estimated such compensation to former shareholders of at amount of Baht 46.17 million. On October 1, 2014 the Company paid for the shares at amount of Baht 119.79 million and recorded liabilities at amount of Baht 50.44 million registered to transfer of shares with the Ministry of Commerce on October 6, 2014.

The Company recorded acquisition of investment should be treated as an asset acquisition. The following summarizes the major classes of consideration transferred for such asset acquisition.

	(Unit: Thousand Baht)
Cash paid	119,786
Provision for indemnity guarantee	4,278
Estimate liabilities payable to former shareholders	46,168
Total Consideration transferred	170,232

The carrying amount of assets and liabilities that consideration transferred to the Company as at the assets acquisition date are as follows:

	(Unit: Thousand Baht)		
	Net carrying amount as at acquisition date	Adjust valuation of purchasing price	Book value as at acquisition date
Assets			
Cash and cash equivalents	30,092	-	30,092
Other account receivables	23,102	-	23,102
Inventories	424,000	(61,477)	362,523
Other current assets	695	-	695
Assets held for sale	30,000	-	30,000
Restricted deposit with bank	4,697	-	4,697
Equipment	13	-	13
Total assets	512,599	(61,477)	451,122
Liabilities			
Trade account payables	72,760	-	72,760
Advances received from customers	30,000	-	30,000
Other current liabilities	6,250	-	6,250

	(Unit: Thousand Baht)		
	Net carrying amount as at acquisition date	Adjust valuation of purchasing price	Book value as at acquisition date
Long - term loans from financial institution	171,880	-	171,880
Total liabilities	280,890	-	280,890
Assets-net	231,709	(61,477)	170,232

Investment in subsidiary (The Tarna Align Resort Co., Ltd.)

On September 2, 2019, the company acquired the business of The Tarna Align Resort Co., Ltd. Following according to the resolution of the Board of Director's meeting No. 8/2019 dated August 29, 2019 form ex shareholder in proportion 99.82 percent of authorized capital in The Tarna Align Resort Co., Ltd. Which calculated value among of Baht 125.48 million. The subsidiary paid deposit of share on July 11, 2019 amount of Bath 63.00 million and the reminder among of Baht 62.48 million the company take to promissory note to buyer that is 6 months the end of March 3, 2020 without interest.

The detail of value asset from new acquisition are following:

	(Unit: Thousand Baht)
Cash and cash equivalents	262
Trade accounts and other current receivable	809
Inventories	482
Long - term loans	10,538
Plant, equipment	162,834
Intangible assets	14,358
Bank overdrafts and short - term borrowings from financial institutions	(2,981)
Trade accounts and other current payable	(10,407)
Long - term debts	(53,042)
Deferred tax liabilities	(4,107)
Short - term loans	(1,091)
Acquisition of asset	117,655
Non - controlling interests	(211)
Net - Acquisition of asset	117,444
Goodwill	8,036
Consideration for acquisition subsidiary	125,480
Less: Cash and cash equivalents of the acquired subsidiary	(262)
Consideration for acquisition of subsidiary, net	125,218

Impairment testing of goodwill. The estimated amount to be recovered is lower than the carrying amount, the company recognized impairment losses in the consolidated amount of Baht 8.04 million.

6) Key component of other assets

In 2020 the Company had the key component of other assets (excluding Trade accounts and other current receivable, Inventories, Other current financial assets, and Investments in subsidiaries) as consolidated financial statements ended 31 December 2020 as follows.

In Thousand Baht	2020	Changed (%)	2019	Changed (%)	2018
CURRENT ASSETS					
Cash and cash equivalents	111,157	204.88	36,459	(56.64)	84,088
Short-term loans	412,145	-	412,145	(15.66)	488,658
Current tax assets	55,984	4.16	53,750	7.93	49,800
Non current asset or disposal groups classified as held for sale	86,900	-	-	-	-
NON-CURRENT ASSETS					
Deposit financial institution under pledged	72,041	(23.67)	94,382	-	-
Other non current financial assets	900,000	-	900,000	-	-
Trade accounts and other non - current receivable	3,229	(94.56)	59,319	319.66	14,135
Investments property	8,454	(93.40)	128,053	1.32	126,386
Property, plant, equipment and leasehold rights	1,059,019	(12.87)	1,215,508	4.37	1,164,584
Right-of-use assets	225,932	-	-	-	-
Intangible assets	1,067	(93.05)	15,360	491.68	2,596
Other non - current assets	734,993	0.20	733,537	(11.24)	826,424

Current assets

☐ Cash and cash equivalents

The Company and its subsidiaries had cash and cash equivalents of 111.16 million Baht, which increased from the last year by 74.70 million Baht or 204.88%, with details as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Cash	1,407	1,235	239	218
Cash at bank - savings accounts	45,686	22,557	1,147	837
Cash at bank - current accounts	3,815	5,494	517	3,195
Cash at bank - fixed accounts	42,279	7,173	-	-
Check in transit	17,970	-	17,970	-
Total	111,157	36,459	19,873	4,250

Saving deposit is subject to bank's floating interest rate.

☐ Short-term loans

The Company and its subsidiaries had short-term loans of 412.15 million Baht, unchanged from the last year with details as follows

(Unit: Thousand Baht)

Consolidated Financial Statement/ Separate Financial Statement					
Name	Type of contract	Due Date	Amount	Date of payment after the period	Amount of payment after the period
Krungthai Land Development Company Limited	Short – term loans	March 31, 2021	412,145	-	-
Total			412,145		-

☐ Current tax assets

The Company and its subsidiaries had current tax assets of 55.98 million Baht, which increased of 2.23 million Baht from the previous year, or 4.16%.

☐ Non-current asset or disposal groups classified as held for sale

The Company and its subsidiaries had non-current asset or disposal groups classified as held for sale of Baht 86.90 million. The whole number increased from the last year.

According to the resolution of the Board of Directors Meeting No. 7/2020, dated September 14, 2020, the meeting approved to sell the leasehold rights of land and buildings of Free Zone Asset Company Limited (Subsidiary). On November 16, 2020, the subsidiary has entered into an agreement to transfer leasehold rights of land and buildings with 14 unit, located on deed No. 4494 (Partial), No. 4495 (Partial) to a non-related company, The right assignment has net remuneration of Baht 100 million, The management of the Company has estimated the expected cost of sales of Baht 13.10 million. At present, the subsidiary company has received the contract amount of Baht 50 million and received two promissory notes of Baht 25 million each dated May 17, 2021 and November 17, 2021 (Note 9).

During the year 2020, the Group's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company has reclassified related assets and liabilities of the project as assets and liabilities held-for-sale in the consolidated statement of financial position and measured them at the lower than between carrying amount and fair value less costs of sell. The lower amount is the fair value less costs of sell.

Non-current assets

☐ Deposit financial institution under pledged

The Company and its subsidiaries had deposit financial institution under pledged of 72.04 million Baht, which decreased from the last year by (22.34) million Baht or (23.67)%. It is a fixed deposit that is used as collateral for the issuance of a letter of guarantee.

☐ Other non current financial assets

The Company and its subsidiaries had other non-current financial assets of 900 million Baht. The whole number increased from the last year. On September 3, 2018 the Company entered into the agreement to buy and sell ordinary shares of a non-related person. The Company has objective to purchase and acquire the ordinary share not less than 1.5 million shares, total amount non exceed baht 900 million. The Company paid for the whole shares.

On December 3, 2018 seller transferred the shares to the Company. Seller informed the company that its purchased price was 1,500,000 shares (baht 600 per shares). The Company received the letter to confirm that no profit on shares' selling therefore, the Company did not withhold income tax from the share purchase transaction.

In 2020, the Company hired an independent appraiser to assess its share value using the Discounted Cash Flow method, Sensitivity analysis, in addition to the cash flow forecast that the land lease contract and power purchase agreement can be renewal for indefinite period. For the valuation of ordinary shares of such company for the period of land lease renewal that is expected to be renewable indefinitely. Because the land is government land that the Agricultural Land Reform Committee allows farmers to take advantage of the state land in the Land Reform Area (Sor Por Kor) and such areas, the people can still make a living. The request from the people would not have happened. Because such company has entered to promote the products of the people, manage the community in utilities to making the village a better living. The Company's management expects 12% probability of recurring expenses. In the matter of extending the period of the power purchase agreement indefinitely. Therefore, considering the appraisal price used long-term growth rate (Terminal Growth Rate) 1%, which the appraisal price is 1,027.46 million baht, minus the probability of expenses that may occur 12%, resulting in the appraisal price of ordinary shares of such company amounting to 904.16 million baht.

☐ Trade accounts and other non - current receivable

The Company and its subsidiaries had trade accounts and other non - current receivable of 3.23 million Baht, which decreased from the last year of (56.09) million Baht or (94.56)%. It is an account transaction with related parties.

☐ Investments property

The Company and its subsidiaries had investment property of 8.45 million Baht, which decreased from the previous year of (119.60) million Baht or (93.40)%, with details as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Land and building - Krisada Doi	-	-	264,793	270,440
Leasehold right on warehouse - Bangkok Free Trade Zone	-	119,523	-	-
Buildings and structures - Garden Asoke Rama 9	8,454	8,530	-	-
Total	8,454	128,053	264,793	270,440

On May 29, 2020, the subsidiary (Free Zone Asset Co. , Ltd.) has Memorandum of Understanding with non-relate the company for sale Leasehold right sub lease of land and building amount of 14 buildings with total area 20,243 square meter trading price Baht 100 million. On May 29, 2020, the subsidiary received deposit Amounting to Baht 5 million. In Memorandum of Understanding specify Leasehold right sub lease and signing with in September 15, 2020.

During the year 2020, the Group's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company has reclassified related assets and liabilities of the project as assets and liabilities held-for-sale in the consolidated statement of financial position and measured them at the lower than between carrying amount and fair value less costs of sell. The lower amount is the fair value less costs of sell (Note 14).

☐ Property, plant, equipment and leasehold rights

The Company and its subsidiaries had land, buildings, equipment and leasehold rights of 1,059.02 million Baht, which decreased from the previous year of (156.49) million Baht or (12.87)%, as detailed in Note 20 to the financial statements.

- (1) Land, buildings and equipment of 1,059.02 million Baht, consisting of land 289.45 million Baht, building and building improvement of 638.64 million Baht, Sport club and others of 8.61 million Baht, Furniture, fixtures and office equipment and vehicles of 29.82 million Baht and Asset under installation of 92.50 million Baht.

(2) As of 31 December 2020, leasehold rights consist of

	(Unit: Thousand Baht)	
	Consolidated	
	Financial Statements	
	2020	2019
Leasehold rights of land		
A) Leasehold right of land in Koh Larn, Chonburi	-	67,569
B) Leasehold right of land in project Alix Bangkok Hotel (Formerly named "Shasa Retreat Hotel")	-	7,735
Total	-	75,304

☐ Right-of-use assets

The Company and its subsidiaries had right-of-use assets of 225.93 million Baht. The whole number increased from the last year. It is a result of the Financial Reporting Standard No.16 with details as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separated	
	Financial Statements		Financial Statements	
	As at December 31, 2020	As at January 1, 2020	As at December 31, 2020	As at January 1, 2020
Right of use assets				
Land and land improvements	221,909	231,326	-	-
Buildings and building improvements	-	-	4,618	6,298
Vehicle	4,023	5,734	4,023	5,734
Total right of use assets	225,932	237,060	8,641	12,032
Lease liabilities, net				
Current	31,600	19,645	3,456	3,913
Non-current	48,124	97,441	5,608	8,119
Total lease liabilities, net	79,724	117,086	9,064	12,032

☐ Intangible assets

The Company and its subsidiaries had intangible assets of 1.07 million Baht, which decreased from the previous year of (14.29) million Baht or (93.05) % . It was mainly reduced from the transfer of leasehold rights of use right assets according to Financial Reporting Standard No.16.

☐ Other non - current assets

The Company and its subsidiaries had other non-current assets of 734.99 million Baht, which increased of 1.46 million Baht or 0.20%. As at December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Property, plant and construction in progress	729,874	727,813	-	-
Withholding taxes	3,918	5,724	-	-
Other	1,201	-	1,201	-
Total	734,993	733,537	1,201	-

Property, plant and construction in progress

Other non - current assets of the subsidiary land that delayed construction in Phuket and projects under construction that delayed the construction of the project at Rattana Thibet present by cost in the consolidated financial statement, As at December 31, 2020 and 2019 amount of Baht 295.57 million, appraised value based on reports of the independent appraise in the year 2018, using value Market method amount of Baht 348.20 million.

Other non - current assets of the subsidiary land that delayed construction in Phuket and projects under construction that delayed the construction of the project at Rattana Thibet present by cost in the consolidated financial statement, As at December 31, 2020 and 2019 amount of Baht 434.30 million, appraised value based on reports of the independent appraise in the year 2020, using value Market method amount of Baht 434.30 million.

EFFICIENCY RATIO		2020	2019	2018
Return on assets	(%)	(5.79)	(2.67)	1.07
Return on fixed assets	(%)	(26.04)	(8.40)	13.51
Assets turnover	(times)	0.09	0.11	0.12

The return on assets was (5.79)% and the return on fixed assets was (26.04)% which decreased from the year 2019. The main reason that in the year 2020 the company had an operating loss of (391.89) million Baht because gross profit and other income decreased, while the company had increased expenses from purchasing power in the country tends to be sluggish in line with the economic conditions which was severely affected by the epidemic of Covid-19.

Asset turnover 0.09 times which slightly decrease from 2019 because total income decreased from the previous year.

14.4 liquidity and Suitability of Capital Structure

1) Sources and uses of funds

In 2020, the Company's capital structure comes from net cash flows from operating activities and net cash flows from investing activities with details of the source and use of funds in 2020 as follows.

In Thousand Baht	2020	Changed (%)	2019	Changed (%)	2018
Net cash from (used in) operating activities	73,397	(239.07)	(52,778)	(142.69)	123,628
Net cash from (used in) investing activities	27,623	86.98	14,773	(101.82)	(812,217)
Net cash from (used in) financing activities	(26,322)	166.26	(9,886)	(82.34)	(55,993)
Net increase (decrease) in cash and cash equivalents	74,698	(255.98)	(47,891)	(93.57)	(744,582)
Cash and cash equivalents at beginning of the period	36,459	(56.64)	84,088	(89.85)	828,670
Cash and equivalents in subsidiary	-	-	262	-	-
Cash and cash equivalents at end of the period	111,157	204.88	36,459	(56.64)	84,088

- ☐ Net cash flow from operating activities was 73.40 million Baht, while in 2019 the Company had net cash used in operating activities (52.78) million Baht, mainly from adjustments by trade payables and other payables and trade and other current receivables.
- ☐ Net cash from investing activities was 27.62 million Baht, while in 2019, the Company had net cash from investing activities was 14.77 million Baht, mainly from interest income of 29.04 million Baht and cash received from sales of land, buildings, equipment and leasehold rights of 0.02 million Baht. Besides, the Company used to acquire land, buildings, equipment and leasehold rights of (1.18) million Baht and intangible assets of (0.25) million Baht.
- ☐ Net cash used in financing activities was (26.32) million Baht, while in 2019, the Company had net cash used in financing activities of (9.89) million Baht because the year 2020 the company had long-term loan payment, debt payment that occurs from lease agreements, and interest expenses increased from 2019.

2) Investment expenditure

In 2020, the Company had total investment expenditures of (1.43) million Baht, which is used to purchase land, buildings, equipment and leasehold rights (1.18) million Baht and purchase intangible assets (0.25) million Baht.

3) Suitability of Capital Structure

LIQUIDITY RATIO		2020	2019	2018
Current ratio	(time)	1.06	1.13	1.21
Quick ratio	(time)	0.23	0.52	0.52
Cash flow ratio	(time)	0.02	(0.01)	0.03
Accounts receivable turnover ratio	(time)	2.42	4.30	4.10
Average collection period	(days)	150.83	84.88	89.02
Inventory Turnover ratio	(time)	0.30	0.28	0.19
Average sale period	(days)	1,216.67	1,303.57	1,921.05
Payable turnover ratio	(time)	1.75	1.78	1.42
Repayment period	(days)	208.57	205.06	257.04
Cash Cycle	(days)	1,158.92	1,183.40	1,753.03

The liquidity ratio was 1.06 times, which decreased from the previous year. It shows that the Company had current assets include cash, receivables, and inventories over short-term liabilities. However, in 2020 the Company and its subsidiaries had flexibility in short-term debt repayment decreased from the previous year.

Quick ratio was 0.23 times, which decreased from the previous year. It reflect the true liquidity that the Company had assets that can convert to cash (cash, temporary investments, accounts receivable, and short-term loans) less than short-term liabilities. Cash flow ratio was 0.02 times which increased from (0.01) times in the previous year, indicating that the Company had insufficient cash flow from operating activities to repay short-term debts.

The accounts receivable turnover ratio was 2.43 times, with an average collection period of 150.83 days which shows that the Company can collect money from credit sales, slower than the year 2019. Because in the year 2020 the Company had decreased revenue from sales and services.

Inventory turnover ratio of 0.30 times, with an average product sales period of 1,216.67 days, indicating that the company can sell products faster than in 2019, as a result of the year 2020, the company had deducted the allowance for diminution of inventories quite a lot.

Accounts payable turnover ratio 1.75 times with debt repayment period 208.57 days, which slightly longer than in 2019 with 205.06 days debt repayment period because the year 2020 the Company had a lower cost of sales and services.

The Company's cash cycle decreased to 1,158.92 days compared to the previous year. Mainly because the average sales period is shortened from deducting the allowance for diminishing value of inventories.

4) Ability to repayment

In 2020, the Company and its subsidiaries had total liabilities of Baht 3,591.72 million which increased from the last year that it had total liabilities of Baht 3,383.54 million or increased of Baht 208.18 million or 6.15%. Most of the liabilities are from provision for litigation of Baht 3,036.60 million.

As discussed in Note 1, on November 16, 2015, the Board approved the management of the Company estimated compensation on such damage and recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 at amount of Baht 1,630.50 million (net of the collateral value). As the actual compensation will substantially depend on the Company's ability to sell such collateral land at the estimated price. During of 2016 the company recorded additional permutation of Baht 3,056.20 million per selling this pledged land. The Company paid damages to Krung Thai Bank amounting to Baht 1,635.74 million and during of year end, 2017 to December 31, 2020 the company recorded additional of Baht 6.68 million per selling this land.

Advance for lawsuit

On September 26, 2019 to October 1, 2020, The Civil Execution Department has notified attachment of a claim to four banks in 9 deposit accounts of the Company totaling Baht 69.40 million, according to the Criminal Division for Persons Holding Political Position of The Supreme Court has an execution. As at July 8, 2020, some banks have already suspense account amount of Baht 2.60 million.

At present, the Company's capital structure is cash flows from operating activities and cash flows from investing activities to use as working capital for business operation and settle the judgment debt. From the past operation, the Company can repay the debt under conditions and have enough ability to repay.

FINANCIAL POLICY RATIO		2020	2019	2018
Debt to Equity ratio	(times)	1.16	0.97	0.94
Interest coverage ratio	(times)	9.64	N/A	3.42
Debt service coverage ratio	(times)	51.36	N/A	0.08
Dividend payout ratio	(%)	N/A	N/A	N/A

The primary objective of the AQ Estate Group's capital management is to ensure that it has sustained good cash flows management and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2020 and 2019, the AQ Estate Group's debt-to-equity ratio was 1.16 and 0.97, respectively (and of the separate of financial statement's debt-to-equity ratio was 1.13 and 0.99, respectively).

No changes were made in the AQ Estate Group's objectives, policies or processes during the years ended December 31, 2020.

The interest coverage ratio was 9.64 times, which increased compared to the previous year. It showed that the Company's operating cash flow was 9.64 times over interest expenses because in 2020 the company's operating cash flow had improved over the previous year.

The debt service coverage ratio (cash basis) was 51.36 times, which indicates that the Company had more cash flow from operations over obligations such as debt payments, investment expenditures. Because the year 2020, the Company had net cash from operating activities of 73.40 million Baht while total investment expenditure was (1.43) million Baht. However, the Company had a better ability to pay obligations than in the past year.

14.5 Liabilities obligations and off balance sheet liabilities management

The Company had commitments and contingent liabilities which disclose in notes to the financial statements article 38 of the financial statements 2020 as follows.

1) BANK GUARANTEES

As at December 31, 2020 and 2019, the AQ Estate Group had obligations under bank guarantees approximately Baht 72.85 million and Baht 95.01 million, respectively, (The Company: Baht 47.62 million and Baht 47.62 million, respectively), which concerning obligation under normal businesses. The bank guarantees are collateralized by the Company's fixed deposits with the banks and also guaranteed by directors of the AQ Estate Group.

2) COMMITMENTS AND CONTINGENT LIABILITIES

2.1) As at December 31, 2020 and 2019, the AQ Estate Group had outstanding litigation claims from customers and creditors for breaching of the agreements to buy and to sell, the hire of work agreements and repayments retention for a total amount of Baht 13.17 million and Baht 13.38 million, respectively. The outcome of these litigations could not presently be determined. In addition, the AQ Estate Group are in the process of negotiating with certain customers claiming for repayments of cash paid in advance to the AQ Estate Group. The AQ Estate Group, however, believes that the provisions made in the accounts are adequate to cover any damage for such

litigation. As the existing-shareholder of indirect - subsidiary also guaranteed for the contingent liability of the indirect subsidiary at approximately Baht 0.33 million.

- 2.2) As at December 31, 2020, the AQ Estate Group had 1 lawsuit filed against the defendant and claimed damages. The marketing consultant alleged that the contract breach. The compensation amount of Baht 0.89 million. The court judge to payment to the defendant. Currently, the case is in the process and the court will appointment on March 3, 2021.
- 2.3) In years 2020, the Company has been filed to a housing estate juristic to accuse that housing estate has requested to repair and transfer the central public property, also claim damages. The plaintiffs have filed a claim for damages in the amount of Baht 66.37 million. The Court arranged for the negotiation / plaintiff to testify on August 14, 2020. On August 14, 2020, the plaintiffs and the two defendants negotiated in a preliminary agreement, the court postponed the mediation again on September 23, 2020. The opinion of the legal advisor of the group company that the Group company cannot estimate the exact damages, so no provision records in account. Such case has trend to agree, the court postponed the mediation again on April 27, 2021.
- 2.4) On June 25, 2020, the subsidiary (Tarna Align Resort Co., Ltd.) was summoning the red case No. Por 61/2020 and the black case No.163/2019 to the subsidiary for payment Baht 37,342,500 with interest rate 15 per year. Since January 31, 2018 until ended payment for plaintiff but calculate interest until litigation (As at July 5, 2019) not increase Baht 7,980,041.10 payment within 30 days. From the date of enforcement. Due to the Company was accused since July 5, 2019, the black case No. Por 163/2019. The plaintiff, sued the subsidiary breach of obligation contract that the date accused the Company was unknow. Because in the process of preparing sale of contract for such subsidiary and was on September 2, 2019. The ex-director of The Tarna Align Resort Co., Ltd. has appointed a lawyer to defense and the court has a judgment on April 8, 2020. On July 23, 2020, the Appeal Court rendered the judgment to uphold the decision of the Court. At the present, the Company is required to submit the petition requesting to submit the Supreme Appeal within February 28, 2021. At the present the company has submitted the petition requesting form an extension of time to submit the supreme appeal to the court and the Court granted permission for the Company to submit the supreme appeal by March 31, 2021. Therefore, has recorded as expenditure under “administrative expenses” account in the statements of comprehensive income and has recognized as liabilities in the statement of financial position.

3) COMMITMENT

- 3.1) The AQ Estate Group had pledged fixed deposits with bank and most of their inventories, which represent immovable properties for sale, construction in progress and land and buildings as collaterals for credit facilities granted by financial institutions.
- 3.2) As at December 31, 2020 and 2019, the AQ Estate Group had commitments under construction contracts amount of Baht 754.32 million and Baht 759.29 million, respectively. (The Company : Baht 120.35 million and Baht 125.95 million, respectively), which were utilities and condominium units construction and hotel amount of Baht 512.31 million and houses construction amount of Baht 230.01 million (December 31, 2019 : utilities and condominium units construction and hotel amount of Baht 512.55 million and houses construction amounting to Baht 246.74 million) and of the Company, utilities and condominium units construction amounting to Baht 22.50 million and houses construction amount of Baht 97.85 million (December 31, 2019: utilities and condominium units construction amount of Baht 23.99 million and houses construction amount of Baht 101.96 million).
- 3.3) As at December 31, 2020 and 2019, total contract price amount of Baht 1,743.98 million and Baht 1,771.33 million, respectively, and of the Company amount of Baht 327.07 million and Baht 330.77 million, respectively.

14.6 Factors that affect the operating results in future

1) Economic outlook for the year 2021

The Thai economy in 2021 tends to recover continually from the latter half of 2020, with key supporting factors as follows: (i) the recovering trend of the world economy and the global trade volume in 2021, driven by the better-than-anticipated progress of the approval and distribution of the COVID-19 vaccine as well as possible additional monetary and fiscal boosts in major economies; (ii) the supports from government disbursements under the annual budgetary framework, state-owned enterprises' capital budget following progresses of key infrastructure projects, and the 1-trillion Baht loan decree; (iii) the gradual recovery of domestic demand both consumption and investments; and (iv) the uncommon low growth base of the economy in 2020. Nevertheless, the limitations and risks to the recovery during 2021 are (i) the uncertainties surrounding the pandemic both domestic and foreign, which may intensify or prolong the situation and thus leads to more stringent containment measures; (ii) the delays in the recovery of the tourism sector; (iii) financial conditions of the households and business

sectors, especially amidst a non-fully recovered labor market and business activities; (iv) risk of drought; and (v) volatilities in the global economy and financial market.

2) Sales of property business

Situation

In 2019, the housing market slowed again due to: (i) weaker domestic spending power as GDP growth dropped to +2.4%; (ii) tighter rules on LTV ratios, which specified revised debt to collateral rates and delayed purchasing decisions given higher down payment; and (iii) the slowing global economy, coupled with an appreciating baht which cut foreign spending on Thai real estate. These discouraged new property purchases and reduced investor confidence. However, the government responded by stimulating purchases by genuine owner-occupiers, which pared down the excess housing stock in the BMR. They did this by cutting tax for first-time buyers of properties priced at less than THB5m, reducing fees for transferring title deeds and registering mortgages to 0.01% of property value, and introducing the baan dee me down program. But unfortunately, these measures were less effective than hoped and the residential market remained weak throughout 2019.

In 2019, the volume of new housing units in the market dropped by 4.9% to 118,975 units. By value, the drop was larger at -15.7% to THB477bn, the lowest in 14 years. AREA also reported that in 2019, over 200 new projects had been abandoned, either due to failure to secure approval for environmental impact assessment or financing, or the projects were simply not attractive to buyers. In response, developers tried to adjust operations and reduce exposure to risks when undertaking new projects by focusing on smaller projects and cutting back on product features, make the projects more appealing to other market segments, and offering incentives such as free goods and price discounts. These helped to attract owner-occupiers. But the outcome was that average property price fell by 11.4% to THB4.0m per unit.

2019 sales slipped 16.8% to 94,012 units, the lowest in 4 years. But, because sales were lower than the number of new properties coming into the market, the cumulative volume of unsold units rose by 9.7% from end-2018 level to 197,898 units, the highest in 4 years. Of this, over 50% were properties priced at less than THB3m each.

In 2019, 198,033 housing units were transferred, an increase of 0.7%. These comprised (1) condominiums (50% of total, or 98,809 units), (2) townhouses (29%, or 56,937 units), (3) detached houses (14%, or 26,916 units) and (4) 'other' types of housing, such as semi-detached houses and shophouses (7%, or 15,371 units). For each of these four categories, annual registrations had changed

by +1.5%, +2.0%, -0.9% and -6.0%, respectively. The numbers had been affected by the rush to complete transfers in the first quarter of the year, prior to the April enforcement of the new LTV rules, as well compliance with industry regulation for developers to transfer condominium units sold in the last 1-2 years. However, purchasing power of foreign investors was weak and in the first 5 months of 2019, transfers to foreign buyers slipped 21% YoY.

Prices rose for all segment of residential housing in 2019. Price indices for townhouses and detached houses rose by 4.7% and 4.0%, respectively, reflecting developers' decisions to focus on the middle and upper segments of the market. However, the price of condominium units rose by only 0.8%, partially due to stricter LTV rules removing much of the earlier demand for investment or speculation

According to data from the Bank of Thailand, growth in housing loans slowed sharply to +5.2% in 2019 from +8.7% average between 2009 and 2018.

- ☐ The value of approved pre-finance loans for property developers rose by only 4.5% in 2019 from +11% in 2018, as developers held back new projects to see how the market would evolve. At the same time, banks had tightened the release of new credit, but despite this, pre-finance loans were still required for new developments to meet anticipated demand near new metro lines in the BMR.
- ☐ Growth of personal post-finance loans dropped to 5.4%, the lowest rate in 17 years, following the weaker domestic economy and introduction of new LTV rules. This increase the share of rejected loan applications to 30-40% from 20-30% the year before. Total personal housing loans grew by 5.8% in 2019, the lowest in 13 years (source: REIC).

Housing market in 2019

Detached housing

- ☐ The market for detached housing saw a steady increase in demand as major transport routes were extended into the suburbs and new roads were constructed. But new supply outpaced demand throughout 2019, and unsold detached housing accounted for 19% of total unsold housing stock in the BMR. Meanwhile, the absorption rate has remained at 25% since 2005, compared to a high of 64% during the property boom in 2003.
- ☐ In 2019, 13,084 new detached houses came onto the market, representing an 18.2% increase over 2018 and 11.7% of all new residential housing units. The average price of a new detached house dropped to THB8.0m from THB9.2m the year earlier, but despite this, the share of new houses priced at THB10m and over had increased from 17% of new housing supply to 20% as

developers increasingly turned their attention to high-income earners. At the same time, the tighter LTV rules and a weaker economy reduced the volume of new houses sold by 12.7% to 11,010 units, most in the THB5-10m price band. Because of this, the number of unsold detached houses rose by 5.7% to 37,506 units.

Townhouses

- ☐ Rising land prices spurred demand for townhouses as alternatives to more expensive detached housing. However, like other market segments, supply had risen at a faster pace than demand and since 2007, the number of unsold townhouse units had been rising steadily. In addition, between 2009 and 2018, there was falling interest in townhouses in favor of condominiums located near BTS lines (referred to as 'city condos'), with the latter having advantages in terms of pricing and easy access (via mass rapid transportation) to the city center. These shifts in the market reduced absorption rate for townhouses to an average of 34% from 56% during the townhouse boom period of 2002- 2006. Despite this, since 2014, developers had been developing expensive townhouses priced over THB10m per unit. These townhouses typically have three or more floors, are located on the fringe of Bangkok city center, and are relatively close to BTS stations, such as Rama 3, Sathu Pradit, Yannawa, and Lat Phrao. In addition, developers also invested in townhouses located in smaller alleyways that connect to mass transit systems, priced at THB2-3m each to target mid-to-low income earners.
- ☐ The number of new townhouses available for sale in 2019 only inched up 0.9% to 31,987 units (29% of all new housing), but average price increased by 1.8% to THB2.9m per unit. Like detached housing, the volume of new townhouse units sold fell by 7.6% to 28,699 units in 2019 as the slowing economy weakened demand and high household debt prompted lenders to consider loan applications more carefully. This was especially the case for middle and low income earners which normally go for properties priced under THB3m each. This property segment comprised the largest group of unsold townhouses. At the end of 2019, 66,510 townhouses were unsold in the BMR, up 5.2% from the year before.

Condominiums

- ☐ Condominiums have been popular with a rising number of new projects since 2007 due to: (i) the extension of mass rapid transit lines and better connection within the communications network, which makes public transportation more convenient; (ii) changing consumer behavior driven by a desire to save money and to reduce commuting time, leading to a switch in preferences from low-rise housing in suburbs to high-rise accommodation in the city center; (iii)

changing social structures in Thailand, with more people living in smaller units and nuclear families; and (iv) the declining availability of development land and rising land prices. The combination of these factors prompted developers to build condominiums to meet demand for housing with over 50,000 new units available annually. Buyers of these condominium units can be split into two distinct groups. (1) Real demand accounts for around 60% of the market; and (2) those who buy for investment, which can itself be split into those who buy to rent out (25-30% of the market) and those who buy for speculation (the remaining 10-15%). Thai law specifies that non-Thais may own condominium units subject to a maximum of 49% of the total floor-space in the project; this also led to condominium projects registering higher absorption rates than low-rise buildings. Between 2009 and 2018, the absorption rate for condominiums averaged 50% compared to only 25% for detached houses 34% for townhouses.

- ☐ Despite this, the condominium market slowed down from 2014 to 2018, especially demand for mid- to low-end units (i.e. priced below THB3m each), due to high debt levels and a sluggish economy. As a result, buyers in this property segment were forced to be careful about spending and had delayed property purchases. But in the top end of the market, units continued to sell and remained popular among high-income earners and foreigners.
- ☐ Last year, 66,376 newly completed condominiums came into the market (60% of all new housing stock) but this represented a drop of 10.8% YoY, the first drop in 3 years. Average price also fell sharply by 17.8% to THB3.7m (lowest in 2 years) as developers tried to counter the effects of a weakening economy by reducing exposure to risk through running down inventory rather than launch new projects, the effects of the BOT's stricter LTV regulations, and a 7.6% appreciation of the THB. Like in other property segments, the combination of these factors reduced speculation and investment demand. Consequently, in 2019, the number of condominiums sold in the BMR fell by 21.7% to a 4-year low of 54,303 units. The number of unsold condominium units also hit an historic high of 93,882 units (up 14.7%) as absorption rate slowed to a 14-year low of 37%, implying it would now take 2 years for developers to clear inventories. Nevertheless, the absorption rate for condominiums is still higher than for low-rise units and as such, which means developers would be able to clear condominium inventory faster than other types of housing.

In the first quarter of 2020, the number of new residential property units coming into the market collapsed 43.9% YoY. In detail, new condominium units fell by 67.5% YoY and detached houses by 36.1% YoY. Overall, developers had cut back on new projects and in response to declining interest from buyers since 2019, they had switched to selling inventory units by offering attractive deals such as

larger-than-usual price discounts, leasing deals, and up to 2 years of payment-free accommodation. The worsening business conditions were reflected in the drop in first-month take-up rates for all market segments; it was especially bad for condominiums which fell to a 13-year low of 18.5% (compared to 61.5% average in the first quarter of each of the past 5 years). For townhouses, take-up rate fell to a 20-quarter low of 14.2%, while for detached houses it hit a 52-quarter low of 3.9%.

For all of 2020, the number of newly launched units is expected to shrink by 26% to an 9-year low. And because most developers will postpone new projects until at least the second half of the year, when the economic outlook would be better, presales are forecast to fall by 17%, following a 16.8% decline the year earlier. Likewise, housing transfers is projected to drop by 24.3%, with the sharpest drop in the first 6 months of the year, when Thai and overseas buyers are likely to postpone transfers, and possibly cancelling if they have lost their jobs or their loan applications are rejected.

In 2021 and 2022, the housing market should gradually recover along with the economy, accelerating works on mega-projects, greater investment in the Eastern Economic Corridor (EEC), and stronger demand from expatriates investing or working in Thailand. This would stimulate work on new projects, and the number of new properties coming into the market is forecast to rise by 5.0%, most from large developers with a secure financial footing. Condominiums will remain the mainstay of the market but to help maintain profitability, developers will likely increase the share of low-rise properties because these usually generate returns more rapidly (around 3-6 months on average) and most are bought by owner-occupiers rather than speculators and investors. Developers will also continue to sell inventory units especially in the sub-THB3m segment which accounts for over 50% of all unsold stock.

3) Hotel business

Situation

Between 2001 and 2007, Thailand's international and domestic tourism sectors grew by 7.4% and 6.2% annually, respectively. But at the same time, continued investment in hotels and the resulting incremental supply kept occupancy rate at an average of 60.7%. Following this, from 2008 to 2014, average growth of the international tourism and domestic segments ran to 8.5% and 7.5% per year. But despite this, occupancy rate tumbled to an average of 56.8% as supply continued to grow, both hotel rooms (which increased by an average of 8.0% per year between 2008 and 2014, compared to +6.5% in 2001-2007) and the rising number of condominiums and apartments that offer daily rental. This has been pushing up competition in the sector.

From 2015 to 2019, international and domestic tourism continued to grow and lifted the national occupancy rate to an average of 68.8%, which is considered satisfactory by hoteliers. In 2019, foreign arrivals increased by 4.6%, adding to the 7.3% rise in 2018, taking arrivals to a historical high of 39.9 million. This had lifted occupancy rate to 71.4%, another record for Thailand. During this period, the tourism sector benefited from: (i) more direct and charter flights to Thailand, and the expansion of services offered by low-cost airlines; and (ii) official support for the tourism sector, e.g., waiving fees for VOAs for arrivals from 21 countries[4]. However, in 2019, the domestic tourism segment remained flat, and like in 2018, the population made 166 million domestic trips in the year. The muted growth can be explained by an increasing number of Thai outbound tourists, which recorded a new high of 10.4 million (up 4.8% from 2018) because of the strong baht and efforts by some governments (e.g., in Japan and Vietnam) to attract Thai tourists.

But following this period of sustained growth, in 2020, hotel and tourism industries worldwide suddenly had to endure the unprecedented and immediate disruption by the COVID-19 pandemic. To keep the pandemic under control, governments worldwide imposed strict lockdowns that severely restricted international travel. Global travel crashed by a record-breaking rate of 74% from 2019 level. The hardest-hit were the Asia-Pacific region (-84%), with severe drops in arrivals in Singapore (-85.1%), Thailand (-83.2%), South Korea (-85.6%) and Japan (almost -90%).

Currently, the global COVID-19 situation remains critical and many countries (including Thailand) have experienced fresh outbreaks. The number of new cases continues to rise steadily and experts predict foreign tourist arrivals in Thailand will only recover to pre-pandemic level in 2024. This forecast is based on: (i) uncertainty over the rollout of vaccination programs and efficacy of the different vaccines; (ii) the World Health Organization's (WHO) estimate that herd immunity will require 65-70% of the population to be vaccinated, and despite the commencement of vaccination programs in many countries, it will require large investment in time and money to achieve this; and (iii) the prediction by the University of California that tourist confidence in international travel will only recover 3-6 months after the pandemic is over. Beyond this, international travel remains a luxury and given the pressure on consumer spending power over the past year, demand will recover slowly and it will be uneven.

Hoteliers have responded to this very different situation by overhauling their operations. For example, they had slashed room rates, change the range of services they offer, switched focus to domestic tourists, cut overheads, and sought alternative sources of revenue in related areas. Many hotels also offered 'Work From Hotel' programs to ride on the work-from-home policy, and joined mobile food delivery apps to improve utilization of their in-house food services (though this has been largely

restricted to four- and four-star hotels). They also offered (sometimes in cooperation with hospitals and other healthcare providers) Alternative State Quarantine (ASQ) services in the Bangkok Metropolitan Region and Alternative Local State Quarantine (ALSQ) services in 10 provinces – Phuket, Suratthani (Koh Samui), Chonburi (Pattaya), Prachinburi, Buriram, Mukdahan, Chiang Mai, Phang-nga, Chiang Rai and Nakhon Nayok (correct as of 14 February 2021). ASQ and ALSQ services are available to foreign tourists arriving in Thailand who need to meet the 14 days quarantine requirement. However, while some hoteliers have been able to adapt to these changing circumstances, a large number of smaller and mid-size players have not been so lucky, and many have been forced to shutter their operations.

Outlook

Hoteliers will continue to face a severely depressed market in 2021 but the industry will start to recover in 2022 and 2023, though it could take at least 4 years for tourist arrivals to return to pre-COVID level of 38- 40 million. Domestic tourism should recover more rapidly partly thanks to ongoing government stimulus measures, but the slow recovery in tourist numbers and large operators' ongoing investment plans (albeit they might be delayed) will weigh on occupancy rates, which are expected to average 40% in 2021, 50-53% in 2022, and 60-63% in 2023.

- Foreign tourists: Arrivals should increase steadily with the expansion of the STV scheme and Thailand possibly signing quarantine-free travel bubble programs with several countries. By the second half of 2021, the accelerating vaccination programs worldwide will also help to boost foreign arrivals. Krungsri Research forecasts only 4.0 million foreign tourists arriving in Thailand in 2021, but this will rise to 11.4 million in 2022 and to 26.4 million in 2023 (compared to 40 million in 2019). This is supported by the following factors:

- 1) Recovering global economy: The International Monetary Fund (IMF) projects global GDP would grow by 5.5% in 2021 and by 4.2% in 2022. In the case of Thailand, the IMF projects strong growth in Thailand's main tourist markets of China (+8.1% in 2021 and +5.6% in 2022), India (+11.5% and +6.8%), and Russia (+3.0% and +3.9%).
- 2) Vaccination passport: Thailand might ease travel restrictions with the use of vaccination passports to allow quarantine-free travel for foreign arrivals who have been vaccinated. In mid-January, the Seychelles became the first country to accept vaccination passports. In addition, Thailand has been praised by the WHO for its handling of the COVID-19 crisis, and countless hotels across the country have been awarded the Amazing Thailand Safety and Health Administration (SHA) certification, confirming their adherence to recognized public health standards.

- 3) Long-term growth potential of the Thai tourism sector: Krungsri Research analyzed the preferences of travelers from 48 countries and concluded that Thailand remains a favored destination for tourists from many countries. Indeed, Thailand was ranked among the top 10 destinations for travelers from almost all countries surveyed, with Indian, Russian and Cambodian travelers placing Thailand in 2nd place. Chinese and Malaysian tourists placed Thailand in 8th place. This supports the potential for Thailand's tourism sector to meet consumer demand in the post- COVID world.
- ☐ Domestic tourists: Throughout 2021, the tourism and hotel industries will be heavily reliant on domestic tourism. However, given that many countries still have restrictions on foreign arrivals, this could encourage Thai tourists to travel more within Thailand. Krungsri Research estimates that Thai tourists will make 110 million domestic trips this year, 125 million in 2022, and 145 million in 2023. This would be supported by the following.
- 1) Government measures to stimulate the tourism sector: These are expected to continue. They include: (i) the 'We Travel Together' program which is likely to be extended at least to the end of 2021. In addition to fostering tourism activity and broader economic growth, it has helped players in the hotel, tourism and related industries to stay afloat; (ii) additional holidays to encourage the public to travel more within the country; and (iii) tax refund for qualifying travel-related expenditure. While foreign tourists are largely unable to enter Thailand, these and other similar programs will remain extremely important for players in the tourism and hotel industries.
 - 2) Low oil prices: This will encourage domestic tourists to travel by private vehicles. This will remain important as long as vaccinations in Thailand remain slow and the COVID- 19 situation remains uncertain, which would discourage tourists from traveling on public transport.
 - 3) Infrastructure development: The buildout and upgrade of national infrastructure will help to support stronger domestic tourism. They include upgrades and extensions to airports in the provinces, extension of air networks across the country, as well as the development of the rail and motorway systems which would encourage more visits to secondary provinces.

The COVID- 19 pandemic in 2020 and the mandatory closure of a large number of hotels and other businesses in the tourism sector led to an unprecedented wave of redundancies. These depressed conditions will persist for hoteliers in 2021. However, as the situation starts to improve, visitor numbers should slowly pick up again in 2022 and 2023. Krungsri Research believes the groundwork for this will

be set in the latter half of 2021, when worldwide vaccination programs will help to rebuild confidence among Thai and overseas travelers. The domestic tourism segment is expected to rebound ahead of the recovery in international arrivals, thanks to government measures to boost domestic tourism. The recovery of foreign arrivals will be delayed by similar efforts by other countries to boost domestic tourism. In this challenging environment, large players will generally retain their ability to pursue investment and expansion plans, though these might be delayed. But SME operators will face rising competition, and for individual operators, there will be high risk of insolvency.

- ☐ Hotels in the major tourist areas of Bangkok, Pattaya and Phuket: The low number of foreign arrivals will keep occupancy rates low throughout 2021. However, the situation will improve in 2022 and 2023. Operators' revenues will recover along with the overall recovery of the tourism sector over the next 2-3 years, but the industry will remain relatively weak compared to the pre-COVID-19 era and average occupancy rate will hover at 50-55%.
- ☐ Hotels in regional centers and other popular tourist areas: These hotels will experience an uneven recovery. Because most of these establishments serve the domestic market, they will benefit from government policies to stimulate domestic tourism. But despite this, domestic tourism is not expected to return to pre-pandemic levels within the next three years, and hence, any rebound in revenue in this segment will be limited.
- ☐ Hotels in other provinces: For other hotels, government efforts to support the tourism sector will be unable to prevent a slide in revenue because travelers in these provinces are often on their way to provincial centers or other tourism sites. Given this, occupancy rates will be lower than for either of the two groups described above.

Meanwhile, in all parts of the country, the hotel industry will face rising competition from oversupply of hotel rooms and other types of daily accommodation. This will be worsened by the slow recovery in demand, which means it will be difficult for operators to raise room rates, especially in tourist areas that are dependent on foreign arrivals.

4) **Property rental operations and related services business**

Retail space

Krungsri Research reported that in 2020-2021, players in the retail space sector should see steady growth in their businesses, supported by rising demand for and the continuing development of retail projects by operators as they seek to meet customer demand that can be completed in a single space. However, the level of competition in the sector will tend to rise and this might put a limit on profitability, and so the forecast is for business performance to be at moderate levels.

- ☐ Operators with retail space: The forecast for this group is for solid growth in income. Players with a presence in the market benefit from the obstacles (including high investment costs) which are in the way of new entrants. Therefore, such existing players dominate the market, enjoying advantages in terms of their financial strength and cumulative landbanks in potential areas. Because it is difficult to expand to new sites downtown, operators in central Bangkok will put their efforts into modernizing these retail spaces in order to better meet the needs arising from the wide variety of lifestyles of their customer base. This will then tend to increase rental rates.
- ☐ Operators of community malls: Income is forecast to rise steadily on anticipated growth in consumption. New supply will tend to expand at a slowing rate following high cumulative supply in the preceding seven years. This situation was caused by the relatively low barriers to entry to the market, itself a result of the typically small size of community malls and accompanying relatively low investment costs and the fact that it was fairly easy to find sites suitable for development, especially in cheaper areas on the outskirts of Bangkok or in surrounding areas. As a result, occupancy rates are tending to improve, especially in sites in CBD that have greater potential. However, the number of new players continuing to rise and this is stoking greater levels of competition.

Warehouse space

Krungsri Research reported that between 2020 and 2021, despite continuing demand for warehouse space to rent from the agricultural, industrial, retail and service sectors, businesses are forecast to experience depressed conditions. A continuing expansion in supply may trigger a glut of warehousing space in some locations. In this situation, competition on price will intensify and operators will find it very difficult to raise rents.

- ☐ General-purpose warehousing: The modern warehousing segment will tend to grow as major players from the real estate and industrial estates sectors increase their investments in this area. This will then raise the level of price competition that operators will have to deal with and in some locations, they will find that the room to increase rents will be limited. This will be a problem that will particularly affect SMEs and providers of traditional warehousing services, some of which will in addition face the risk of losing market share as their customers increasingly look to warehousing operations to supply a more comprehensive range of additional services beyond the simple act of providing

space for the storage of goods. This change in consumer expectations will force operators to speed up the revision of their services and may encourage them to enter into partnerships or to make joint investments with large Thai or international companies. Doing so would then allow them to build competitiveness of their businesses and provide a full range of modern warehouse services, thus allowing them to build additional income over the long-term.

- ☐ Chilled and frozen warehousing (cold storage units): Demand for rented temperature-controlled storage space will likely soften in line with the export direction of the food processing sector, while pressure from the over-supply of space will weaken suppliers' position relative to their customers and so turnover is forecast to fall.
- ☐ Storage space for cereal crops (silos): The terminating of demand from the government for the storage of rice combined with the continuing sizeable over-supply of storage space following the ending of the rice pledging scheme will put pressure on operators to compete more fiercely.

15. Report of Audit Committee

The Company established the Audit Committee, consisting of the expert, which is independent of the Managements and has the qualifications determined by the Stock Exchange of Thailand. The Company's current Audit Committee has 3 members consist of Mr. A Sachdev is the Chairman of the Audit Committee and 2 members are Miss Papasorn Mongkholmafai and Mr. Sittiwate Jewsittipapai.

In the year 2020, the Audit Committee held meetings of 4 times to perform its duties as assigned by the Board of Directors independently. There are no restrictions on the information and the cooperation of the Company as well. Under the requirements of the stock exchange of Thailand. Each meeting invitation by participating managers discusses the agenda as well as relevant as there has been consultation with management and the internal auditors and the external auditors, as appropriate. The meeting with the external auditor is independent of the Executive meeting of the Company.

The Audit Committee supports the Board of Directors to implement the responsibility to be a success. The track and encourage good governance. The performance and operation of the Audit Committee with a mission summarized as follows.

1. **Control Environment** The Company has determined that there is an environment of good internal control. The organizational structure and clear lines of command right. Including targeting business and measurable success indicators (Key Performance Indicators: KPI) to evaluate the efficiency of operations following the goals of the organization. Including the rules Charts and manual operation of the system is written as a guide for practitioners.

The Company also cultivated, executives and employees of the company are aware of good corporate governance by the assigned policy is good governance. Business Ethics: business with honesty, the facts about the quality of the goods. Do the contracts or agreements that have been negotiated with the client, then the production of the goods or services are provided by quality, regardless of the impact on customers. Product pricing, fair, and not create environmental pollution, wastewater, Toxic air Product or service quality, By planting trees to create shade with residents. Provide a club. Gym, swimming pool, and the other to provide residents with recreational, perfect health and happy life. The company also has responsibility for the project within the community and social activities of the community.

The Board of directors, all employees must also have a code of conduct for shareholders. By duties with integrity. Use your skills and abilities to the full. To manage the assets of any loss or depreciation. Non- benefits for themselves or others from duty. Status report and results of

operations of the Company to complete the Questionnaire. It also requires ethics for customers. The need to clarify the terms and conditions of products and services. Ad with the correct information. The company also promotes the training of all staff on an annual basis. To know about the product. The service is great, so is customer satisfaction. And a step in the construction of the Company.

2. **Risk Assessment** The importance of risk management, which is regarded as an important mechanism and management tools that will make the organization achieve the objectives and targets defined. By the risk management policy, which focuses on the development of the risk management system according to the guidelines of good governance (Good Corporate Governance) without the company having to consider the issues and risks. Employment in construction, and high-concept and direction. Solutions to control and reduce risk by allowing multiple contractors to come to tender for construction work in each category which has a Board of Directors, purchasing/ procurement, as the administrator, and consider action. Consists of executives from each Division, including the internal audit department. Both these contractors are selected for their experience, the expertise required. In the past, the portfolio quality. Personnel in the operation and the low price of the Company's budget.
3. **Control Activity** The Management policies, measures and methods to be used in practical applications and when reviewing the performance of various departments within the organization. Operators have to comply with both internal and external organizations, such as laws, regulations, orders, standards, policies, plans, and how the company has set. Most of the units are now operational efficiency is the approval authority to review the reconciliation of the audited results of operations, "but sometimes the job potential errors up. This was mainly caused by the mistakes of others (Human Error) when it is detected, then the operators will continue to improve and fix it immediately. If the error is serious, the operators will be punished by heavy measures and rules of the company. In recent years, the project has employees who do not comply with the rules, resulting in errors that cause damage to the company. Therefore punish out as well as have issued a warning to the project manager with the book as supervisors.
4. **Information and Communication** The Company has to focus on information systems and data communication. Promote and develop continuously. So that the information is accurate and current. The performance of individual units has used the system Oracle to assist in the control of responsibility. This system has the function of classification work that can cross-check each other in the same department and between departments. So in practice, it cannot work only one person which is to reduce the risk in operation, such as payment system cannot pay again. As well as all of

the check as a check payable by the recipient, and identified with A/C PAYEE ONLY. The company also has an annual budget to control costs. Using the system Oracle in budget control makes each unit cannot be used over budget. When any agencies need to use more budget to do with the approval and explain why you want to use it. The information technology has also brought the document storage system Alfresco used as channels of communication within the organization to publish the policy. Regulations, orders, and guide the practice. As well as information thoroughly the entire organization.

5. **Monitoring** The Company has to provide a system of internal control, covering all the aspects such as accounting and financial operations. The practice of law/regulations. And take care of the property. The internal audit tracking performance as the goal. Report to the Committee. The external auditor with the audit committee of the company every quarter. The financial audit of the company under the accounting standards adopted by general and under the standard office of the Securities and Exchange Commission. (SEC) as well as the Stock Exchange.
6. **Consider the External Auditor in the year 2020.** In the past year, the Audit Committee is satisfied with the result of the auditors who know. Professional and get suggestions about the internal control system and risk as well as operational independence.

In summary, the Audit Committee's duties as assigned by the Board of Directors, using abilities fully and act independently. There are no restrictions on all news from the Committee. Executives, employees and related persons

The Audit Committee is confident that the company is committed to developing, operating system updates are continuously improved which will have a push for the organization to have a good management system is based on the principles of good corporate governance Transparency in the work. And maintain the interests of the people involved all parties.



Mr. A Sachdev

Chairman of Audit Committee

16. Report of the Board of Directors' Responsibility in Financial Statements

The Company's Board of Directors is responsible for financial statements of AQ Estate Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Ms. Kannika Wipanurat, the Certified Public Accountant from Karin Audit Company Limited who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

The Company's Board of Directors appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of AQ Estate Public Company Limited and its subsidiaries as at 31 December 2020 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.



(Mr. Michael Alexander William Fernandez)

Director



(Dr. Suthad Chankingthong)

Director



(Mr. Chamnarn Wangtal)

Director



(Mr. Voravut Laithuamthaweeekul)

Director

17. Independent Auditor's Report

To The Board of Directors of AQ Estate Public Company Limited

Qualified Opinion

I have audited the financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statement of financial position as at December 31, 2020, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statement, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

- (1) As discussed in Note 21 to the financial statements, the Company engaged an independent appraiser to appraise such leasehold right in July 2013, using Income Approach, the discounted value of leasehold right is Baht 275 million. This method is calculated using the discounted cash flows of the revenues for the year of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016, the Company entered into the contract with a non-related party to transfer a leasehold right of beach front amounting to Baht 10 million. The hotel management contract requires the company to provide beach front area for hotel customer, then the Company has complied to the contract. Currently, the transfer of leasehold rights is in progress with the relevant authority. On February 5, 2015, the indirect subsidiary company entered into a letter of intent with a foreign company for entering into a hotel management agreement. However, on March 24, 2016, such foreign company postponed entering into a hotel management agreement until the Stock Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. However, such foreign company terminated a hotel management agreement on September 22, 2016, then refunded partial deposit payment of US 60,000 dollars. The Indirect subsidiary recorded loss on deposit of Baht 2.40 million. In March 2017, the indirect subsidiary company has engaged an independent appraiser to re-appraise the leasehold right, using Income Approach on Profit Rant Method determined by renting such

leasehold right at the market rental rate and discounted to present value to be Baht 79.40 million. Such appraisal assumed that the Company's the credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1 to the financial statements. The market information of comparative land of same size and condition was limited and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment on assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income as at December 31, 2020, amount of Baht 153.73 million. However, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of rental rate to determine the fair value because such appraisal is under unusual assumption as discussed above which has significant uncertainty when such situation will be resolved. In addition, the indirect subsidiary has no rental rate actually occurred at the present and no market price of rental rate basing the same size of area to be compared with the rental rate on such leasehold right as the area is very huge, which these factors may have material effects to the assessment of fair value of such leasehold right.

- (2) As discussed in Note 15.2 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2020, amount of Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern. The resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.
- (3) As discussed in Note 12 to financial statement as at December 31, 2020, the Company has investment in bills of exchange of a company amount of Baht 1,072.16 million. Such transaction has continued changed the due date and I have continue given the emphasis of matter on my audit report since the occurred date. Last investment in bill of exchange which due date on March 31, 2021. As the analysis of such company's debt on May 5, 2020, the Company believe that the authorizer and the final shareholder's asset of such company is Baht 1,810.76 million. Which is over than amount of such company's bills of exchange, and the Company's management believe that able to receive by whole amount, so the Company do not record for allowance for doubtful debt. I received the last financial statement of such company which was for the year ended 2018

which was not audited by auditor, as at December 31, 2018 total assets was amount of US Dollar 170.43 million, and shareholders' equity was amount of US Dollar 113.69 million. The Company has not received other the financial statement. I have not able use other audit procedure to satisfy how appropriate for amount of allowance for doubtful debt.

- (4) As discussed in Note 10 to financial statement as at December 31, 2020, the Company has loans to a company amount of Baht 412.14 million. Such transaction has continued changed the due date and I have continue given the emphasis of matter on my audit report since the occurred date. Loan to accompany which due date on December 31, 2020 and has postponed being March 31, 2021. The Company has considered financial statement audited by auditor as at December 31, 2019, shareholders' equity was amount of Baht 100.53 million. However, Company's management believes that able to receive by whole amount, so the Company do not record for allowance for doubtful debt. In addition, as such Company's financial statement, it's temporary stopped the construction due to the adjusted plat form and it's must get approval from a government. Such Company's assets have pledged for loans from financial institution. There has uncertainty of project value of such company's assets. I have not able to use other audit procedure to satisfy how appropriate for amount of allowance for doubtful debt.

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 Consolidated 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 under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, I have determined the matter described below to be the key audit matters to be communicated in my report.

Cost of property development for sale and considering the adequacy of allowance for diminution in valueRisk

The Group has to determine the expected net realizable value of inventories. As disclosed in Note 11 to the financial statements, there are indications of impairment in accordance with Thai Financial Reporting Standards. This impairment test has significant implications for audits. The Group's net book value before less allowance for diminution in value of inventories as of December 31, 2020, was Baht 1,849 million, representing 27.68% of total assets, and also the process of the management must be very discretionary and depending on the assumptions, which can change according to economic conditions and competition in the market.

Auditor's Risk Response

My key audit procedures included testing the incremental costing that should be recorded as cost of inventory by checking the relevant accounting records, review basis of allowance for diminution in value of inventories, the consistency of the criteria used, analysis detail of sales items after the date of the financial statements to compare with the cost of each project cost, review the estimated recoverable amount provided by the management or the independent appraiser.

Impairment of Property, Plant and EquipmentRisk

The Group has to perform impairment test of property, plant and equipment as described in the Note 20 to the financial statements if there is an indication of impairment in accordance with Thai Financial Reporting Standards. The impairment test is significant to the audit. As at December 31, 2020, the Group had a net book value of property, plant and equipment before allowance for impairment of Baht 1,145 million, representing 17.14% of total asset. Moreover, the assessment process of management is complicated and required more judgment, and also the assessment is subject to assumptions that may change according to economic situation and future market conditions.

Auditor's Risk Response

My key audit procedures included using an expert to assess assumptions. I focused on the sufficiency of data disclosure of the Group in relation to the assumptions that are the most important to sensitivity of impairment test and also have significant impact to recoverable amounts of property, plant and equipment.

Provision of contingent liabilities from lawsuit

Risk

The Group has disclosed the policy on contingent liabilities in accordance with the law or other liabilities, as Note 26 to the financial statements. I considered estimation of legal liabilities or other contingent liabilities was a significant risk in the audit. As at December 31, 2020, the Group had a net book value of Baht 3,036 million, representing 84.54% of total liabilities. The assessment process of management is required more judgment, and also is subject to assumptions that can be changed based on the forced sales value of the collateral.

Auditor's Risk Response

My key audit procedures included testing the estimate of damages from a court case, testing the increase in cost accounting records which is necessary to sell the collateral land under the property management contract with examining the accounting documents related, testing the expected costs may be incurred from the sale of the land as collateral by estimating of selling price on the forced sales value of the land collateral. The estimated selling price of collateral land is provided by the management by independent appraisers to evaluate sales force. I have evaluated reliably and appropriately on consideration of provision of contingent liabilities from lawsuit.

Impairment of other non-current financial assets

Risk

As discussed in Note 17 to the consolidated financial statements, the balance of other non-current financial assets representing 13.47% of total assets, which is significant to the statement of financial position. In considering the impairment loss, the management had to exercise significant judgement with respect to the projections of future operating performance and the determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of provision for impairment of other non-current financial assets.

Auditor's Risk Response

I have received the report of the independent appraiser as follows: Financial Projection to calculate the present value of cash flow (Discount Cash Flow Approach (DCF) from the operation of the subsidiary of the company investing in the wind power plant project that total commercial operations of 8 projects with a total power purchase capacity of 690 MW to distribute electricity to EGAT. The sensitivity analysis method has applied, expand unlimited period time of power purchase agreement. And consider the probability that this might arise based on the assumptions used by the company. That corresponds to the business of the invested group, independent appraisers an understanding of and assessed the

assumptions applied in preparing plans and cash flow projections for the throughout the power purchase agreement of the invested group, based on the understanding I gained of the process by which the figures were arrived at; comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections, and comparison of the long-term growth rate with economic and industry forecasts.

The assumptions and approaches used by the independent valuer or management in calculating the fair value of other non-current financial assets. I considered the scope and probability of potential changes in the key assumptions. In addition, I reviewed the disclosure of information relating to the estimation of impairment of the investments in subsidiaries in the notes to the financial statements.

Significant uncertainties associated with going concern

As discussed in note. 1, on August 26, 2015, the Company was judged by the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") jointly pay the damages Baht 10,004.47 million to such government bank. Later, on October 17, 2018, the public auction and it sold the collateralized assets to the purchaser at the price of Baht 8,914.07 million, these events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Emphasis of matter

Without change in qualifying my opinion as above, I draw attention to note that;

- (1) As discussed in Note 1 to the financial statements that, On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower (the 19th defendant) and the subsidiary of the 19th defendant have mortgaged their land. On August 10, 2017, the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The Company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the Company.
3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank

In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million and in year 2016, the management expects that the forced sale value of such land would be Bath 5,800 million. References to independent appraisers, the Company has recorded the liabilities, according to the judgment of Supreme Court Criminal Division of Political Position Holders, less estimated value of collateral to be sold as mentioned above and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million. Incidentally, the exactly amount of the company's obligation may be changed up or down depending on the auction price to be auctioned in the future. On October 17, 2018, the Company sold auction of the said collateral property. The successful bidder won auction at a price of Baht 8,914.07 million and the bidder can extend the payment period to February 1, 2019. The properties sold at the auction were divided into 3 groups as follows:

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor-Mor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was Baht 4,019.62 million. The buyer had placed the deposit of Baht 201 million. The remaining would be paid within February 1, 2019 and on January 24, 2019, the buyer paid Baht 3,818.62 million.

The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho. 59/ 2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden

Company. The auction buyer purchased price of Baht 1,261.02 million, deposit of Baht 65 million and on September 15, 2020, the buyer paid Baht 1,196.02 million. The petitioner, K&V SRS Co., Ltd., held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition and the court made an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account On August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

The third group was the case of Central Bankruptcy Court in decided case No. L. 1249/2012. The property sold at auction from this case of 1,868-3-97.72 rai and land ownership belongs to K&V SRS Company Limited. The auction buyer purchased price of Baht 3,633.43 million, deposit of Baht 182.50 million and on March 23, 2020, the buyer paid Baht 3,450.93 million. K&V filed the objection, causing the buyer to submit such matter to court against the petition of K&V Company, which was between the three objections and divided as follow.

1. Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of Ms. Charoen Yukongtham in the ratio of 800.66 and proceeded to sell the auction. In this case the petitioner had applied for revocation as the auction unlawful. The court accepted the petition as objection and called the Golden Company as the third objector, then completed the examination witnesses and made the appointment to hear order on March 5, 2019. The case result was dismissed terminated by the court by the court.
2. Central Bankruptcy Court in undecided case No. SL. 388/2018, the petitioner filed claiming that bring the property of petitioner was sold together with land Golden Company unlawful and to suspend temporarily the auction. The court had ordered the petition and attached documents to the petition. In the event that was no legal reason to suspend the auction, according to petition. The court therefore ordered to dismiss the petition. Later, on March 20, 2019, K&V SRS Garden Home Company Limited, the petitioner filed an appeal. Later on April 23, 2019, the official receiver, the objector No. 1, filed an objection to the appeal requesting the appeal and on May 2, 2019, Krung Thai Bank Public Company Limited, the objector No. 2 filed an appeal against the appeal which the Central Bankruptcy Court ordered the appointment of the Court of Appeals for Special Cases dated September 3, 2019, the preliminary case result was terminated by the court.
3. Undecided case No. SL.438/2018 regarding the revocation auction of the second debtor's land (K&V SRS Garden Home Company Limited). In this case, the objector had submitted the request to revoke as unlawful auction and requested to the temporarily suspend enforcement on February 4, 2019. The court ordered the company attorneys, the stakeholders (Golden Company) and called the second objector which will appoint witnesses on 25 and April 26, 2019. On April 25, 2019 the court appointed the witness examination on May 14, 2019.

On August 24, 2020, the company received a notice to repay the debt. According to the decided case Armor.no.55/2015, The Company still has a debt obligation under the aforementioned judgment pending with Krung Thai Bank, amount Baht 8,368,732,100, Krungthai Bank wishes to collect all the debts and the Company must pay Baht 8,368,732,100 within 30 days from the date the Company received this letter. The Company has sent a letter to Krung Thai Bank dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the

Supreme Court's criminal cases of political positions division as the decided case no. Armor. 55/2015 or pay as principal in the civil court in decided case no. Thor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders The Company reserves the right to take any action in according to the law or protect the legitimate rights in all cases, if Krung Thai Bank take any action that causes damage to the Company to the end.

- (2) As disclosed in Note 10 and 12 to the financial statements, as per the resolution of the Board of Directors' meeting No. 10/2017 held on July 11, 2017, the Board of Directors approved the Company to invest in debt securities of three unrelated companies totaling Baht 1,600 million (unsecured), bearing interest rate 5 - 6 per annum to maturity date August 11-17, 2017 and the Company has renewed some debt instruments for Baht 500 million until June 30, 2018 (According to the resolution of the Board of Directors' meeting No. 3/2018 dated March 21, 2018).

According to the resolution of the Board of Directors' meeting No. 15/2017 held on November 14, 2017 approved to reduce the burden on the company and the Company has entered into an agreement to appoint a private fund management company with an unrelated company to manage the investment in short-term bills of exchange, for not exceeding six months and fund management fee is charged at 0.25% per annum of the fund's net asset value at the end of the day as a base for calculation and on November 13, 2017 the Company transferred assets of Baht 1,100 million for the establishment of private funds.

According to the Company's Board of Directors No.3/2018, On March 21, 2018, resolved to cancel the contract with Solaris Asset Management Co., Ltd. for the private fund management and to request for securities return, effective on March 22, 2018. The Company received the securities of net amount after deduction of fees and expenses on March 28, 2018.

According to the resolution of the Board of Executive meeting No.19/2017 held on September 18, 2017, the Board approved the Company to invest in debt securities of one unrelated company amounting to Baht 200.79 million (unsecured), bearing interest rates ranging from 5.5% per annum to maturity date February 28, 2018, and the Company has renewed the debt securities until June 30, 2018 (According to the resolution of the Board of Directors' Meeting No. 3/2018 on March 21, 2018).

According to the resolution of the Board of Directors' meeting No. 6/2018 held on June 30, 2018, the Company and its subsidiaries provided financial assistance to two unrelated parties. The

borrowers have informed the Company of their intention that they will not roll over their bill of exchange. However, they would like to enter into a loan agreement with the Company instead of the repayment under the bills of exchange to the Company within June 30, 2018. The loans are amounting Baht 514.6 million and Baht 204.4 million, interest rate 6.0% per annum and 5.5% per annum and loan and interest repayment date on December 28, 2018.

According to the resolution of the Board of Directors' meeting No. 6/2018 dated June 30, 2018, the Company has approved to extend the period of bills of exchange due within April to July 2018 total 3 bills amounting to Baht 118.46 million, for 6 months discount rate of 6.5% per annum no more than December 28, 2018.

According to the resolution of the Board of Directors' meeting No. 8/2018 dated August 14, 2018, the Company has approved to extend the period of bills of exchange due within August and September 2018, total 7 bills amounting to Baht 1,027.57 million, and interest Baht 17.65 million, discount rate of 6.5% per annum to be November 30, 2018.

According to the resolution of the Board of Directors' meeting No. 13/2018 dated November 28, 2018, the Company has approved to extend the period of bills of exchange due within December 28, 2018, total 8 bills amounting to Baht 1,066.89 million, discount rate of 6.50% per annum to be January 31, 2019.

According to the resolution of the Board of Directors' meeting No. 13/2018 dated November 28, 2018, the Company has approved to extend the period of bills of exchange due within December 28, 2018, total 2 bills amounting to Baht 447.39 million and Baht 41.26 million, discount rate of 5.5% and 6% per annum, respectively no more than January 31, 2019.

According to the resolution of the Board of Directors' meeting No. 1/2019 dated January 31, 2019, the Company has approved to extend the period of bills of exchange due within January 31, 2018, total 8 bills amounting to Baht 1,072.16 million, discount rate of 6.50% per annum to be February 28, 2019.

According to the resolution of the Board of Directors' meeting No. 1/2019 dated January 31, 2019, the Company has approved to extend the period of bills of exchange due within January 31, 2019, total 2 bills amounting to Baht 445.15 million and Baht 14.86 million, interest rate of 5.5% and 6% per annum, respectively no more than February 28, 2019.

According to the resolution of the Board of Directors' meeting No. 2/2019 dated February 28, 2019, the Company has approved to extend the period of bills of exchange due within February 28, 2019,

total 8 bills amounting to Baht 1,072.16 million, interest rate of 6.50% per annum to be June 30, 2019.

According to the resolution of the Board of Directors' meeting No.2/2019 dated February 28, 2019, the Company has approved to extend the period of bills of exchange due within February 28, 2019, total 1 bills amounting to Baht 412.14 million, interest rate of 6% per annum no more than April 30, 2019.

According to the resolution of the Board of Directors' meeting No.4/2019 dated April 25, 2019, the Company has approved to extend the period of bills of exchange due within April 30, 2019, total 1 bills amounting to Baht 412.14 million, interest rate of 6% per annum no more than June 30, 2019.

According to the resolution of the Board of Directors' meeting No.6/2019 dated July 1, 2019 the Company has approved to extend the period of bills of exchange due within June 30, 2019, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be August 31, 2019.

According to the resolution of the Board of Directors' meeting No.6/2019 dated July 1, 2019, the Company has approved to extend the period of bills of exchange due within June 30, 2019, total 1 bill amount of Baht 412.14 million, at interest rate 6% per annum no more than September 30, 2019.

According to the resolution of the Board of Directors' meeting No.8/2019 dated August 29, 2019 the Company has approved to extend the period of bills of exchange due within August 31, 2019, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be December 31, 2019.

According to the resolution of the Board of Directors' meeting No.8/2019 dated August 29, 2019, the Company has approved to extend the period of bills of exchange due within September 30, 2019, total 1 bill amount of Baht 412.14 million, at interest rate 6% per annum no more than December 31, 2019.

According to the resolution of the Board of Directors' meeting No.2/2020 dated February 27, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2019, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be March 31, 2020.

According to the resolution of the Board of Directors' meeting No.2/2020 dated February 27, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2019, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be March 31, 2020.

According to the resolution of the Board of Directors' meeting No.4/2020 dated April 24, 2020 the Company has approved to extend the period of bills of exchange due within March 31, 2020, total

8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be September 30, 2020.

According to the resolution of the Board of Directors' meeting No. 4/2020 dated April 24, 2020 the Company has approved to extend the period of bills of exchange due within March 31, 2020, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be September 30, 2020.

According to the resolution of the Board of Directors' meeting No. 8/2020 dated September 24, 2020 the Company has approved to extend the period of bills of exchange due within September 30, 2020, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be December 31, 2020. Currently, in the process of finding assets to pay off debt.

According to the resolution of the Board of Directors' meeting No. 8/2020 dated September 24, 2020 the Company has approved to extend the period of bills of exchange due within September 30, 2020, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be December 31, 2020. Currently, in the process of finding assets to pay off debt.

According to the resolution of the Board of Directors' meeting No. 12/2020 dated December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 8 bills amount of Baht 1,072.16 million, discount rate of 6.50% per annum to be March 31, 2021. Currently, in the process of finding assets to pay off debt.

According to the resolution of the Board of Directors' meeting No. 12/2020 dated December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 1 bill amount of Baht 412.14 million, interest rate of 6% per annum to be March 31, 2021. Currently, in the process of finding assets to pay off debt.

- (3) I draw attention to Note 2.1 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-months period ended 30 September 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other matter

Consolidated and Separate Financial Statements of AQ Estate Public Company Limited and the subsidiaries for the year ended December 31, 2019 presented here in as comparative information were audited and reviewed by another auditor in my firm, who expressed a qualified opinion regarding the inability to obtain sufficient audit evidence to verify the expected value of the asset provision for liabilities

and recording allowance for doubtful accounts of the loans and expressed a qualified regarding thinability to obtain sufficient audit evidence to verify the expected value of the asset, provision for liabilities and recording allowance for doubtful accounts in the value of the loans. According to reports dated February 27, 2020.

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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- ☐ Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kannika Wipanurat

(Ms. Kannika Wipanurat)

Certified Public Accountant, Registration No. 7305

Karin Audit Company Limited

Bangkok

February 25, 2021

18. Financial Statements and Notes

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit: Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at December	As at December	As at December	As at December
		31,2020	31,2019	31,2020	31,2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	111,157	36,459	19,873	4,250
Trade accounts and other current receivable	9	256,440	177,359	874,397	1,175,632
Short-term loans	10	412,145	412,145	1,806,119	1,833,254
Inventories	11	1,679,755	1,962,172	1,001,967	1,092,793
Current tax assets		55,984	53,750	34,790	32,182
Other current financial assets	12	1,072,160	1,072,160	1,072,160	1,072,160
Other - current assets	13	-	-	-	-
Non current asset or disposal groups classified as held for sale	14	86,900	-	-	-
Total current assets		3,674,541	3,714,045	4,809,306	5,210,271
NON - CURRENT ASSETS					
Investments in subsidiaries	15	-	-	35,473	125,480
Deposit financial institution under pledged	16	72,041	94,382	50,264	50,471
Other non current financial assets	17	900,000	900,000	900,000	900,000
Trade accounts and other non - current receivable		3,229	59,319	508	1,160
Long - term loans	18	-	2,426	-	-
Investments property	19	8,454	128,053	264,793	270,440
Property, plant, equipment and leasehold rights	20	1,059,019	1,215,508	22,235	25,189
Right-of-use assets	21	225,932	-	8,641	-
Goodwill	15.3	-	-	-	-
Intangible assets	22	1,067	15,360	61	25
Deferred tax assets	23	-	353	-	-
Other non - current assets	24	734,993	733,537	1,201	-
Total non - current assets		3,004,735	3,148,938	1,283,176	1,372,765
TOTAL ASSETS		6,679,276	6,862,983	6,092,482	6,583,036

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at December	As at December	As at December	As at December
	Notes	31,2020	31,2019	31,2020	31,2019
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short - term borrowings from financial institutions		2,961	2,994	-	-
Trade accounts and other current payable	25	344,435	271,014	180,845	230,874
Current portion of long - term debts	1, 27	17,823	17,001	1,073	1,053
Current portion of liabilities under lease agreements	28	31,600	-	3,456	-
Short - term loans		990	990	-	-
Current provisions for employee benefits	29	425	1,209	425	786
Other current provisions	1, 26	3,036,602	2,995,152	2,986,584	2,986,792
Current financial liabilities		25,482	-	-	-
Total current liabilities		3,460,318	3,288,360	3,172,383	3,219,505
NON - CURRENT LIABILITIES					
Long - term debts	1, 27	23,418	33,058	-	-
Liabilities under lease agreements	28	48,124	-	5,608	-
Trade accounts and other non - current payable		2,972	2,485	434	-
Deferred tax liabilities		5,988	6,292	-	-
Non - current provisions for employee benefits	29	4,730	4,370	3,150	3,195
Other non current provisions	15.2	46,168	48,971	46,168	46,168
Total non current liabilities		131,400	95,176	55,360	49,363
TOTAL LIABILITIES		3,591,718	3,383,536	3,227,743	3,268,868
SHAREHOLDERS EQUITY					
Share capital	30				
- Authorized share capital					
294,012.03 million common share, Baht 0.50 par value		147,006,013	147,006,013	147,006,013	147,006,013
- Issued and paid up					
85,324.81 million common shares, Baht 0.50 per share		42,662,405	42,662,405	42,662,405	42,662,405
Discount on common shares		(32,759,548)	(32,759,548)	(32,759,548)	(32,759,548)
Premium on common shares from capital reduction		153,537	153,537	153,537	153,537
Discount from decrease in shareholding in subsidiary		(47,939)	(47,939)	-	-
Deficit		(6,920,952)	(6,529,191)	(7,191,655)	(6,742,226)
Other components of shareholder equity		-	-	-	-
Total shareholder equity of parent - net		3,087,503	3,479,264	2,864,739	3,314,168
Non - controlling interests		55	183	-	-
Total shareholders equity - net		3,087,558	3,479,447	2,864,739	3,314,168
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		6,679,276	6,862,983	6,092,482	6,583,036

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Thousand Baht)					
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
REVENUES					
Revenues from sales of property		406,552	486,066	134,545	111,793
Revenues from hotel business		98,522	131,411	-	-
Revenues from property rental operations and related services		20,618	21,451	-	-
Total revenues		525,692	638,928	134,545	111,793
COSTS					
Costs of property sold		(341,828)	(371,891)	(111,603)	(85,883)
Costs of service from hotel business		(192,727)	(199,772)	-	-
Cost of property rental operations and related services		(9,382)	(10,666)	-	-
Total cost		(543,937)	(582,329)	(111,603)	(85,883)
Gross profit (loss)		(18,245)	56,599	22,942	25,910
Other income	31	60,415	134,574	328,204	278,301
Profit before expenses		42,170	191,173	351,146	304,211
Distribution costs		(43,168)	(42,025)	(16,136)	(16,886)
Administrative expenses		(379,434)	(334,447)	(783,699)	(541,951)
Total expenses		(422,602)	(376,472)	(799,835)	(558,837)
Loss before financial cost and income tax		(380,432)	(185,299)	(448,689)	(254,626)
Finance cost		(11,408)	(1,331)	(740)	(20)
Loss before income tax		(391,840)	(186,630)	(449,429)	(254,646)
Income (expense) income tax		(49)	260	-	-
Loss for the year		(391,889)	(186,370)	(449,429)	(254,646)
Other comprehensive income (loss)					
Items that will not be reclassified in profit or loss later					
Loss from the measurement of new values of defined employee benefits		-	(2,114)	-	(1,494)
Total items that will not be reclassified in profit or loss later		-	(2,114)	-	(1,494)
Other comprehensive loss for the year - Net tax		-	(2,114)	-	(1,494)
Total comprehensive loss for the year		(391,889)	(188,484)	(449,429)	(256,140)
Loss for the period attributable to :					
Owners of the parent		(391,761)	(186,342)	(449,429)	(254,646)
Non - controlling interest		(128)	(28)	-	-
		(391,889)	(186,370)	(449,429)	(254,646)
Total comprehensive loss attributable to:					
Owners of the parent		(391,761)	(188,456)	(449,429)	(256,140)
Non - controlling interests		(128)	(28)	-	-
Total comprehensive loss for the period		(391,889)	(188,484)	(449,429)	(256,140)
Basic loss per share : Owners of the parent					
(equivalent to par value of Baht 0.50 per share)	34	(0.0046)	(0.0022)	(0.0053)	(0.0030)
Weighted average number of shares					
(In Thousand Shares)		85,324,811	85,324,811	85,324,811	85,324,811

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss for the year		(391,889)	(186,370)	(449,429)	(254,646)
Adjustments of reconcile net profit (loss) to cash recieved (paid)					
Adjusted income tax		49	(260)	-	
Adjusted financial cost		11,408	1,331	740	20
Adjusted interest income		(12,032)	(95,036)	(125,645)	(217,462)
Adjusted trade accounts and other current receivables (increase) decrease		(110,529)	(8,388)	12,435	(4,107)
Adjusted trade accounts and other non-current receivable (increase) decrease		3,973	(45,784)	593	156
Adjusted inventories decrease		306,645	306,301	97,103	74,627
Adjusted restriced deposit with bank decrease		22,341	-	207	-
Adjusted other non current assets (increase) decrease		(25,498)	(2,401)	(1,201)	912
Adjusted trade accounts and other current payable increase (decrease)		96,630	(159,774)	(44,148)	(164,030)
Adjusted housing estate juristic persons expenses		487	-	434	-
Depreciation, losses and amortization		95,752	86,037	12,119	11,622
Adjusted Bank overdrafts and short - term borrowings from financial institutions		-	13	-	-
Adjusted provision for liabilities		(4,263)	(485)	(481)	(1,465)
Adjusted bad debt and doubtful debts		8,348	8,887	353,279	348,698
Adjusted with provision for liabilities damages from lawsuits increase		45,713	287	274	251
Adjustment with loss from impairment of goodwill		-	8,036	-	-
Adjusted provisions for employee benefits		785	1,984	380	1,296
Adjusted with other income		(2,753)	(1,395)	(115)	(379)
Adjusted amortized expenses		8,668	5,254	60	17
Adjusted by (reversal) of allowance of credit loss diminution of value in inventories		(24,431)	3,028	(6,277)	(9,311)
Adjusted allowance for loss investment in subsidiraies		-	-	90,007	-
Adjusted with (Profit) loss from amortization property, plant, equipment and leasehold rights		793	34,878	(17)	-
Adjusted loss from estimates of property development		22,237	-	-	-
Adjusted with (Profit) loss from sale property, plant, equipment and leasehold rights		5,148	-	-	-
Payment provisions for employee benefits		(1,209)	(741)	(786)	(685)
Adjusted allowance for loss from asset held for sale		25,114	-	-	-
Total adjustment of reconcile net profit (loss)		81,487	(44,598)	(60,468)	(214,486)
Cash provided by (used in) operating activities					
Cash paid for income tax		(8,090)	(8,180)	(2,608)	(2,324)
Net cash provided by (used in) operating activities		73,397	(52,778)	(63,076)	(216,810)

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Thousand Baht)				
Notes	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for current investments	-	(5,266)	-	(5,266)
Cash paid for purchase of investment in subsidiary	15.3	(90,500)	-	(90,500)
Cash received from sales of property, plant, equipment and leasehold rights	17	-	17	-
Cash paid for sales of property, plant, equipment and leasehold rights	(1,175)	(13,477)	(90)	(586)
Cash paid for intangible assets	(254)	(180)	(73)	-
Cash paid for short-term loans	-	-	(432,962)	(341,460)
Cash received from short-term loans	-	76,513	486,864	599,264
Interest income	29,035	47,683	28,633	49,061
Net cash provided by (used in) investing activities	27,623	14,773	82,389	210,513
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash bank overdrafts and short - term borrowings from financial institutions	(33)	-	-	-
Cash paid for long-term loans	(8,635)	(3,622)	-	-
Cash paid for short-term loans	-	(101)	-	-
Cash paid for decrease liabilities that occurs from lease agreements	(9,202)	(4,871)	(2,968)	-
Interest paid	(8,452)	(1,292)	(722)	-
Net cash used in financing activities	(26,322)	(9,886)	(3,690)	-
Cash and cash equivalents net (decrease) increase - Net	74,698	(47,891)	15,623	(6,297)
Cash and cash equivalents at beginning of the year	36,459	84,088	4,250	10,547
Cash and equivalents in subsidiary	15.3	-	-	-
Cash and cash equivalents at end of the year	111,157	36,459	19,873	4,250

Supplemental disclosure of cash flows information :

Non cash transactions

- On January 1, 2020, from the first adoption of new accounting standards The effects on the financial statements are as follows:
 - As at January 1, 2020, the company transferred leasehold rights to rights of use assets (Note 21) in the amount of Baht 75.30 million.
 - As at January 1, 2020, the company transferred Trade accounts and other current receivable to rights of use assets (Note 21) in the amount of Baht 7.95 million.
 - As at January 1, 2020, the company transferred Trade accounts and other non - current receivable to rights of use assets (Note 21) in the amount of Baht 52.12 million.
 - As at January 1, 2020, the company recorded investments property in the amount of Baht 28.33 million.
- As at January 31, 2020, the subsidiary transfers the classification of property, plant, equipment and leasehold rights or non current asset or disposal asset groups classified as held for sale (Note 14)

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Thousand Baht)										
Consolidated Financial Statements										
Note	Issued and Paid-up Share Capital	Premium (Discount) on Shares	Premium on Common Shares from Capital Reduction	Discount from Increase in Shareholding in Subsidiary	Deficit	Other components of shareholders' equity		Total shareholders' equity of the Company	Non-Controlling Interests	Total Share holders equity-net
						Other comprehensive income Gains on remeasurements of defined benefit plans	Total other components of shareholders' equity			
Balance as at January 1, 2019	42,662,405	(32,759,548)	153,537	(47,939)	(6,340,735)	-	-	3,667,220	-	3,667,720
Increase in share capital 15.3	-	-	-	-	-	-	-	-	211	211
Total comprehensive income for the year	-	-	-	-	(186,342)	(2,114)	(2,114)	(188,456)	(28)	(188,484)
Transferred to retained earnings	-	-	-	-	(2,114)	2,114	2,114	-	-	-
Balance as at December 31, 2019	42,662,405	(32,759,548)	153,537	(47,939)	(6,529,191)	-	-	3,479,264	183	3,479,447
Balance as at January 1, 2020	42,662,405	(32,759,548)	153,537	(47,939)	(6,529,191)	-	-	3,479,264	183	3,479,447
Total comprehensive income for the year	-	-	-	-	(391,761)	-	-	(391,761)	(128)	(391,889)
Balance as at December 31, 2020	42,662,405	(32,759,548)	153,537	(47,939)	(6,920,952)	-	-	3,087,503	55	3,087,558

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit: Thousand Baht)

Separate Financial Statements

	Issued and Paid-up Share Capital	Premium (Discount) on Shares	Premium on Common Shares from Capital Reduction	Deficit	Other components of shareholders' equity		Total Share holders equity-net
					Other comprehensive income	Total other	
					Gains on remeasurements of defined benefit plans	components of shareholders' equity	
Balance as at January 1, 2019	42,662,405	(32,759,548)	153,537	(6,486,086)	-	-	3,570,308
Total comprehensive income for the year	-	-	-	(254,646)	(1,494)	(1,494)	(256,140)
Transferred to retained earnings	-	-	-	(1,494)	1,494	1,494	-
Balance as at December 31, 2019	42,662,405	(32,759,548)	153,537	(6,742,226)	-	-	3,314,168
Balance as at January 1, 2020	42,662,405	(32,759,548)	153,537	(6,742,226)	-	-	3,314,168
Total comprehensive income for the year	-	-	-	(449,429)	-	-	(449,429)
Balance as at December 31, 2020	42,662,405	(32,759,548)	153,537	(7,191,655)	-	-	2,864,739

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2020****1. GENERAL**

AQ Estate Public Company Limited (herein after called “the Company”) was incorporated in Thailand and was registered as a public company in the year 1993. The Company undertakes its business in Thailand and is engaged mainly in property development and sales. The Company changes its registered office to be located at No. 102, Rim Klong Bang Kapi Road, Bang Kapi Sub-District, Huay Kwang District, Bangkok, Thailand.

1.1 Status of the Company

- a) On August 26, 2015, the Supreme Court’s Criminal Division for Persons Holding Political Positions (“the Supreme Court”) sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Company Limited (“Golden”) (the 19th defendant) and K & V SRS Garden Home Company Limited (“Garden Home”) the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of land net of commission fee on sales would be Baht 8,924.30 million and in year 2016. The management expects that the forced sale value of land would be Baht 5,800 million. The Legal Execution Department has set a date for the sale of collateral on December 27, 2017 however on that date, the Enforcement Officer has been notified of the order refraining from enforcement of the Supreme Court Criminal Division of Political Position (“Supreme Court”), dated December 25, 2017. The abstention of the case will be effective until the Supreme Court to change the order so, the Enforcement Officer has rescinded the sale of collateral under the order of the Supreme Court. The Supreme Court has no order to enforce the case because the third defendant filed a petition to stay execution to the Supreme Court on December 21, 2017. The Supreme Court held a hearing on the petition on December 25, 2017 and has ordered the copy of the petition to the Enforcement Officer and all stakeholders for acknowledge and they can filing an objection period related parties know the partner involved to object to the petition within 15 days from the date of receiving a copy of the petition and also to postpone the hearing of case to investigate the petition on 5 and 8 March 2018 and ordered to stop the execution during the Supreme Court ruling on the petition until the Supreme Court orders otherwise changed. The Supreme Court Criminal Division politicians had canceled the execution of the lawsuit on that day (March 5, 2018) in accordance with the docket on December 25, 2017 and cancel hearing date on March 8, 2018. On April 9, 2018, the Legal

Execution Department has set a date for the sale of collateral on the first times on June 6, 2018 and second on June 27, 2018, the third on July 18, 2018 and the fourth on August 8, 2018. The initial price, is set by the Committee of set the price of assets, amounted to Baht 8,950.78 million. The initial price will be equal to the price set by the committee in the first auction. If anyone bid, the Legal Execution officer will reduce the initial price 10% at each time but will not be lower than 70% of the first price. In case of sale with collateral, the Legal Execution officer will deduct the current debt form the referred price and round up as the announcement. On July 26, 2018, the Supreme Court's Criminal Division for Persons Holding Political Position ordered for the black case no. Aor Mor Kor 1/2018 to cancel the suspension order for legal execution according to the report of the proceeding dated May15, 2018 and to allow the legal execution officer to process for the land auction except for the disputed land. On September 14, 2018, that Company received the announcement from the Legal Execution Department dated August 17, 2018 and the Legal Execution officer announced the public auction for the assets in the case for 4 schedules as following schedules 1 on October 17, 2018, schedules 2 on November 7, 2018, schedules 3 on November 28, 2018 and schedules 4 on December 19, 2018, On October 17, 2018, the public auction and it sold the collateralized assets to the purchaser at the price of Bath 8,914.07 million. At the present, the Legal Execution officer is preparing of accounts and the Bidders has filed an application for the postponement of the period of payment to be on February 1, 2019. The properties sold at the auction were divided into 3 groups as follows:

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor Mor. 55/2015 by confiscating of land auction of Golden Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was Bath 4,019.62 million. The buyer had placed the deposit of Bath 201 million. The remaining would be paid within February 1, 2019 and on January 24, 2019, the buyer paid Bath 3,818.62 million.

The second group was the civil suit in decided case No. 4007/ 2009 and undecided case No. Tho. 59/2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of Bath 1,261.02 million, deposit of Bath 65 million and on September 15, 2020, the buyer paid amount of Baht 1,196.02 million. The petitioner, K&V SRS Company Limited held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition, and the court made an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor

Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account on August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account. (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

The third group was the case of Central Bankruptcy Court in decided case No. L. 1249/2012. The property sold at auction from this case of 1,868-3-97.72 rai and land ownership belongs to K&V SRS Company Limited. The auction buyer purchased price amount of Baht 3,633.43 million and deposit amount of baht 182.50 million. On March 23, 2020, the buyer paid amount of Baht 3,450.93 million K&V filed the objection, causing the buyer to submit such matter to court against the petition of K&V Company, which was between the three objections and divided as follow.

1. Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of Miss Charoen Yukongtham in the ratio of 800.66 and proceeded to sell the auction. In this case the petitioner had applied for revocation as the auction unlawful. The court accepted the petition as objection and called the Golden Company as the third objector, then completed the examination witnesses and made the appointment to hear order on March 5, 2019. The case result was dismissed by the court.
2. Central Bankruptcy Court in undecided case No. SL. 388/2018, the petitioner filed claiming that bring the property of petitioner was sold together with land Golden Company unlawful and to suspend temporarily the auction. The court had ordered the petition and attached documents to the petition. In the event that was no legal reason to suspend the auction, according to petition. The court therefore ordered to dismiss the petition. Later, on March 20, 2019, K&V SRS Garden Home Company Limited, the petitioner filed an appeal. Later on April 23, 2019, the official receiver, the objector No. 1, filed an objection to the appeal requesting the appeal and on May 2, 2019, Krung Thai Bank Public Company Limited, the objector No. 2 filed an appeal against the appeal which the Central Bankruptcy Court ordered the appointment of the Court of Appeals for Special Cases dated September 3, 2019. Court denied such appeal, the preliminary case result was terminated by the court.
3. Undecided case No. SL.438/2018 regarding the revocation auction of the second debtor's land (K&V SRS Garden Home Company Limited). In this case, the objector had submitted the request to revoke as unlawful auction and requested to the temporarily suspend enforcement on February 4, 2019. The court ordered the company attorneys, the stakeholders (Golden Company) and called the second objector which will appoint witnesses on April 25, 2019 and April 26, 2019. The court appointed the witness examination on May 14, 2019. The case result was dismissed by the court.

- b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Company Limited (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.
- c) On October 16, 2015, the Company, "Golden" and Progress Property Management Company Limited ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition, the board of directors meeting No12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore, the officer will report to the court to lift this bankruptcy case according.

On June 22, 2017, the Company was filed the lawsuit in the civil court and the plaintiff filed (1) to nullify the Asset Management and Profit Sharing Agreement (the "Agreement") dated October 16, 2015 (2) to nullify the appointment and registration of directors (3) to nullify the resolution of the Board of Directors from April 8, 2016 and (4) to nullify the resolution of the Board of Directors from October 19, 2015. The Court scheduled to settle issues in court and to determine the litigation process guideline on August 28, 2017. The legal advisor of the Company has the opinion for this litigation that the purpose of the Asset Management and Profit Sharing Agreement is for the Company to have the right to manage for the 3rd Defendant in order for the debt restructuring and the sale of land for payment of damage to the Bank and to minimize the impact from the capital increase to pay for the damages to the Bank. However, after the date of the Agreement in October 2015, there has not been any impact. In consideration for the fact that the land is mortgaged to the Bank, the sale of land depends on (1) the 3rd Defendant as the owner of the land can process with the consent from the Bank as the creditor or (2) the Bank can enforce the asset seizure and sale of land according to the Supreme Court's judicial order which is final and enforceable. From the past, the Company has negotiated with the Bank and mutually agreed for the guideline for debt restructuring including the sale of land without the consent from the 3rd Defendant. Even if the Agreement is nullified, it will not affect the debt restructuring plan or the status financial of the Company. In addition, it will release the Company from the profit sharing under the Agreement. Due to the appointment On May 21, 2018 the plaintiff filed a petition to withdraw the lawsuit and the court allowed the plaintiff to withdraw the lawsuit and distribute the case from the directory.

On January 17, 2018, according to Case No. P.240/2018, requesting to cancel the Asset management profit sharing between the Company and Progressive Company. The Company proposes that the three defendants did not default the contract. The contract has the above mention conditions of clear duty for each party. The Court's hearing will be hold on November 23, 2018. The court read the verdict on March 18, 2019 the court therefore ordered to dismiss the petition.

On June 17, 2019, the plaintiff appealed the judgment and on July 18, 2019, the three defendants filed a petition, Later, on June 4, 2020, the Supreme court read the judgment of the Court of Appeals, which reversed judgment that the 1st defendant transfer the shares held by Golden Technology Industrial Park Company Limited amount to 5,440,000 shares return to the plaintiff. If 1st defendant does not take action, the judgment shall be taken of the court instead of intention. Any other request to cancels costs fee for both court on July 1, 2020, the lawyers of the three defendants filed a petition to extend the period on the 1st and the court permit to extend the period till the date on August 4, 2020. And as at July 31, 2020, AQ Estate Public Company Limited with the three defendants filed a petition to extend the period on the 2nd that the court permit to extend the period till the date on September 3, 2020. The three defendants not to filed a petition. The case had terminated.

On August 3, 2018, Case NO. P.4393/2018. AQ Estate Public Company Limited sue Golden Technology Industrial Park Company Limited and Progress Property Company Limited (co-defendant) to be a civil case, to refund advance which AQ has paid reservation according to the property management agreement, amounting of Baht 74,999,995 million.

On August 6, 2019, the co-defendant filed a petition to postpone the case, claiming that the Golden company was sued by the Krung Thai Bank in bankruptcy cases. The bankruptcy court will consider on August 20, 2019. Therefor the civil court has agreed to wait for the outcome of the bankruptcy case and then postponed the appointment to hear the results on September 17, 2019. Later, the

Krung Thai Bank bankruptcy case of discontinued Golden Technology Industrial Park Company Limited, so the civil case will be continuing. The courts on January 14, 2021, sentenced the case, the defendant is Golden Company pay to AQ Estate Public Company Limited amount Baht of 52,381,259.93 million plus 7.5% of interest per year. A lawyer fee of Baht 30,000. Which is currently expand to file the appeal of the plaintiff and the defendant.

- d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million, respectively was presented as loans considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have temporary suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

The board of direction meeting No. 12/2016, dated October 13, 2016, acknowledged that the company submitted the regent of debt restructure to one bank. The Company was non-performing land additional pledge value Baht 1,000 million. And complete the debt restructure within one year. The Company request the right to sell the pledged land to repay bank loan. However, the company in waiting bank approved. In additions the meeting acknowledged that the surveyor reported that there are 177 land intruders the company recorded additional production of Baht 51.93 million for selling this land.

And then, according to minute of board of director's meeting No. 15/2016, dated on November 24, 2016 acknowledged that on November 22, 2016, the Company has met and acknowledged bank requirement to changes the conditions of debt restructure. The bank would like Golden to enter into debt restructure at civil case in whole amount (approximately by Baht 20,000 million) and pay for Baht of 1,000 million, and then allow the Company ask for a party in civil case in order to manage sell the pledged land. Also, the meeting acknowledged if Golden could not enter into debt restructure above within November 2016, the bank will send the case into office of the Attorney, Office of the National Anti -Corruption Commission, Office of the Auditor General of Thailand, and night being legal execution of assets of the Company. At present, Golden has not yet entered the debt restructure and the Company has not been informed about legal execution of assets of the Company.

On January 5, 2017, the bank informed the Company and Golden that the bank cannot accept the proposals of the Company regarding debt restructuring. And on April 5, 2017, the bank informed (1) Golden has enter the debt restructuring as civil black case number Tor.268/2006 in whole amount, under the condition of Por-Kor-Sor.007/2017 dated on January 5, 2017 within April 2017. (2) The Company has following the judgmental of the Supreme Court's Criminal Division for Persons Holding Political Positions as case red number. Aor-Mor.55/2015 and repayment for damage fee amount of Baht 10,004,467,480 to the bank within June 2017. If there have non proceeding, the bank might proceed the legal execution for every case.

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be enough for payment of damages to the bank and/or mutually discuss the terms and conditions for the payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

On August 10, 2017, the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the company.
3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank.

The attorney general has filed a request for confiscation at Supreme Court on August 24, 2017, and the court issued the enforcement order to seize and freeze the defendant's property. The plaintiff has investigated the defendant's property and found the nineteenth defendant (Golden Technology Industrial Park Company Limited), which the court sentenced to joint liability in the amount of Baht 8,368.73 million holds ownership of land located in Samutprakarn province, totaling 97 plots. However, the legal advisor of company explained that the enforcement is just one step in the execution of this case because the process will also require a collateral land survey, draw map of property, set the final auction date and open auction. In this case, the collateral land is in the jurisdiction of Samutprakarn province. Therefore, the plaintiff must ask the court to have order to court of Samutprakarn for acting instead. By lawsuit has ended, the debt or owed amount that the court sentenced the company to repay the debt to the financial institution is the same amount with civil case. This amount is the balance that the financial institution has been filed at the Civil Court according to the report of proceedings. In case of selling collateral, the money must be paid to settle the judgment of court first because the court issue writ of execution. When the financial institutions receive such funds, it must be offset against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

Thus, the civil case which Krungthai Bank Public Company Limited as a plaintiff accused Golden Technology Industrial Park Company Limited. (the 1st defendant) and others, totaling 4 persons (according to Black Case No. Tor. 268/2006, Red Case No. Tor.2687/2007) is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100 at the rate of 15% per annum, since the date after filling date until completion of debt repayment and on September 28, 2017 Sentenced Golden Technology Industrial Park Company Limited to pay 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from May 31, 2004 until payment is completed and bring Golden Technology Industrial Park Company Limited money paid on November 1, 2004 amounting to Baht 39 million deducted by

the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 9, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it makes another confiscation of Golden Technology Industrial Park Company Limited. On May 5, 2020, the preliminary case result was terminated by the court.

As disclosed in Note 30 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12, 2017 to July 14, 2017 and Baht 1,925 million on July 17, 2017 to July 21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2020 as follows:

	(Unit: Million Baht)
Compensation as per Court sentence	10,004.47
<u>Add</u> Necessary expenses for selling land as per a contract for the asset management	128.90
Specific Business Tax (At forced sale value)	191.40
Withholding income tax (At forced sale value)	58.00
Transferring fee (At Land Department price)	110.61
<u>Less</u> Forced sale value*	(5,800.00)
Compensation for damages	(1,635.74)
Estimated the damage - net	3,057.64

* The Company appraise the valuation of collateral land by appraisal report of SL. Standard Appraisal Co., Ltd. dated on May 5, 2017, comparative market price method amounts of appraised price Baht 11,600 million and amount of forced sale value by Baht 5,800 million. (In year 2015 the appraised value and the forced sale value of such collateral land as appraisal report dated on May 25, 2016, amount by Baht of 12,749 million and 8,924 million, respectively).

The actual damage will substantially depend on the Company's ability to sell such collateral land at the estimated price and Garden Home will not make a claim against the Company and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million and Garden Home will not exercise recourse against the company and the outcome of the negotiation with the bank.

On October 17, 2018 the Company sold the collateral. Bidders are bidding for Baht 8,914.07 million which is higher than the estimated sales force. Currently, the Company cannot reverse its provisioning provision. It is waiting for the bidder to pay the remaining price and bidders has paid in full.

On August 24, 2020, the company received a notice to repay the debt. According to the decided case Aor mor No.55/2015, The Company still has a debt obligation under the aforementioned judgment pending with Krungthai Bank Public Company Limited amount of Baht 8,368,732,100 million. The Krungthai Bank wishes to collect all the debts and the Company must pay Baht 8,368,732,100 million within 30 days from the date the Company received this letter.

The Company has sent a letter to Krungthai Bank Public Company Limited dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case No. Aor Mor. 55/2015 or pay as principal in the civil court in decided case No. Thor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders. The Company reserves the right to take any action in accordance with the law or protect the legitimate rights in all cases, if Krungthai Bank Public Company Limited take any action that causes damage to the Company to the end.

- e) On September 25, 2019, AQ Estate Public Company Limited sued Krung Thai Bank Public Company Limited (the 1st defendant) and others, totaling 13 persons to be a civil case, financial statements revision for 1st quarter 2019 of Krung Thai Bank to claim the refund 3,898,704,840 Baht to pay for damages in lawsuit of the Supreme Court's Criminal Division for persons Holding Political Positions (according to Black Case No. Aor-Mor. 3/2012, according to Red Case No. Aor-Mor. 55/2015), if the defendant fails to comply with payment of damages amount. The court are meeting of settlement of issue and define prosecution guidelines or the courts meeting schedule the hearing date on November 18, 2019. The totaling of defendant filed to expand the time on February 9, 2020. The lawyer has comment to the court should be consider trend and judgment for conditional in contract on August 10, 2017. The court has postponed the date of arbitration to April 27, 2020 due to the issue of COVID-19. The court has cancelled and has postponed the date of arbitration to September 30, 2020. On September 30, 2020, the 13 defendant's attorney asked the plaintiff's attorney to withdraw the second to thirteenth defendant because they are director of the first defendant and acting on behalf of the first defendant. The plaintiff's attorney accepts the matter and has proposed the plaintiff's management and the court has determined day of settlement of issues or making a decision on the law on November 19, 2020. The court has postponed the date of arbitration to June 14, 2021.

2. BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS PREPARATION

2.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and 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.

2.2 Principles of consolidation

The consolidated financial statements include the accounts of AQ Estate Public Company Limited and the following direct and indirect subsidiaries for which more than 50% of capital shares with voting right are owned by the Company:

The consolidated financial statements include the financial statements of the AQ Estate Group as follows:

			Proportionate of Share (%)	
		Type of Holding	September 30, 2020	December 31, 2019
Subsidiaries				
AQ Village Co., Ltd.	Recreational services and provides hotel and resort	Direct	99.94	99.94
AQ Marketing Service Co., Ltd.	Sale management services	Direct	99.94	99.94
AQ Property Management Co., Ltd.	Management of commercial space	Direct	99.93	99.93
Allied Technologies International Co., Ltd.	Real estate trading	Direct	99.90	99.90
Thanont Property Co., Ltd.	Real estate trading	Direct	99.80	99.80
Free Zone Asset Co., Ltd.	Real estate for rent and services	Direct	99.98	99.98
Aquarius Estate Co., Ltd.	To sell, acquire, provide services and operate in real estate	Direct	99.99	99.99
Villa Nakarin Co., Ltd.	Real estate trading	Direct	99.99	99.99
The Tarna Align Resort Co., Ltd.	Hotel services	Direct	99.82	99.82
Vitoonthanakorn Co., Ltd. (Subsidiary held through Thanont Property Co., Ltd.)	Real estate trading	Indirect	99.99	99.99
Baan Chidthara Co., Ltd. (Subsidiary held through AQ Village Co., Ltd.)	Recreational services and provides hotel and resort	Indirect	99.99	99.99
Aquarius Hotel & Resort Co., Ltd. (Subsidiary held through Aquarius Estate Co., Ltd.)	To sell, acquire, provide service and operate in real estate	Indirect	99.99	99.99

Significant transactions among the AQ Estate Group have been eliminated in these consolidated financial statements.

The financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.

Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and under equity in the consolidated statements of financial position.

2.3 BASIS FINANCIAL STATEMENTS PREPARATION

These company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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. In case, the conflict or difference in interpretation between two languages so, force to the financial statement according to Thai law.

2.4 CURRENCY USE IN OPERATION AND PRESENT THE FINANCIAL STATEMENTS

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3. ESTIMATION

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognized in the financial statements is included in the following notes:

Note 23	Deferred taxation and utilization of tax losses
Note 29	The assumptions of discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate
Note 15.2	Provisions
Note 36	Valuation of financial instruments

4. 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 January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. However, the new standard involves changes to key principles, which are summarized 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

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 business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact due to changes in accounting policy was reported in Note 6

Thai Financial Reporting Standards No. 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 using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated.

The impact due to changes in accounting policy was reported in Note 6.

- b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021.

The Federation of Accounting Professions issued a number of new and 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 is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

- c) Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 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 January 1, 2020 and December 31, 2020.

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and its subsidiaries uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Financial instruments

The initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the 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 financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Company may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

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 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 the statement of profit or loss.

Impairment of financial assets

For trade receivables and asset from contract, 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

Trade and other current receivables

Trade and other current receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

5.2 Cash and Cash Equivalents

Cash on hand is kept for general use purpose within the AQ Estate Group. Cash equivalents are savings deposits and current accounts, highly liquid investments that are readily convertible to known amount of cash that are subject to an insignificant risk of change in value.

5.3 Inventory Valuation

Inventories of real estate business are valued at the lower of cost by using specific method or net realizable value.

Inventories of service business are values at the lower of cost by using the moving average method or net realizable value.

Cost of inventory for real estate business comprises all cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.

Cost of service business comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

The AQ Estate Group provides an allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

5.4 Land Held for Future Development

Land held for future development are stated at the lower of cost or net realisable value.

Land held for future development represents land for future development which includes cost of land, costs of land development and related interest as referred to above.

The AQ Estate Group recognize impairment loss if there are circumstances indicating that the recoverable amounts may be less than the net book values.

5.5 Financial assets and financial liabilities

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, 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. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.

- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, 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. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. The Group reclassifies all financial liabilities as subsequently measured at amortised cost, except for derivatives.

Recognition and derecognition

The Group shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies general approach for credit-impaired consideration.

5.6 Non current asset or disposal asset groups classified as held for sale

Disposal assets (liabilities) groups classified as held for sale

Disposal assets (liabilities) groups is classified as held for sale if its carrying value will be recovered principally through a sale transaction rather than through continuing use, such asset (liabilities) is available for immediate sale in its present and its sale is highly probable.

Disposal assets (liabilities) groups classified as held for sale is measured at the lower of it carrying value and fair value less costs to sell.

5.7 Investments in shares

Investments in subsidiaries and associates in the separate financial statements of The AQ Estate Group are accounted for using the cost method (if any). Investments in associates in the consolidated financial statements are accounted for using the equity method.

The cost of investments disposed of during the year is determined by the weighted average method (if any).

5.8 Investment Property

Investment property is property, including property held under an operating lease which would otherwise qualify as investment property, which is held to earn rental income, for capital appreciation or for both.

Investment property is measured initially at cost and subsequently measured at fair value. However, managements will review the fair value to reflect market conditions at the end of the reporting period. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted. Any change in fair value is recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

5.9 Property, Plant and Equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of comprehensive income.

Depreciation

The AQ Estate Group depreciates their Buildings and equipment by the straight-line method over the following estimated useful lives:

	Years
Buildings and building improvements	3, 5 - 48
Sport club and others	5, 20
Furniture, fixtures and office equipment	3 - 5, 20
Vehicles	5

5.10 Leasehold Rights

Leasehold rights are stated at cost less accumulated amortization and allowance for loss on impairment of assets. Leasehold rights are amortized based on the following of lease term;

	Years
Leasehold right of land in KohLarn, Chonburi	27.33
Leasehold right of land in project Alix Bangkok Hotel (Previous name "Shasa Retreat Hotel)	30
Leasehold right of land in project the Malibu Beach Resort – Koh Samui	7.56

5.11 Leases

Leases - where the Company is the lessee

At inception of contract, the Company 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 Company assesses the lease term for the non - cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

a) **Right-of-use asset**

Right-of-use assets are measured at cost, less any 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.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

b) **Lease liabilities**

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

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

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 AQ Estate Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The AQ Estate Group 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 recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.13 Intangible Assets

Intangible assets that are acquired by the AQ Estate Group are stated at cost less accumulated amortization and allowance for loss on impairment of assets.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite.

Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follows:

	Years
Software licenses	5

5.14 Impairment of Assets

The AQ Estate Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the AQ Estate Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

5.15 Accounting estimates

Preparation of financial statements in conformity with Thai Financial Reporting Standards required the management to make several estimation and assumption which affected the amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

The judgments, estimates and assumptions including the key sources applied in the financial statements. As the same those applied in the annual financial statements for the year ended December 31, 2019.

5.16 Provision

A provision is recognized when the AQ Estate Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

5.17 Provision for Employee Retirement Benefit

Employee benefits

a) Short - term employee benefits

Short - term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Post - employment benefits

The Company records post - employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

- Defined contribution plan

A defined contribution plan contribution plan is a post - employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the years during which services are rendered by employees.

- Defined benefit plan

A defined benefit plan is a post - employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

The Company recognised immediately all actuarial gains or losses arising from defined benefit plans in profit or loss.

c) Other long - term employee benefits

The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years, that benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the year in which they arise.

d) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognized costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of reporting year, then they are discounted.

5.18 Use of Judgments and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Use of judgment

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Consolidation: whether the AQ Estate Group has de facto control over an investee
- Lease classification

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Current and deferred taxation
- Utilization of tax losses
- Business combination
- Valuation of investment properties
- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments

5.19 Revenues and Expenses Recognition

a) Revenue from sales of real estate

Revenues from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally, upon delivery of the goods. Revenues 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 “Unearned income” in the statement of financial position.

b) Revenue from sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and price promotions to customers.

c) Rental income

Rental income is recognised in the statement of comprehensive income on an accrual basis over the term of the lease. Initial expenses are recorded as a part of total rental as lease agreement.

d) Revenue from hotel business

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

e) Service income

Service income is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. The recognised revenue which is not yet due per the contracts has been presented under the caption of “Unbilled receivables” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Company’s and its subsidiaries’ right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advance received from customers” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

f) Revenue from hotel management services

Revenue from hotel management services is recognised over time when services have been rendered taking into account the stage of completion.

g) Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

h) Dividend income

Dividend income are recognised when the right to receive the dividends is established.

i) Expenses

Expenses are recorded based on an accrual basis.

5.20 Construction Contracts

The AQ Estate Group recognizes revenue from construction contracts by the percentage of completion method. The percentage of completion is computed based on the estimation by the AQ Estate Group's project engineer together with the consideration of actual cost of work performed and the estimated total cost of the project. The estimated total cost is determined by The AQ Estate Group's project engineers or its responsible person, which is subject to change. The related actual costs are taken up as incurred on an accrual basis. Expected loss on each project is provided and charged as expense in the period when the estimated total costs of the project exceed its total contracted income.

5.21 Costs of Land and Houses Sold and Residential Condominium Units Sold

Costs of land and houses sold and residential condominium units sold consist of cost of land, land improvement, design fees, public utilities, constructions and direct related interest and other related cost.

In determining the costs of land and houses sold and residential condominium units sold the AQ Estate Group's, total development costs (taking into account actual costs incurred to date) are attributed to land and houses sold on the basis of the salable area and residential condominium units sold on the basis of the salable price and area.

The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognized when the ownerships have been transferred.

5.22 Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

5.23 Finance Costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

5.24 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are expensed in the period in which they are incurred.

5.25 Income Taxes

The income tax charge is based on profit for the period and considers deferred taxation. Deferred income taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the AQ Estate Group expects, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the AQ Estate Group re-assesses unrecognized deferred tax assets. The AQ Estate Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The AQ Estate Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets,

5.26 Gain (Loss) per Share Attributable to Owners of the Parent

Gain (Loss) per share attributable to owners of the parent is determined by dividing gain (loss) for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year.

5.27 Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments and geography segments of the Group's operations.

5.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine 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. IMPACT OF FIRST-TIME ADOPTION OF NEW ACCOUNTING SATANDARD

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

Leases

As referred to note 4 the Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated

The impact due to beginning retained earnings for the year 2020 changes in accounting policy was reported to adoption the following:

	(Unit : Thousand Baht)		
	Consolidate financial statements		
	As at December 31, 2019	TFRS 16	As at January 1, 2020
Statement of financial position			
Assets			
Current assets			
Trade accounts and other current receivable	177,359	(7,949)	169,410
Non-current assets			
Trade accounts and other non - current receivable	59,319	(52,117)	7,202
Investments property	128,053	28,330	153,383
Property, plant and equipment	1,215,508	(75,304)	1,140,204
Right-of-use assets	-	237,060	237,060
Intangible assets	15,360	(14,080)	1,280
Liabilities and equity			
Current liabilities			
Trade account and other current payable	271,014	(943)	270,071
Current portion of long - term debts	17,001	(203)	16,798
Current portion of lease liabilities	-	19,645	19,645
Non-current liabilities			
Lease liabilities	-	97,441	97,441

(Unit : Thousand Baht)			
Separate financial statements			
As at December 31, 2019		As at January 1, 2020	
	TFRS 16		
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	12,032	12,032
Liabilities and equity			
Current liabilities			
Current portion of lease liabilities	-	3,913	3,913
Non-current liabilities			
Lease liabilities	-	8,119	8,119

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The Group's weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2020 was 6.775%

For leases previously classified as finance leases applying TAS 17, the Group recognised the carrying amount of the lease asset and lease liability immediately before adoption of TFRS 16 as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

(Unit : Thousand Baht)		
	Consolidate financial statements	Separate financial statements
Operating lease commitments disclosed as at December 31, 2019	234,319	9,374
(Less) Short-term leases recognised on a straight-line basis as expense	(1,076)	(244)
Add Purchase or extension options reasonably certain to be exercised	1,947	5,720
(Less) Contracts reassessed as service Agreements	(39,737)	(1,274)
(Less) Deferred interest expenses	(78,570)	(1,544)
Additional lease liabilities from TFRS 16 Adoption	116,883	12,032
Finance lease liabilities as at December 31, 2019	203	-
Lease liabilities recognised as at January 1, 2020	117,086	12,032
Of which are:		
Current lease liabilities	19,645	3,913
Non-current lease liabilities	97,441	8,119
	117,086	12,032

The recognized right-of-use assets relate to the following types of assets:

	(Unit : Thousand Baht)			
	Consolidate financial		Separate financial	
	statements		statements	
	As at	As at	As at	As at
	December	January	December	January
	31, 2020	1, 2020	31, 2020	1, 2020
Land and land improvement	221,909	231,326	-	-
Building and building improvement	-	-	4,618	6,298
Vehicles	4,023	5,734	4,023	5,734
Total right-of-use assets	225,932	237,060	8,641	12,032

7. TRANSACTIONS WITH RELATED PARTIES

A significant portion of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships. The significant transactions with related parties as included in the consolidated financial statements are determined at the price as stipulated in the agreement or mutual negotiation (Some of the transactions are supported by contracts and some are not supported, some areas of businesses and advertising management services, which are the specific services, do not have referenced market price), which basis may be different from those determined for transactions with unrelated companies.

Key management personnel mean persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the AQ Estate Group.

The significant transactions between the AQ Estate Group and their related parties for each of the years ended December 31, 2020 and 2019 are as follows:

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			Financial Statements		Financial Statements	
	Relationship	Policy of Pricing	2020	2019	2020	2019
Management fee income	Direct and indirect subsidiaries	Year 2020 Baht 4.15 million per quarter, year 2019 Baht 4.95 million per quarter.	-	-	17,200	19,800
Land rental income	Direct subsidiary	Year 2020 Baht 3.00 million per quarter, year 2019 Bath 3.00 million per quarter.	-	-	12,000	12,000
Vehicles rental income	Direct subsidiary	Baht 5,000 per month	-	-	60	60
Telephone income	Direct subsidiary	Actual charge	-	-	235	236
Electricity income	Direct subsidiary	Actual charge	-	-	219	181
Interest income	Direct subsidiary	Interest rate MLR per annum	-	-	114,001	123,847
Sales management services	Direct subsidiary	3% of sales	-	-	4,618	4,218
Utilities expenses	Direct subsidiary	Negotiated agreement	-	-	1,951	1,790
Vehicles Rental	Direct and indirect subsidiaries	Year 2020 Baht 18,500 per month, Year 2019 Baht 19,000 per month.	-	-	202	228
Space Rental	Direct and indirect subsidiaries	Baht 0.16 million per month.	-	-	-	1,907
Management project (Included in the cost of project under development)	Direct subsidiary	Negotiated agreement	-	-	317	211
Electricity Bill	Indirect subsidiaries	Actual charge	-	-	1,289	1,075
Water Bill	Indirect subsidiaries	Actual charge	-	-	126	165

The balances with related parties as at December 31, 2020 and 2019 are as follows:

(Unit: Thousand Baht)

		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Relationship	2020	2019	2020	2019
<u>Trade account receivables - subsidiary companies</u>					
Allied Technologies International Co., Ltd.	Direct subsidiary	-	-	177,179	177,179
Thanont Property Co., Ltd.	Direct subsidiary	-	-	66,038	66,038
Total		-	-	243,217	243,217
<u>Interest receivables from subsidiary companies - net (Shown under trade and other current receivables)</u>					
AQ Marketing Service Co., Ltd.	Direct subsidiary	-	-	109,912	109,912
Thanont Property Co., Ltd.	Direct subsidiary	-	-	365,000	348,883
AQ Village Co., Ltd.	Direct subsidiary	-	-	21,537	21,537
Allied Technologies International Co., Ltd.	Direct subsidiary	-	-	51,516	51,516
AQ Property Management Co., Ltd.	Direct subsidiary	-	-	6,088	6,088
Free Zone Assets Co., Ltd.	Direct subsidiary	-	-	24,274	24,274
Aquarius Estate Co., Ltd.	Direct subsidiary	-	-	469,629	391,588
Villa Nakarin Co., Ltd.	Direct subsidiary	-	-	108,154	89,443
The Tarna Align Resort Co., Ltd.	Direct subsidiary	-	-	1,189	56
Total		-	-	1,157,299	1,043,297
Less Allowance for doubtful accounts		-	-	(703,985)	(425,477)
Net		-	-	453,314	617,820

(Unit: Thousand Baht)

		Separate Financial Statements			
		Balance as at			Balance as at
		December 31,			December 31,
	Relationship	2019	Increase	(Decrease)	2020
<u>Other account receivables and</u>					
<u>advances to subsidiary companies - net</u>					
Allied Technologies International Co., Ltd.	Direct subsidiary	57,116	4,076	(5,177)	56,015
AQ Village Co., Ltd.	Direct subsidiary	61,168	12,671	(8,812)	65,027
Thanont Property Co., Ltd.	Direct subsidiary	86,231	856	(11,010)	76,077
Free Zone Assets Co., Ltd.	Direct subsidiary	3,852	642	(4,494)	-
Aquarius Estate Co., Ltd.	Direct subsidiary	5,029	236	(2,691)	2,574
Vitoonthanakorn Co., Ltd.	Indirect subsidiary	1,284	856	(1,284)	856
Villa Nakarin Co., Ltd.	Direct subsidiary	24,396	5,136	(1,284)	28,248
Baan Chidthara Co., Ltd.	Indirect subsidiary	1,017	214	(856)	375
Aquarius Hotel & Resort Co., Ltd.	Indirect subsidiary	5,457	678	(3,562)	2,573
AQ Marketing Service Co., Ltd.	Direct subsidiary	9,630	2,912	(5,475)	7,067
The Tarna Align Resort Co., Ltd.	Direct subsidiary	-	423	(1)	422
AQ Property Management Co., Ltd.	Direct subsidiary	10,292	2,970	(4,894)	8,368
Total		265,472	31,670	(49,540)	247,602
Less Allowance for doubtful accounts		(21,504)	(134,082)	32,543	(123,043)
Net		243,968	(102,412)	(16,997)	124,559
<u>Short - term loans to subsidiary</u>					
<u>companies - net</u>					
AQ Marketing Service Co., Ltd.	Direct subsidiary	303,982	80,277	(69,680)	314,579
Thanont Property Co., Ltd.	Direct subsidiary	325,398	16,909	(121,510)	220,797
AQ Village Co., Ltd.	Direct subsidiary	643,461	15,662	(3,701)	655,422
Allied Technologies International Co., Ltd.	Direct subsidiary	141,116	180,238	(198,348)	123,006
AQ Property Management Co., Ltd.	Direct subsidiary	120,692	12,726	(5,708)	127,710
Free Zone Assets Co., Ltd.	Direct subsidiary	110,162	110	(57,667)	52,605
Aquarius Estate Co., Ltd.	Direct subsidiary	1,285,934	61,742	(29,150)	1,318,526
Villa Nakarin Co., Ltd.	Direct subsidiary	289,302	41,365	(1,100)	329,567
The Tarna Align Resort Co., Ltd.	Direct subsidiary	8,241	23,933	-	32,174
Total		3,228,288	432,962	(486,864)	3,174,386
Less Allowance for doubtful accounts		(1,807,179)	(191,984)	218,752	(1,780,411)
Net		1,421,109	240,978	(268,112)	1,393,975

The Company and subsidiaries mutually agree to charge interest rate 6% per annum and MLR per annum on loans for use in normal operations.

The aging analyses of trade account receivables, other account receivables, advance to subsidiaries companies, loans and interest receivables from subsidiary companies as at December 31, 2020 and 2019 are as follows:

		(Unit: Thousand Baht)	
		Separate Financial Statements	
		2020	2019
Overdue not over 1 year		519,474	499,346
Overdue more than 1 year		4,303,030	4,280,928
Total		4,822,504	4,780,274
Less Allowance for doubtful accounts		(2,607,439)	(2,254,160)
Net		2,215,065	2,526,114

The Company provides allowance for doubtful accounts for such transactions by considering historical collection experience for each account receivable and will reverse the allowance to "Bad debt recoveries" upon collection.

		(Unit: Thousand Baht)	
		Separate Financial Statements	
		2020	2019
<u>Trade account payables - subsidiary company</u>	Relationship		
Allied Technologies International Co., Ltd.	Direct subsidiary	37,083	37,083
<u>Other account payables - subsidiary companies</u>			
AQ Marketing Service Co., Ltd.	Direct subsidiary	61,311	60,350
AQ Property Management Co., Ltd.	Direct subsidiary	12,461	13,644
Free Zone Assets Co., Ltd.	Direct subsidiary	642	-
Vitoonthanakorn Co., Ltd.	Indirect subsidiary	105	76
Allied Technologies International Co., Ltd.	Direct subsidiary	1,795	1,795
Thanont Property Co., Ltd.	Direct subsidiary	-	7,887
AQ Village Co., Ltd.	Direct subsidiary	240	240
Aquarius Hotel & Resort Co., Ltd.	Indirect subsidiary	-	-
Aquarius Estate Co., Ltd.	Direct subsidiary	729	-
Total		77,283	83,992
<u>Accrued interest expenses - subsidiary companies</u>			
(Shown under trade accounts and other current payable)			
Thanont Property Co., Ltd.	Direct subsidiary	24,854	24,854

Type of compensation	(Unit: Thousand Baht)			
	Separate Financial Statements			Balance as at December 31, 2020
	Balance as at January 1, 2020	Increase	(Decrease)	
<u>Liabilities under lease agreements - subsidiary company</u>				
Vitoonthanakorn Co., Ltd				
Liabilities under lease agreements	7,150	-	(1,906)	5,244
Deferred interest	(852)	-	380	(472)
Liabilities under lease agreements - Net	6,298	-	(1,526)	4,772

	(Unit: Thousand Baht)	
	Separate Financial Statements	
Lease liabilities are as follows :		
Current lease liabilities		1,634
Non-current lease liabilities		3,138
Total		4,772

IMPORTANT CONTRACT WITH RELATETED PARTIES

1. The Company contract for rent office AQ SQUARE 1th floor and 2nd floor (Office) seminar room with Vitoonthanakorn Co., Ltd. Amounting to 1,588.82 square meter for 3 years. Since October 1, 2020 until September 30, 2023 for rental fee Baht 158,882 exclude value added tax.
2. The Company contract for hire business management with the subsidiaries has 11 contracts amounting of Baht 16.60 million for 1 year. Since January 1, 2020 until December 31, 2020.
3. The Company contract for rent square with the subsidiaries amounting of Baht 1 million per month. Received rental for the quarter for 3 years. Since January 1, 2020 until December 31, 2020.

Guarantee

As at December 31, 2020 and 2019 the company doesn't have guarantee on the subsidiaries credit facilities.

The monetary remuneration of executives, which is a related party transection for each of the years ended December 31, 2020 and 2019 are as follows:

Type of compensation	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2020	2019	2020	2019
Salary and compensation	26,200	19,245	26,200	19,245
Meeting Allowance	162	204	162	204
Total	26,362	19,449	26,362	19,449

8. CASH AND CASH EQUIVALENTS

As at December 31, 2020 and 2019 as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Cash	1,407	1,235	239	218
Cash at bank - savings accounts	45,686	22,557	1,147	837
Cash at bank - current accounts	3,815	5,494	517	3,195
Cash at bank - fixed accounts	42,279	7,173	-	-
Check in transit	17,970	-	17,970	-
Total	111,157	36,459	19,873	4,250

Saving deposit is subject to bank's floating interest rate.

9. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE

As at December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2020	2019	2020	2019
Other companies – net				
- Trade account receivables – net	3,588	11,154	-	-
- Other receivables – net	252,852	166,205	53,308	70,627
Total	256,440	177,359	53,308	70,627
Related companies – net (Note 7)				
- Trade account receivables – net	-	-	243,217	243,217
- Other receivables – net	-	-	577,872	861,788
Total	-	-	821,089	1,105,005
Trade account and other account receivables – net	256,440	177,359	874,397	1,175,632

The aging analyses of trade and other account receivables - other companies as at December 31, 2020 and 2019 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Trade account receivables - other companies				
Within credit term	29	-	-	-
Overdue				
- Not over 3 months	2,930	3,210	-	-
- Over 3 months to 6 months	1,220	808	-	-
- Over 6 months to 12 months	1,565	1,533	-	-
- Over 12 months	4,358	5,831	-	-
Total trade account receivables	10,102	11,382	-	-
<u>Less</u> Allowance for doubtful accounts	(6,514)	(228)	-	-
Net	3,588	11,154	-	-
Other current receivables				
Other receivables (Note 14)	57,704	7,052	319	660
Revenue department receivables	31,212	34,342	-	-
Advance payment for construction	23,005	42,857	19,671	20,158
Accrued interest receivables	29,999	47,002	29,996	46,984
Prepaid expenses	3,846	13,607	2,148	2,143
Deposit of land (Note 9.1)	90,500	5,000	-	-
Others	17,954	17,713	2,542	2,050
Total	254,220	167,573	54,676	71,995
<u>Less</u> Allowance for doubtful accounts	(1,368)	(1,368)	(1,368)	(1,368)
Net	252,852	166,205	53,308	70,627
Trade account and other receivables related companies (Note 7)	-	-	821,089	1,105,005
Trade account and other receivables net	256,440	177,359	874,397	1,175,632

9.1 Deposit of land

On May 21, 2019, subsidiary (Thanon property Co.,Ltd) contract for deposit of land with a non-related person amount of 1 chanot square 1 ngan 35 square wah, agree to pay deposit for purchase land Baht 5 million term in 3 periods as follow ;

1. 1st amount Baht 1 million. On the date of signing contact.
2. 2nd amount Baht 1 million. Paid within May 31, 2019
3. 3rd amount Bath 3 million. Paid within June 30, 2019

On February 21, 2020, the subsidiary contracts for the land sale and purchase agreement with a non-related person Amounting to Baht 108 million, terms of payment transactions are divided into 2 installment as follow ;

Installment 1 payment amounting to Baht 6,000,000 from the date of the contract to purchase this land and the payment for the study of information is 5,000,000 Baht as part of the settlement of the contract to purchase this sale and in combination with the 1st installment payment of Baht 6,000,000, totaling 11,000,000 Baht.

Installment 2 The remaining price is 97,000,000 Baht, payable within 1 year from the date of the contract to purchase this land by paying as a cashier's cheque or transferring funds to the seller's account, along with the purchase agreement and registration of the transfer of ownership of land at the Bangkok Land Office, Phra Khanong Branch. (Approved by the resolution of the board of directors meeting No. 1/2020 on February 21, 2020.) As at December 31, 2020, the subsidiary company paid land for purchase and sale agreement amounting to Baht 90.50 million and has obligation under such agreement amounting to Baht 17.50 million.

On February 15, 2021, The Company has made a letter requesting to extend the payment period in the second installment contract for another 6 months, which will expire on August 15, 2021.

10.SHORT- TERM LOANS

As at December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Short-Term Loans to non-related parties	412,145	412,145	412,145	412,145
Short-Term Loans to related parties (Note 7)	-	-	1,393,974	1,421,109
Total Short-Term Loans	412,145	412,145	1,806,119	1,833,254

Movements during for the years ended December 31, 2020 of short - term loans to non - related was as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
As at January 1, 2020	412,145	412,145
Increase	-	-
Decrease	-	-
As at December 31, 2020	412,145	412,145

Detail of Short-Term Loans to non-related as at December 31, 2020:

(Unit: Thousand Baht)

Consolidated Financial Statement/ Separate Financial Statement					
Name	Type of contract	Due Date	Amount	Date of payment after the period	Amount of payment after the period
Krungthai Land Development Company Limited	Short – term loans	March 31, 2021	412,145	-	-
Total			412,145		-

As at June 30, 2018 the Company and subsidiaries entered into two financial assistance agreements with two unrelated party amount of Baht 514.6 million and Baht 204.4 million, respectively. The due of principle and interest is on December 28, 2018 with interest rate of 6.0% per annum and 5.5% per annum, respectively without guarantee (Note 8).

According to the resolution of the Board of Directors' meeting No.13/2018 dated November 28, 2018 the Company has approved to extend the period of bills of exchange due within December 28, 2018 total 2 bills amount of Baht 447.39 million and Baht 41.26 million, at interest rate 5.5% and 6% per annum respectively, no more than January 31, 2019.

According to the resolution of the Board of Directors' meeting No.1/2019 dated January 31, 2019 the Company has approved to extend the period of bills of exchange due within January 31, 2019 total 2 bills amount of Baht 445.15 million and Baht 14.86 million, at interest rate of 5.5% and 6% per annum respectively, no more than February 28, 2019.

According to the resolution of the Board of Directors' meeting No.2/2019 dated February 28, 2019 the Company has approved to extend the period of bills of exchange due within February 28, 2019 total 1 bill amount of Baht 412.14 million, at interest rate of 6% per annum, no more than April 30, 2019.

According to the resolution of the Board of Directors' meeting No.4/2019 dated April 25, 2019, the Company has approved to extend the period of bills of exchange due within April 30, 2019, total 1 bill amount of Baht 412.14 million, at interest rate 6% per annum, no more than June 30, 2019.

According to the resolution of the Board of Directors' meeting No.6/2019 dated July 1, 2019, the Company has approved to extend the period of bills of exchange due within June 30, 2019, total 1 bill amount of Baht 412.14 million, at interest rate 6% per annum, no more than September 30, 2019.

According to the resolution of the Board of Directors' meeting No.8/2019 dated August 29, 2019, the Company has approved to extend the period of bills of exchange due within September 30, 2019, total 1 bill amount of Baht 412.14 million, at interest rate 6% per annum, no more than December 31, 2019.

According to the resolution of the Board of Directors' meeting No.2/2020 dated February 27, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2019, total 1 bill amount of Baht 412.14 million, interest rate 6% per annum to be March 31, 2020.

According to the resolution of the Board of Directors' meeting No.4/2020 dated April 24, 2020 the Company has approved to extend the period of bills of exchange due within March 31, 2020, total 1 bill amount of Baht 412.14 million, interest rate 6% per annum to be September 30, 2020.

According to the resolution of the Board of Directors' meeting No.8/2020 dated September 24, 2020 the Company has approved to extend the period of bills of exchange due within September 30, 2020, total 1 bill amount of Baht 412.14 million, interest rate 6% per annum to be December 31, 2020.

According to the resolution of the Board of Directors' meeting No. 12/2020 dated December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 1 bill amount of Baht 412.14 million, interest rate 6% per annum to be March 31, 2021. In the meantime, Krungthai Land Development Company Limited has presented assets to pay off debt instead.

On December 31, 2020, the Company loan for the subsidiaries amounting of Baht 412.14 million. Those are terminating on March 31, 2021. The Company has appraised to predictive to receive from the financial statements on December 31, 2019 that are approved. The Company has shareholder amount of Baht 100.53 million. However, the Company's management believe that able to receive by whole amount, so the Company do not record for allowance for doubtful debt.

11. INVENTORIES

As at December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<u>Inventories in real estate business</u>				
Cost	1,849,166	2,156,305	1,019,703	1,116,806
Less: allowance of declining value	(265,506)	(289,937)	(63,736)	(70,013)
Net	1,583,660	1,866,368	955,967	1,046,793
<u>Inventories in food and beverage business</u>				
	14,595	14,304	-	-
Total	1,598,255	1,880,672	955,967	1,046,793
<u>Land held for development</u>				
Balance as at January 1,	180,586	180,586	139,779	139,779
Addition	-	-	-	-
Balance as at December 31,	180,586	180,586	139,779	139,779
Allowance for declining value	(99,086)	(99,086)	(93,779)	(93,779)
Land held for development-net	81,500	81,500	46,000	46,000
Total inventories - net	1,679,755	1,962,172	1,001,967	1,092,793

As at December 31, 2020 and 2019, the partial of land held for development at cost amount of Baht 5.02 million with net book value amount of Baht 5.02 million are pledged at the Court for litigation.

During the year ended December 31, 2020, the AQ Estate Group have following movements in real estate under development.

	(Unit : Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2020	1,866,368	1,046,793
Recorded cost of construction and utility cost during the year	53,366	15,024
Purchase during the year	5,753	5,753
Transferred to be cost of goods sold during the year	(366,258)	(117,880)
Write-down of merchandises recognized as a part of cost of sales during the year	24,431	6,277
Balance as at December 31, 2020	1,583,660	955,967

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

	(Unit : Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2020	289,937	70,013
<u>Less</u> Reversal of allowance of diminution in value of inventories	(24,431)	(6,277)
Balance as at December 31, 2020	265,506	63,736

As at December 31, 2020, the reversal of allowance of diminution in value of inventories amount of Baht 265.51 million in Consolidated Financial Statements and amount of Baht 63.74 million in Separate Financial Statements.

In 2020, The Group has engaged several independent asset valuation companies for appraisal projects that are under development. Comparing the data with the market and the cost method. Some projects value lower than the book value. The Group have already recorded the allowance for diminution in the financial statements.

The AQ Estate Group have mortgaged certain land and structures thereon to secure loans as discussed in Note 27.2 and pledged at Court for litigation of the AQ Estate Group, of which net book values as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Loans from financial institution				
(Note 27.2)	265,515	268,881	-	-
Pledged at Court for litigation	-	-	-	-
Total	265,515	268,881	-	-

On April 28, 2016 and May 18, 2016, the Company has entered into the Commission Fee and the Sole Agency with a local non - related company to sell collateral land of the lawsuit as discussed in Note 1. The commission fee is 2.5% of the total agreed purchase price and the sole agent fee is 1.5% of the total agreed purchase price but not over than amount of Baht 150 million. Such company will receive the payment of those fees only when successfully sale of such land. However, on June 16, 2016 this company changed the payment term of sole agent fee by asking the Company to make a payment on a monthly basis amount of Baht 1.50 million per month for 4 months since June to September 2016, totaling Baht 6.0 million. Total monthly sole agent fee is considered as a part of sole agent fee to be paid to such company.

On October 27, 2016 the company issued the letter one contractor to terminate one construction contract effective on November 1, 2016. As at September 30, 2016 the Company still had a commitment with respect to the construction contract of Baht 453.41 million. On November 16, 2016 the contractor asked for pending advance payment of Baht 80,013,403.32 (balance as at July 31, 2016) which would be treated as payments for the following items.

1. Construction works in August 2016 amount of Baht 35,867,382.16
2. Construction works in September 2016 amount of Baht 29,763,708.64
3. Accumulated retentions until September 2016 amount of Baht 11,360,420.10
4. Additional works amount of Baht 3,052,667.74

The contractor provided the details of expenses including materials, dismantling expenses, and etc. The amount of Baht 23.44 million and claimed for loss compensation amount of Baht 70.42 million. Presently, the Company is in the process of works inspection and negotiates with the contractor.

However, based on the results of works inspection, the Company will pay for Clause 2 amount of Baht 28,986,169.66 only. The pending advance will be used for net offsetting with the items in Clause 1 and 2.

Clause 3 amount of Baht 11,321,543.15, the Company has not yet considered this item.

Clause 4 amount of Baht 3,052,667.74, the Company has assigned a working team to assess the actual value of such additional works.

The Company has been sued in addition; the board of directors had a resolution to refund reservation fees for customers who want to terminate the reservation contracts of the project.

On October 1, 2018, the subsidiary was sued by Metric Public Company Limited, a contractor in the property development project that the company requested to stop construction, undecided case No. Por. 5671/2018, in case of breach contract of work, claim for damages. According to the date of February 4, 2019, which the day for settlement of issues and set the prosecution date or witness examination of the plaintiff. The court has already queried both parties and then both parties agreed with allowing the court to submit expressions to the Mediation and Conciliation Center of the Civil Court and a mediation appointment was on July 11, 2019, and on the day of the appointment, the court examined the indictment and testimony and then determined the issue of the dispute as follows: 1. Does the plaintiff have the power to sue? 2. Did the defendant breach the contract? 3. Did the plaintiff correctly request to terminate the contract by legal? 4.

The defendant is liable to pay damages to the plaintiff. The parties have requested to postpone the mediation again on August 26, 2019. Both cannot reach an agreement, the courts meeting schedule the hearing date on March 24-26, 27 and 31 March 2020. The appointment hears the judgment on May 29, 2020. The court has postponed the date of arbitration to July 1, 2020 due to the issue of Covid 19. On July 1, 2020, the hearing of the plaintiff's witnesses is held on 18-20, November 2020, and the defendant's witnesses are conducted on 24 and 27, November 2020. On October 19, 2020, the plaintiffs and the defendants have agreement. They filed to the court for schedule had to compromise agreement and consent judgement.

The subsidiary was sued by Mctric Public Company Limited. undecided Case No. Por. 1726/2019. amount sued Baht 37,665,617.72 (Shasa Retreat Hotel Soonvijai project), the day for settlement of issues on July 22, 2019 and that day. The court has examined the expression and it appears that the testimony and counterclaims have not been submitted to the plaintiff. The plaintiff has not submitted a statement to resolve the counterclaim. Therefore, unable to point out problems, so to postpone the appointment of the new day for settlement of issues on September 23, 2019. The case, the defendant are counterclaims to the plaintiff to get payment amount of Baht 108,202,728.48 with interest 15% per annum for amount of Baht 106,663,506.56. Both cannot reach an agreement, the courts meeting schedule the hearing date on May 20-22 and May 26-27, 2020. The appointment hears the judgment on July 29, 2020. The court has postponed the date of arbitration to July 1, 2020 due to the issue of Covid 19. On July 1, 2020, the hearing of the plaintiff's witnesses is held on 8-9 and 11, December 2020, and the defendant's witnesses are conducted on 16-17, December 2020. This case, the defendants withdraws the lawsuit because the two sides have had to compromise agreement on civil black case number Por.5671/2018.

And undecided case No. Por. 1727/2019, amount sued Baht 25,470,331.32 (Shasa Retreat Hotel Soonvijai project), the day for settlement of issues on July 22, 2019, and that day, the plaintiff's lawyer filed a petition requesting the court to mediate this case together with the undecided case No. 5617/2018 and undecided case No. Por 1726/2019. The plaintiff's lawyer stated that he requested to submit a statement to resolve within 30 days. The court then allowed the plaintiff to submit a statement to resolve the counterclaim within August 21, 2019 and to postpone the day for settlement of issues on October 7, 2019. Both cannot reach an agreement, the courts meeting schedule the hearing date on April 28-30, 2020, 1 and 5 March 2020. The appointment hears the judgment on July 8, 2020. The court has postponed the date of arbitration to May 26, 2020 due to the issue of Covid 19 and the courts will be meeting on June 29, 2020. On June 29, 2020, the hearing of the plaintiff's witnesses is held on 20-22, October 2020, and the defendant's witnesses are conducted on 29-30, October 2020. This case, the defendants withdraws the lawsuit because the two sides have had to compromise agreement on civil black case number Por.5671/2018.

According to the resolution of the Board of Directors Meeting No. 9/2020 held on October 15, 2020, approved a settlement with MacTrick Public Company Limited in the amount of Baht 12,000,000 million with payment amount of Baht 3,000,000 million within October 31, 2020 and the rest pay 1,000,000 baht per month and return 4 letters of guarantee to McTrick Public Company Limited via McTrick Company Limited Public must deliver construction equipment worth Baht 3,824,611.26 million within 60 days after making the compromise agreement at the court. The subsidiary company entered into a compromise agreement on

October 19, 2020 and if MacTric Public Company Limited fails to deliver construction equipment to the said value. The company will continue to deduct from the money that the company has to pay. As of October 29, 2020, the subsidiary company has delivered the first check and received 4 original bank guarantees.

On December 31, 2020, the subsidiary has obligations under the compromise agreement amounting of Baht 7 million.

12. OTHER CURRENT FINANCIAL ASSETS

As at December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)
	Consolidated /Separate Financial Statements
	Bill
Balance as at January 1, 2020	1,072,160
Increase (decrease) during the year	-
Balance as at December 31, 2020	1,072,160

Detail of outstanding bills as at December 31, 2020

(Unit: Thousand Baht)

Consolidated Financial Statements / Separate Financial Statements				
Name	No.	Due Date	Amount	Date of payment after the period
Planet Energy Holdings Pte., Ltd.	PLN025/2020	March 31, 2021	420,377	-
Planet Energy Holdings Pte., Ltd.	PLN026/2020	March 31, 2021	254,647	-
Planet Energy Holdings Pte., Ltd.	PLN027/2020	March 31, 2021	59,528	-
Planet Energy Holdings Pte., Ltd.	PLN028/2020	March 31, 2021	96,579	-
Planet Energy Holdings Pte., Ltd.	PLN029/2020	March 31, 2021	85,675	-
Planet Energy Holdings Pte., Ltd.	PLN030/2020	March 31, 2021	75,296	-
Planet Energy Holdings Pte., Ltd.	PLN031/2020	March 31, 2021	69,762	-
Planet Energy Holdings Pte., Ltd.	PLN032/2020	March 31, 2021	10,296	-
Total			1,072,160	

According to the resolution of the Board of Directors' meeting No. 10/2017 held on July 11, 2017, the Board of Directors approved the Company to invest in debt securities of three unrelated companies totaling Baht 1,600 million (unsecured), bearing interest rate 5.0 - 6.0 per annum to maturity date August 11-17, 2017. The Company has renewed the bond issuance period of Baht 1,600 million until the end of November 2017 (according to the resolution of the Board of Directors Meeting No. 14/2017) and the Company has renewed some debt instruments for Baht 500 million until June 30, 2018 (According to the resolution of the Board of Directors' meeting No. 3/2018 dated March 21, 2018).

According to the resolution of the Board of Directors' meeting No.15/2017 held on November 14, 2017 approved to reduce the burden on the company and the Company has entered into an agreement to appoint a private fund management company with an unrelated company to manage the investment in short-term bills of exchange for not exceeding 6 months Fund management fee is charged at 0.25% per annum of the fund's net asset value at the end of the day as a base for calculate on November 13, 2017 the Company transferred assets of Baht 1,100 million for the establishment of private funds.

According to the resolution of the Board of Directors No.3/2018, on March 21, 2018 resolved to cancel the contract with Solaris Asset Management Co., Ltd. for the private fund management and to request for securities return that effective on March 22, 2018. The Company received the securities of net amount after deduction fees and expenses on March 28, 2018.

According to the resolution of the Board of Executive meeting No.19/2017 held on September 18, 2017 the Board approved the subsidiary to invest in debt securities of one unrelated company amounting to Baht 200.79 million (unsecured), bearing interest rates ranging from 5.5 percent per annum to maturity date February 28, 2018 and the Company has renewed the debt securities until June 30, 2018 (According to the resolution of the Board of Directors' Meeting No. 3/2018 on March 21, 2018).

According to the resolution of the Board of Directors' Meeting No.6/2018 held on June 30, 2018, the Company and its subsidiaries provided financial assistance to two unrelated parties. The borrowers have informed the Company of their intention that they will not roll over their bill of exchange. However, they would like to enter into a loan agreement with the Company instead of the repayment under the bills of exchange to the Company within June 30, 2018. The loans are amounting Baht 514.60 million and Baht 204.40 million, interest rate 6.0 % per annum and 5.5 % per annum respectively, and loan and interest repayment date on December 28, 2018. (Note 6)

According to the resolution of the Board of Directors' meeting No.6/2018 dated June 30, 2018 the Company has approved to extend the period of bills of exchange due within April to July 2018, total 3 bills amount of Baht 118.46 million for 6 months discount rate of 6.5% per annum no more than December 28, 2018.

According to the resolution of the Board of Directors' meeting No.8/2018 dated August 14, 2018 the Company has approved to extend the period of bills of exchange due within August and September 2018, total 7 bills amount of Baht 1,027.57 million, interest Baht 17.65 million, discount rate of 6.5% per annum to be November 30, 2018.

According to the resolution of the Board of Directors' meeting No.13/2018 dated November 28, 2018 the Company has approved to extend the period of bills of exchange due within December 28, 2018, total 8 bills amount of Baht 1,066.89 million, discount rate of 6.50% per annum to be January 31, 2019.

According to the resolution of the Board of Directors' meeting No.1/2019 dated January 31, 2019 the Company has approved to extend the period of bills of exchange due within January 31, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate of 6.50% per annum to be February 28, 2019.

According to the resolution of the Board of Directors' meeting No.2/2019 dated February 28, 2019 the Company has approved to extend the period of bills of exchange due within February 28, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate of 6.50% per annum to be June 30, 2019.

According to the resolution of the Board of Directors' meeting No.6/2019 dated July 1, 2019 the Company has approved to extend the period of bills of exchange due within June 30, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be August 31, 2019.

According to the resolution of the Board of Directors' meeting No.8/2019 dated August 29, 2019 the Company has approved to extend the period of bills of exchange due within August 31, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be December 31, 2019.

According to the resolution of the Board of Directors' meeting No.2/2020 dated February 27, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2019, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be March 31, 2020.

According to the resolution of the Board of Directors' meeting No.4/2020 dated April 24, 2020 the Company has approved to extend the period of bills of exchange due within March 31, 2020, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be September 30, 2020.

According to the resolution of the Board of Directors' meeting No.8/2020 dated September 24, 2020 the Company has approved to extend the period of bills of exchange due within September 30, 2020, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be December 31, 2020.

According to the resolution of the Board of Directors' meeting No. 12/2020 dated December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 8 bills amount of Baht 1,072.16 million, interest rate 6.50% per annum to be March 31, 2021. In the meantime, Planet Energy Holdings Pte., Ltd. has presented assets for debt settlement, the financial advisor analyzes the status of that company.

As at December 31, 2020, the Company has investment in bills of exchange of Planet Energy Holdings Pte., Ltd. amount of Baht 1,072.16 million. Last investment in bill of exchange which due date on March 31, 2021. The Company has appraised to predictive to receive from the analysis of such company's debt on May 5, 2020, the Company believe that the authorizer and the final shareholder's asset of such company is Baht 1,810.76 million. Which is over than amount of such company's bills of exchange, and the Company's management believe that able to receive by whole amount, so the Company do not record for allowance for doubtful debt.

13. OTHER CURRENT ASSETS

As at December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Deposits of land	850,109	850,109	850,109	850,109
<u>Less</u> Allowance for doubtful account	(850,109)	(850,109)	(850,109)	(850,109)
Total	-	-	-	-

14. NON CURRENT ASSET OR DISPOSAL ASSET GROUPS CLASSIFIED AS HELD FOR SALE

According to the resolution of the Board of Directors Meeting No. 7/2020, dated September 14, 2020, the meeting approved to sell the leasehold rights of land and buildings of Free Zone Asset Company Limited (Subsidiary). On November 16, 2020, the subsidiary has entered into an agreement to transfer leasehold rights of land and buildings with 14 unit, located on deed No. 4494 (Partial), No. 4495 (Partial) to a non-related company, The right assignment has net remuneration of Baht 100 million, The management of the Company has estimated the expected cost of sales of Baht 13.10 million. At present, the subsidiary company has received the contract amount of Baht 50 million and received two promissory notes of Baht 25 million each dated May 17, 2021 and November 17, 2021 (Note 9).

During the year 2020, the Group's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company has reclassified related assets and liabilities of the project as assets and liabilities held-for-sale in the consolidated statement of financial position and measured them at the lower than between carrying amount and fair value less costs of sell. The lower amount is the fair value less costs of sell.

Disposal groups classified as held for sale comprised:

	(Unit : Thousand Baht)
	Consolidated
	Financial Statements
	As at December
	31, 2020
Investments property	140,071
Property, plant and equipment	103
Liabilities under lease agreements	(28,160)
Total	112,014

Movements Non current asset or disposal asset groups classified as held for sale

	(Unit : Thousand Baht)
	Consolidated
	Financial Statements
	As at December
	31, 2020
Balance as at January 1, 2020	-
Transfer in from investments property	111,911
Transfer in from property, plant and equipment	103
Balance as at December 31, 2020	112,014
<u>Less</u> Allowance for loss on impairment of asset held for sale	(25,114)
Net	86,900

15. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2020 and 2019 were as follows:

	Paid-up Share Capital (Million Baht)	Percentage of Ownership (%)		(Unit: Thousand Baht)	
				Separate Financial Statements	
				Cost Method	
		2020	2019	2020	2019
Allied Technologies International Co., Ltd.	100	99.90	99.90	100,315	100,315
Thanont Property Co., Ltd.	25	99.80	99.80	23,612	23,612
AQ property management Co., Ltd.	1	99.93	99.93	1,000	1,000
AQ Marketing Services Co., Ltd.	1	99.94	99.94	1,000	1,000
AQ Village Co., Ltd.	1	99.94	99.94	999	999
Free Zone Asset Co., Ltd.	1	99.98	99.98	42,105	42,105
Aquarius Estate Co., Ltd.	54	99.99	99.99	480,998	480,998
Villa Nakarin Co., Ltd.	270	99.99	99.99	170,232	170,232
The Tarna Align Resort Co., Ltd.	139	99.82	99.82	125,480	125,480
Total				945,741	945,741
<u>Less</u> Allowance for impairment of investments				(910,268)	(820,261)
Net				35,473	125,480

15.1 INVESTMENT IN SUBSIDIARY (AQUARIUS ESTATE CO., LTD.)

On July 12, 2013 the Company has acquired a business of Aquarius Estate Co., Ltd. which was unanimously approved by the Board of Directors' Meeting no. 7/2013 held on June 25, 2013 from former shareholder by 85 percent of the share capital of Aquarius Estate Co., Ltd. in value of Baht 400 million. The Company has paid the shares on July 11, 2013 at amount of Baht 54 million and the rest was paid on July 19, 2013 at amount of Baht 346 million. Aquarius Estate Co., Ltd. has invested in shares in Aquarius Hotel and Resort Co., Ltd. by 100 percent of the share capital in value of Baht 1 million. As at the acquisition date, net book value of assets net from liability of indirect subsidiary company is lower than investment amount of Baht 0.28 million.

On February 11, 2014 the Company obtained additional control of Aquarius Estate Co., Ltd. (Aquarius) a real estate trading company by acquiring 15% of the shares and voting interests in the company at total amount of Baht 81.00 million. As a result, the Group's equity interest in Aquarius increased from 85% to 99.99%. The Company paid for the shares on February 12, 2014.

Taking control of Aquarius will enable the Group to have efficiency in management control.

15.2 INVESTMENT IN SUBSIDIARY (VILLA NAKARIN CO., LTD.)

The Board of Directors' meeting No. 9/2014 held on September 26, 2014 has approved the investment in Villa Nakarin Co., Ltd. amount of 2.70 million shares with totaling approximately amount of Baht 170 million or price per share of Baht 62.96 from a former shareholder representing 99.99% of the total paid-up shares. Costs consisted of first payment at Baht 124.06 million and the compensation from operation result afterwards the Company. Agreed to pay the compensation to the seller at 80% of profit after deducting cost of goods sold, selling and administrative expenses as specified in the agreement. Which shall be determined when the project is completed and sold or not more than 30 months commencing from the agreement date. Due to on March 31, 2017 (At present during under negotiation extend for a while.) The management of the Company has estimated such compensation to former shareholders of at amount of Baht 46.17 million. On October 1, 2014 the Company paid for the shares at amount of Baht 119.79 million and recorded liabilities at amount of Baht 50.44 million registered to transfer of shares with the Ministry of Commerce on October 6, 2014.

The Company recorded acquisition of investment should be treated as an asset acquisition. The following summarizes the major classes of consideration transferred for such asset acquisition.

	(Unit: Thousand Baht)
Cash paid	119,786
Provision for indemnity guarantee	4,278
Estimate liabilities payable to former shareholders	46,168
Total Consideration transferred	170,232

The carrying amount of assets and liabilities that consideration transferred to the Company as at the assets acquisition date are as bellows:

	(Unit: Thousand Baht)		
	Net carrying amount as at acquisition date	Adjust valuation of purchasing price	Book value as at acquisition date
Assets			
Cash and cash equivalents	30,092	-	30,092
Other account receivables	23,102	-	23,102
Inventories	424,000	(61,477)	362,523
Other current assets	695	-	695
Assets held for sale	30,000	-	30,000
Restricted deposit with bank	4,697	-	4,697
Equipment	13	-	13
Total assets	512,599	(61,477)	451,122
Liabilities			
Trade account payables	72,760	-	72,760
Advances received from customers	30,000	-	30,000
Other current liabilities	6,250	-	6,250
Long - term loans from financial institution	171,880	-	171,880
Total liabilities	280,890	-	280,890
Assets-net	231,709	(61,477)	170,232

15.3 Investment in subsidiary (The Tarna Align Resort Co., Ltd.)

On September 2, 2019, the company acquired the business of The Tarna Align Resort Co., Ltd. Following according to the resolution of the Board of Director's meeting No. 8/2019 dated August 29, 2019 from ex shareholder in proportion 99.82 percent of authorized capital in The Tarna Align Resort Co., Ltd. Which calculated value among of Baht 125.48 million. The subsidiary paid deposit of share on July 11, 2019 amount of Baht 63.00 million and the reminder among of Baht 62.48 million the company take to promissory note to buyer that is 6 months the end of March 3, 2020 without interest.

The detail of value asset from new acquisition are following:

	(Unit: Thousand Baht)
Cash and cash equivalents	262
Trade accounts and other current receivable	809
Inventories	482
Long - term loans	10,538
Plant, equipment	162,834
Intangible assets	14,358
Bank overdrafts and short - term borrowings from financial institutions	(2,981)
Trade accounts and other current payable	(10,407)
Long - term debts	(53,042)
Deferred tax liabilities	(4,107)
Short - term loans	(1,091)
Acquisition of asset	117,655
Non - controlling interests	(211)
Net - Acquisition of asset	117,444
Goodwill	8,036
Consideration for acquisition subsidiary	125,480
Less: Cash and cash equivalents of the acquired subsidiary	(262)
Consideration for acquisition of subsidiary, net	125,218

Impairment testing of goodwill. The estimated amount to be recovered is lower than the carrying amount, the company recognized impairment losses in the consolidated amount of Baht 8.04 million.

16. RESTRICTED DEPOSIT WITH BANKS

As at December 31, 2020 and 2019, the Group had restricted deposits with financial institutions in the consolidated financial statement of Baht 72.04 million and Baht 94.38 million, in the separate financial statement of Baht 50.62 million and Baht 50.47 million, respectively. Used to collaterals for letters of guarantee issued by the banks.

17. OTHER NON CURRENT FINANCIAL ASSETS

	Holding Portion		Paid-up Capital		Equity Method		Receive dividends	
	December	December	December	December	December	December	For year ended	
	31,	31,	31,	31,	31,	31,	December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)	(Million Baht)	(Million Baht)	(Bath)	(Bath)	(Bath)	(Bath)
Subsidiaries								
Wind Energy								
Holding Co., Ltd.	1.38	1.38	1,088,373	1,088,373	900,000	900,000	-	-
Net					900,000	900,000	-	-

On September 3, 2018 the Company entered into the agreement to buy and sell ordinary shares of a non-related person. The Company has objective to purchase and acquire the ordinary share not less than 1.5 million shares, total amount non exceed baht 900 million. The Company paid for the whole shares.

On December 3, 2018 seller transferred the shares to the Company. Seller informed the company that its purchased price was 1,500,000 shares (baht 600 per shares). The Company received the letter to confirm that no profit on shares' selling therefore, the Company did not withhold income tax from the share purchase transaction.

In 2020, the Company hired an independent appraiser to assess its share value using the Discounted Cash Flow method, Sensitivity analysis, in addition to the cash flow forecast that the land lease contract and power purchase agreement can be renewal for indefinite period. For the valuation of ordinary shares of such company for the period of land lease renewal that is expected to be renewable indefinitely. Because the land is government land that the Agricultural Land Reform Committee allows farmers to take advantage of the state land in the Land Reform Area (Sor Por Kor) and such areas, the people can still make a living. The request from the people would not have happened. Because such company has entered to promote the products of the people, manage the community in utilities to making the village a better living. The Company's management expects 12% probability of recurring expenses. In the matter of extending the period of the power purchase agreement indefinitely. Therefore, considering the appraisal price used long-term growth rate (Terminal Growth Rate) 1%, which the appraisal price is 1,027.46 million baht, minus the probability of expenses that may occur 12%, resulting in the appraisal price of ordinary shares of such company amounting to 904.16 million baht.

18. LONG - TERM LOAN

	(Unit: Thousand Baht)	
	Consolidated Financial Statements	
	2020	2019
Long – term loan to third party	30,000	30,000
Acquisition	10,538	10,538
Total	40,538	40,538
Allowance for doubtful debt	(40,538)	(38,112)
Net	-	2,426

LONG - TERM LOAN TO THIRD PARTY

In 2016, the subsidiary recognized allowance for doubtful debt of long - term loan to third party amount of Baht 30 million due to Anti - Money Laundering Office informed the subsidiary to explain for transaction of freeze asset which the borrower uses for such loan guarantee.

Case with attorney officer of department of Special Litigation 3 requested to revoke property that acquired by unlawful. Attorney office claimed that a subsidiary company (Vitoonthanakorn Co., Ltd.) mortgage land with non-related person. The court order to hear sentence on March 19, 2019. The court sentenced that such mortgaged land becomes the property of government. The sentence is requested to be copied. At present, an appeal has been filed with the Court of Civil court. During the consider of the court of appeals.

The undecided case No Mor Yor 49/2019, the company sued Mr.Jadesada Yindee with 2 person defendants due to breach of contract and request to pay mortgage debt. The court ordered to have witness process appointment on October 17, 2019, both parties agreed to a compromise agreement and the court gave the judgment as follows:

1. Both defendants admitted that they owe the subsidiary company in amount of Baht 32,863,561.64.
2. The two defendants agreed to transfer the land, which is the title deed and the utility certificate (Nor Sor 3 Kor) in the total of 6 plots, total area of approximately 114 rai 2 ngan 40 square wah with buildings to the plaintiff. Which both defendants accepted total of land has not obligation or non-related with any violate. For the transfer land with building total 6 plot, such the plaintiff that defendants agreed to paid expense, fee and taxation only. The defendants will complete the transfer process within 30 days from October 17, 2019.
3. According to this case both defendants mortgaged land as loan collateral, mortgaged land title deed number 17056, 17078, Utilization certificate (Nor Sor 3 Kor) number 2185, and land title deed number 169326, to plaintiff. If both defendants transferred land as stated in No.2 to plaintiff within specified date (within 30 days) from today. The plaintiff has to redeem the mortgage of land to both defendants within 30 days since defendants transferred the last land plot to plaintiff.
 - 3.1 Regarding land title deed number 169326 both defendants agreed that plaintiff will redeem their mortgage after 3 years from October 17, 2019. This land was guaranteed for the three-year period that will be transferred to plaintiff immediately if any of mortgaged land as said in No.2 is seized, frozen, legal execution, or enforcement to be government property by any government agency, for example the Anti-Money Laundering Office (AMLO), the Department of Special Investigation (DSI), court, or other government or private office.
 - 3.2 If any land or all land as said in No.2 above was seized by government agency, it was considered that both defendants default payment the remaining of their debt, and both defendants allow plaintiff enforce debt payment per supplementary plaint of Baht 32,863,531.64 with interest rate at 15% per annum of principle Baht 30,000,000 since sue date until full payment to plaintiff.

4. On due date as said in No.2 (within 30 days from October, 17 2019) and/ or No.3, if both defendants do not follow or complete the agreement, it was considered that both defendants default payment of total debt. By using sentence of the statement, both agreed to transferred land building of 6 plots as said in No.2 and/ or No.3 to plaintiff. Any expense, transfer fee, and duty that plaintiff paid in advance, both defendants will repay to plaintiff. If plaintiff refuse to transfer land back to defendant as said in No.3, by using this statement both defendants will pay all expenses in their own.

The case has ended because the two sides have had to compromise agreement. Currently under trial, the defendant refused to comply with contract.

On October 18, 2019, the two defendants to take some land for transfer to plaintiff but the two defendants sell on consignment with outsider. The plaintiffs have filed to the Criminal case cheat payable. Ordered for the black case no. Aor 3883/2020. The Court arranged to assize on March 22, 2021.

19. INVESTMENT PROPERTY

Investment property as at December 31, 2020 and 2019 were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Land and building - Krisada Doi	-	-	264,793	270,440
Leasehold right on warehouse - Bangkok Free Trade Zone	-	119,523	-	-
Buildings and structures - Garden Asoke Rama 9	8,454	8,530	-	-
Total	8,454	128,053	264,793	270,440

During the year ended December 31, 2020 and 2019 the group have following movements in investment property are as follows:

	(Unit : Thousand Baht)
	Consolidated Financial Statements
Leasehold right in warehouse - Bangkok Free Trade Zone	
At Fair value	
As at January 1, 2019	234,808
Additions	-
(Decrease)	(6,863)
As at December 31, 2019	227,945
The revised TFRS.16 applied as of January 1, 2020	28,330
Increase (Decrease)	-
Amortization	(7,782)
Transferred to asset held for sale	(248,493)
As at December 31, 2020	-

(Unit : Thousand Baht)

Consolidated Financial
Statements

Allowance for loss from fair value adjustment	
As at January 1, 2019	108,422
Loss from fair value adjustment for the year	-
As at December 31, 2019	108,422
Transferred to asset held for sale	(108,422)
As at December 31, 2020	-
Net Book Value	
As at December 31, 2019	119,523
As at December 31, 2020	-

On May 29, 2020, the subsidiary (Free Zone Asset Co., Ltd.) has Memorandum of Understanding with non-relate the company for sale Leasehold right sub lease of land and building amount of 14 buildings with total area 20,243 square meter trading price Baht 100 million. On May 29, 2020, the subsidiary received deposit Amounting to Baht 5 million. In Memorandum of Understanding specify Leasehold right sub lease and signing with in September 15, 2020.

During the year 2020, the Group's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company has reclassified related assets and liabilities of the project as assets and liabilities held-for-sale in the consolidated statement of financial position and measured them at the lower than between carrying amount and fair value less costs of sell. The lower amount is the fair value less costs of sell (Note 14).

(Unit : Thousand Baht)

	Consolidated Financial Statements			
	Land		Assets under	Total
	Land	improvement	installation	
Buildings and structures				
- Garden Asoke Rama +9				
At Fair value				
As at January 1, 2019	5,653	3,981	-	9,634
Increase (Decrease)	-	-	-	-
As at December 31, 2019	5,653	3,981	-	9,634
Increase (Decrease)	-	-	-	-
As at December 31, 2020	5,653	3,981	-	9,634
Accumulated Amortization				
As at January 1, 2019	-	1,028	-	1,028
Amortization charge for the year	-	76	-	76
As at December 31, 2019	-	1,104	-	1,104
Amortization charge for the year	-	76	-	76
As at December 31, 2020	-	1,180	-	1,180

(Unit : Thousand Baht)

	Consolidated Financial Statements			
	Land	Land improvement	Assets under installation	Total
Net Book Value				
As at December 31, 2019	5,653	2,877	-	8,530
As at December 31, 2020	5,653	2,801	-	8,454

The changes in net of carrying value of investment property, which presented as Separated financial statement during the years 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Separate Financial Statements			
	Land	Land improvement	Assets under installation	Total
Leasehold Right on Land in Project Krisada Doi At Fair value				
As at January 1, 2019	184,828	106,171	-	290,999
Increase (Decrease)	-	-	-	-
As at December 31, 2019	184,828	106,171	-	290,999
Increase (Decrease)	-	-	-	-
As at December 31, 2020	184,828	106,171	-	290,999
Accumulated Amortization				
As at January 1, 2019	-	14,912	-	14,912
Amortization charge for the year	-	5,647	-	5,647
As at December 31, 2019	-	20,559	-	20,559
Amortization charge for the year	-	5,647	-	5,647
As at December 31, 2020	-	26,206	-	26,206
Net Book Value				
As at December 31, 2019	184,828	85,612	-	270,440
As at December 31, 2020	184,828	79,965	-	264,793

As at December 31, 2020 and 2019, the net certain investment property items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amount to Baht 1.70 million and Baht 1.70 million, respectively.

20. PROPERTY, PLANT, EQUIPMENT AND LEASEHOLD RIGHTS

20.1 Property, plant and equipment - net

(Unit : Thousand Baht)

	Consolidated Financial Statements					Total
	Land	Buildings and building improvements	Sport club and others	Furniture, fixtures and office equipment and vehicles	Asset under installation	
Cost						
As at January 1, 2019	295,105	903,186	27,377	249,123	102,650	1,577,441
Acquisition	-	149,384	-	13,450	-	162,834
Additions	-	2,722	-	3,090	7,665	13,477
Transfer in (out)	(5,654)	(4,267)	-	(2)	(8,898)	(18,821)
Disposals	-	(30,714)	-	(1,358)	-	(32,072)
As at December 31, 2019	289,451	1,020,311	27,377	264,303	101,417	1,702,859
Additions	-	214	-	961	-	1,175
Transfer in (out)	-	-	-	(2,426)	-	(2,426)
Disposals	-	(52,083)	(7,382)	(36,760)	(4,995)	(101,220)
As at December 31, 2020	289,451	968,442	19,995	226,078	96,422	1,600,388
Accumulated Depreciation						
As at January 1, 2019	-	229,324	16,783	175,735	-	421,842
Depreciation charge for the year	-	43,207	1,001	29,593	-	73,801
Transfer in (out)	-	(5,657)	-	(49)	-	(5,706)
Disposals	-	(12,478)	-	(124)	-	(12,602)
As at December 31, 2019	-	254,396	17,784	205,155	-	477,335
Depreciation charge for the year	-	48,634	979	26,697	-	76,310
Transfer in (out)	-	-	-	(2,322)	-	(2,322)
Disposals	-	(51,926)	(7,382)	(36,748)	-	(96,056)
As at December 31, 2020	-	251,104	11,381	192,782	-	455,267
Allowance for Impairment						
As at December 31, 2019	-	78,700	-	3,319	3,302	85,321
(Reversal of) impairment loss during the year	-	-	-	156	625	781
As at December 31, 2020	-	78,700	-	3,475	3,927	86,102

(Unit : Thousand Baht)

	Consolidated Financial Statements					
		Buildings and	Sport club	Furniture, fixtures and office equipment and vehicles	Asset under installation	Total
	Land	improvements	and others			
Net Book Value						
Owned assets	289,451	687,215	9,593	54,201	98,115	1,138,575
Assets under finance lease	-	-	-	1,628	-	1,628
As at December 31, 2019	289,451	687,215	9,593	55,829	98,115	1,140,203
Owned assets	289,451	638,638	8,614	29,821	92,495	1,059,019
Assets under finance lease	-	-	-	-	-	-
As at December 31, 2020	289,451	638,638	8,614	29,821	92,495	1,059,019

(Unit : Thousand Baht)

	Separated Financial Statements				
		Buildings and	Sport club and	Furniture, fixtures and office equipment and vehicles	
	Land	improvements	others		Total
Cost					
As at January 1, 2019	6,754	67,294	27,056	60,927	162,031
Additions	-	-	-	586	586
Disposals	-	-	-	-	-
As at December 31, 2019	6,754	67,294	27,056	61,513	162,617
Additions	-	-	-	90	90
Disposals	-	(51,926)	(7,382)	(36,236)	(95,544)
As at December 31, 2020	6,754	15,368	19,674	25,367	67,163
Accumulated Depreciation					
As at January 1, 2019	-	59,291	16,479	56,600	132,370
Depreciation charge for the year	-	1,106	985	2,967	5,058
Disposals	-	-	-	-	-
As at December 31, 2019	-	60,397	17,464	59,567	137,428
Depreciation charge for the year	-	983	979	1,082	3,044
Disposals	-	(51,926)	(7,382)	(36,236)	(95,544)
As at December 31, 2020	-	9,454	11,061	24,413	44,928

(Unit : Thousand Baht)

Separated Financial Statements					
	Land	Buildings and building improvements	Sport club and others	Furniture, fixtures and office equipment and vehicles	Total
Net Book Value					
Owned assets	6,754	6,897	9,592	1,946	25,189
Assets under finance lease	-	-	-	-	-
As at December 31, 2019	6,754	6,897	9,592	1,946	25,189
Owned assets	6,754	5,914	8,613	954	22,235
Assets under finance lease	-	-	-	-	-
As at December 31, 2020	6,754	5,914	8,613	954	22,235

As at December 31, 2020 and 2019, the net certain building and equipment items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amount to Baht 29.27 million and Baht 117.92 million, respectively. (The AQ Estate Group: amount to Baht 125.10 million and Baht 191.05 million, respectively).

20.2 Leasehold rights - net

During the year ended December 31, 2020 and 2019 the group have following movements in leasehold right as follows:

	(Unit : Thousand Baht)
	Consolidated Financial Statements
Cost	
As at January 1, 2019	298,242
Additions	-
Decrease	(28,890)
As at December 31, 2019	269,352
Additions	-
Decrease	-
Transfer to right of use asset (Note 21)	(269,352)
As at December 31, 2020	-
Accumulated Amortization	
As at January 1, 2019	50,206
Decrease	(13,482)
Amortization charge for the year	3,594

	(Unit : Thousand Baht)
	Consolidated
	Financial
	Statements
As at December 31, 2019	40,318
Decrease	-
Transfer to right of use asset (Note 21)	(40,318)
Amortization charge for the year	-
As at December 31, 2020	-
Allowance on Impairment	
As at December 31, 2019	153,730
Impairment loss during the year	-
Transfer to right of use asset (Note 21)	(153,730)
As at December 31, 2020	-
Net Book Value	
As at December 31, 2019	75,304
As at December 31, 2020	-

As at December 31, 2020 and 2019 leasehold rights consisted of:

	(Unit: Thousand Baht)	
	Consolidated	
	Financial Statements	
	2020	2019
Leasehold rights of land		
A) Leasehold right of land in Koh Larn, Chonburi	-	67,569
B) Leasehold right of land in project Alix Bangkok Hotel (Formerly named "Shasa Retreat Hotel")	-	7,735
Total	-	75,304

On July 3, 2015, a subsidiary company (Aquarius estate Co., Ltd.) entered transferring leasehold right on land and structure thereon with a non-related person for hotel business for period of 7 years and 6 months 19 days at amount of Baht 28.90 million. On March 28, 2019, a subsidiary company cancel leasehold right on land and structure the contractor asked for a pending of Baht 15.41 million and 18.23 million respectively a subsidiary company amortization of leasehold right on land and structure under "Administrative expenses" in the statement of comprehensive income.

As at January 1, 2020, The Group's Company and subsidiaries transferred right-of-use amounting to Baht 75.30 million by TFRS 16 Lease.

The indirect subsidiary company holds leasehold right of land approximately 81 Rais in Koh Larn, Chonburi for resort business for the remaining period 27 years at book value of Baht 248 million. Based on the appraisal report of independent appraiser in July 2013, the appraised value of leasehold right is Baht 275 million. Using, the income approach method. This method is calculated basing on the discounted cash flow of the revenues for the period of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016 the Company entered into the contract with non-related party to transfer a leasehold right of beach front amount to Baht 10 million. The hold management contract requires the company to provide beach front area for hotel customer. Then the company complied to the contract. At the present is in transferring process. On February 5, 2015 the company entered into Letter of intent with a foreign company for entering into a hotel management agreement.

However, on March 24, 2016, such foreign company postponed entering into a hotel management agreement until the Stock of Exchange of Thailand lifts its suspension of trading of the company's shares. This matter caused the project has been suspended. On September 22, 2016, then refunded deposit payment of us 60,000 dollars USA. The Indirect subsidiary recorded loss on deposit of Baht 2.04 million. In March 2017, the Company has engaged an independent appraiser to re-appraise the leasehold right, using Income Approach on Profit Rent Method determined by renting such leasehold right at the market rental rate, discounted to present value to be Baht 79.40 million. Such appraisal was based on the assumptions that the Company's the credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1(A). The market information of comparative land was not having the same area as the Company and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment in assets. The AQ Estate Group recognized the impairment loss on such leasehold right as at December 31, 2020 amounting to Baht 153.73 million.

21. RIGHT-OF-USE ASSETS

As at December 31, 2020 and January 1, 2020 as follow:

The statement of financial position included following transactions relating to leases.

	(Unit: Thousand Baht)			
	Consolidated		Separated	
	Financial Statements		Financial Statements	
	As at December 31, 2020	As at January 1, 2020	As at December 31, 2020	As at January 1, 2020
Right of use assets				
Land and land improvements	221,909	231,326	-	-
Buildings and building improvements	-	-	4,618	6,298
Vehicle	4,023	5,734	4,023	5,734
Total right of use assets	225,932	237,060	8,641	12,032
Lease liabilities, net				
Current	31,600	19,645	3,456	3,913
Non-current	48,124	97,441	5,608	8,119
Total lease liabilities, net	79,724	117,086	9,064	12,032

Moment in right of use asset as at December 31, 2020, have following:

	(Unit: Thousand Baht)	
	Consolidated Financial Statements	Separated Financial Statements
Balance as at January 1, 2020	149,450	-
Adjustment from adoption of TFRS 16 on January 1, 2020	87,610	12,032
Amortization	(11,128)	(3,391)
Balance as at December 31, 2020	225,932	8,641

The statement of income included following transactions related to leases.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Depreciation charge of right-of-use assets		
Land and land improvements	-	-
Building and building improvements	9,416	1,679
Vehicles	1,712	1,712
Total depreciation charge of right-of-use assets	11,128	3,391

22. INTANGIBLE ASSETS

	(Unit : Thousand Baht)			
	Consolidated Financial			
	Software licences	Franchise contract	Leasehold rights	Total
Cost				
As at January 1, 2019	8,693	1,000	-	9,693
Acquisition	84	-	14,274	14,358
Additions	180	-	-	180
Disposals	-	(1,000)	-	(1,000)
Transfer in	5	-	-	5
As at December 31, 2019	8,962	-	14,274	23,236
Additions	254	-	-	254
Disposals	(31)	-	-	(31)
Transfer to right of use asset (Note 21)	-	-	(14,274)	(14,274)
As at December 31, 2020	9,185	-	-	9,185
Accumulated Amortization				
As at January 1, 2019	6,097	654	-	6,751
Amortization charge for the year	1,585	-	194	1,779
Decrease	-	-	-	-
Transfer in	-	(654)	-	(654)
As at December 31, 2019	7,682	-	194	7,876
Amortization charge for the year	454	-	-	454
Decrease	(18)	-	-	(18)
Transfer to right of use asset (Note 21)	-	-	(194)	(194)
As at December 31, 2020	8,118	-	-	8,118
Net Book Value				
As at December 31, 2019	1,280	-	14,080	15,360
As at December 31, 2020	1,067	-	-	1,067

	(Unit : Thousand Baht)
	Separate Financial Statements
	Software licences
Cost	
As at January 1, 2019	4,601
Additions (Decrease)	-
As at December 31, 2019	4,601
Additions (Decrease)	73
As at December 31, 2020	4,674
Accumulated Amortization	
As at January 1, 2019 and as at December 31, 2019	4,576
Amortization charge for the year	37
As at December 31, 2020	4,613
Net Book Value	
As at December 31, 2019	25
As at December 31, 2020	61

23. DEFERRED INCOME TAX ASSETS AND LIABILITY

Tax income (expenses) for each of the years ended December 31, 2020 and 2019 consisted of:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
- Property, plant and equipment	(49)	260	-	-
Tax income (expense)	(49)	260	-	-

Reconciliations between Tax income (expense) and accounting gain (loss) multiplied by the applicable tax rate for each of the years ended December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separated Financial Statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	(380,432)	(186,630)	(448,689)	(254,646)
Income tax rate at 20%	76,086	37,326	89,738	50,929
Add (less) : Tax effect of exempted income and non-deductible expenses	(76,845)	(78,522)	(32,904)	5,471
Unrecognition of deferred income tax assets	710	41,456	(56,834)	(56,400)
Tax income (expense)	(49)	260	-	-

The details of deferred income tax assets and liability as at December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements			
	Recorded as (expense) income			
	in			
	December 31,	Profit	Other	December 31,
	2019	for the year	comprehensive income for the year	2020
Deferred income tax assets				
- Loss carry forward	-	-	-	-
- Provision for litigation	353	353	-	-
- Employee benefit retirement obligation	-	-	-	-
Total	353	(353)	-	-
Deferred income tax liability				
- Intangible Asset	(2,816)	2,816	-	-
- Property, plant and equipment	(3,476)	255	-	(3,221)
- Right-of-use asset	-	(2,767)	-	(2,767)
Total	(6,292)	304	-	(5,988)

Unrecognized Deferred Income Tax Assets

As at December 31, 2020 and 2019, the AQ Estate Group did not recognize deferred income tax assets for a temporary difference item, use tax deducton. and certain temporary differences totaling Baht 1,593.26 million and Baht 1,597.30 million, respectively (for the separate amount of Baht 1,698.09 million and Baht 1,640.86 million, respectively) since it is not probable that future taxable profit will be available against which the AQ Estate Group and the Company can utilize the benefit therefore.

24. OTHER NON – CURRENT ASSETS

As at December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Property, plant and construction in progress				
(Note 24.1)	729,874	727,813	-	-
Withholding taxes	3,918	5,724	-	-
Other	1,201	-	1,201	-
Total	734,993	733,537	1,201	-

24.1 Property, plant and construction in progress

Other non - current assets of the subsidiary land that delayed construction in Phuket and projects under construction that delayed the construction of the project at Rattana Thibet present by cost in the consolidated financial statement, As at December 31, 2020 and 2019 amount of Baht 295.57 million, appraised value based on reports of the independent appraise in the year 2018, using value Market method amount of Baht 348.20 million.

Other non - current assets of the subsidiary land that delayed construction in Phuket and projects under construction that delayed the construction of the project at Rattana Thibet present by cost in the consolidated financial statement, As at December 31, 2020 and 2019 amount of Baht 434.30 million, appraised value based on reports of the independent appraise in the year 2020, using value Market method amount of Baht 434.30 million.

25. TRADE ACCOUNTS AND OTHER CURRENT PAYABLE

As at December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Non-related companies				
- Trade account payable - net	30,520	26,145	776	1,040
- Other current payable - net	313,915	244,869	40,849	83,905
Total trade accounts and other current payable – net	344,435	271,014	41,625	84,945
Trade account payable	16,309	20,438	63	291
Construction payables	14,211	5,707	713	749
Total trade account payable - net	30,520	26,145	776	1,040
Other current payable – net				
- Advance payment	153,906	53,031	2,788	4,128
- Accrued expense	16,977	16,435	2,310	2,681
- Deposit received	59,880	71,821	15,723	15,993
- Payable to revenue department	41,364	43,085	14,365	16,486
- Unearned income	897	2,554	-	70
- Other payables*	40,891	57,943	5,663	44,547
Total other current payable - net	313,915	244,869	40,849	83,905
Trade account and other current payable				
- related parties (Note 4)	-	-	139,220	145,929
Trade account and other current payable - net	344,435	271,014	180,845	230,874

*Other account payable

On March 13, 2020, the Company (the transferor) and the subsidiary (Debtor) entered into a debt restructuring agreement. The debtor acknowledges that as of January 31, 2020 has owed to creditors. (One company that is not related) amount 6.36 million baht and the debtor and / or the transferor request the transfer of property, title deed number 77113, Nakhon Pathom Province, area 2 ngan, 77 rai. Total amount of 9.28 million baht, when deducting debt repayment of 6.36 million baht, the property to be sold is higher than the debt burden. The creditor agrees to make an additional payment of 2.92 million baht to the debtor and / or the transferor. On July 8, 2020, the Company has transferred the land ownership to the creditor. And the company has received money from creditors.

26. PROVISION FOR CURRENT OTHER LIABILITIES

Provision for Litigation

As discussed in Note 1, on November 16, 2015, the Board approved the management of the Company estimated compensation on such damage and recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 at amount of Baht 1,630.50 million (net of the collateral value). As the actual compensation will substantially depend on the Company's ability to sell such collateral land at the estimated price. During of 2016 the company recorded additional permutation of Baht 3,056.20 million per selling this pledged land. The Company paid damages to Krung Thai Bank amounting to Baht 1,635.74 million and during of year end, 2017 to December 31, 2020 the company recorded additional of Baht 6.68 million per selling this land.

Advance for lawsuit

On September 26, 2019 to October 1, 2020, The Civil Execution Department has notified attachment of a claim to four banks in 9 deposit accounts of the Company totaling Baht 69.40 million, according to the Criminal Division for Persons Holding Political Position of The Supreme Court has an execution. As at July 8, 2020, some banks have already suspense account amount of Baht 2.60 million.

27. LOANS TERM DEBTS

As at December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Liabilities under debt restructuring agreements (Note 27.1)	1,073	1,053	1,073	1,053
Long - term loans (Note 27.2)	40,168	48,803	-	-
Total	41,241	49,856	1,073	1,053
<u>Less</u> Current portion of long - term debts				
- Liabilities under debt restructuring				
Agreements	(1,073)	(1,053)	(1,073)	(1,053)
- Long - term loans	(16,750)	(15,948)	-	-
Total	(17,823)	(17,001)	(1,073)	(1,053)
Net	23,418	33,058	-	-

27.1 Liabilities under debt restructuring agreements

Movements in the loans considered as default, liabilities under debt restructuring for year ended

December 31, 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2020	1,053	1,053
Increase	20	20
Balance as at December 31, 2020	1,073	1,073

27.2 Long - term loans

Movements in the loans considered as default, long - term loans for year ended December 31, 2019

are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2020	48,803	-
Decrease (Repayment)	(8,635)	-
Balance as at December 31, 2020	40,168	-

As at December 31, 2020 and 2019, the AQ Estate Group's credit facilities bear interest at the rates ranging between MLR+0.25% to MLR+1% per annum. Subsidiary have collateral (Note 7), leasehold right (Note 20 and 19) and former director of Subsidiary (The Tarna Align Resort Co., Ltd.).

28. LIABILITIES UNDER FINANCE LEASE CONTRACTS

(Unit: Thousand Baht)				
	Consolidated Financial Statements		Separate Financial statements	
	December 31, 2020	January 31, 2020	December 31, 2020	January 31, 2020
Liabilities under finance lease contracts	128,320	206,630	9,887	13,576
<u>Less</u> Deferred interest	(48,596)	(90,690)	(823)	(1,544)
	79,724	115,940	9,064	12,032
<u>Less</u> Current portion of liabilities				
under finance lease	35,787	29,848	3,958	4,633
Deferred interest	(4,187)	(11,349)	(502)	(720)
	31,600	18,499	3,456	3,913
Net	48,124	97,441	5,608	8,119

29. PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

(Unit : Thousand Baht)				
	Consolidated Financial Statements		Separate Financial statements	
	2020	2019	2020	2019
Provision for employee retirement				
benefit as at January 1,	5,579	2,222	3,981	1,876
Current service costs	634	977	275	446
Interest expense	151	154	105	112
Past service costs	-	853	-	738
Actuarial gains(loss)	-	2,114	-	1,494
Payment of employee benefits	(1,209)	(741)	(786)	(685)
Provision for employee retirement				
benefit as at December 31,	5,155	5,579	3,575	3,981

Expenses recognized in the profit (loss) for each of the years ended December 31, 2020 and 2019 and as follows;

(Unit : Thousand Baht)				
	Consolidated Financial Statements		Separate Financial statements	
	2020	2019	2020	2019
Current service costs	634	977	275	446
Interest expense	151	154	105	112
Past service costs	-	853	-	738
Total	785	1,984	380	1,296

Actuarial assumptions are as follows;

	Consolidated Financial Statements	
	December 31, 2020	December 31, 2019
Discount rate (% per annum)	2.47 - 3.02	2.47 - 3.02
Average salary increase rate (% per annum)	4.45 - 4.55	4.45 - 4.55
Turnover Rate (% per annum)	Age range	Age range
Retirement age (year)	60	60
	Separate Financial statements	
	December 31, 2020	December 31, 2019
Discount rate (% per annum)	2.47	2.47
Average salary increase rate (% per annum)	4.45 - 4.55	4.45 - 4.55
Turnover Rate (% per annum)	Age range	Age range
Retirement age (year)	60	60

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

	(Unit : Thousand Baht)			
	Change of the present value of the employee benefit obligations increase (decrease)			
	Consolidated Financial Statements		Separate Financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(152)	159	(93)	97
Salary increase rate	201	(192)	130	(125)
Turnover rate	(231)	244	(160)	168

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2020, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	(Unit : Thousand Baht)	
	Consolidated Financial Statements	Separate Financial statements
Within 1 year	425	425
Over 1 and up to 5 years	3,317	2,178
Over 5 years	5,676	3,053

30. SHARE CAPITAL, DISCOUNT ON COMMON SHARE AND STOCK WARRANTS

30.1 Authorized share capital, Issued and paid - up share capital

- 1.1) According to the resolution of General Meeting of shareholders for year 2014 of the Company on April 24, 2014 approved a decreased in capital by reducing the par value of Baht 20 per share to Baht 0.50 per share to reduce the discount of share capital and the accumulated deficit and approve the amendment of the Memorandum of Association to comply with the decreasing of resisted capital and register with the Department of Business Development, Ministry of Commerce of March 3, 2015.
- 1.2) The Annual General Meeting of Shareholders for the year 2015 held on April 20, 2015, the meeting resolved the resolution to
 - a) Decreased the authorized capital from Baht 2,160.22 million (16,320.44 million shares, at Baht 0.50 per share) to be Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share).
 - b) Increased the authorized capital amount of Baht 3,549.63 million from Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share) to be Baht 11,659.18 million (23,318.36 million shares, at Baht 0.50 per share) by issuing new ordinary shares totaling 7,099.26 million shares, at Baht 0.50 per share.
 - b) To allocate newly issued ordinary shares as following:
 - ☐ General Mandate amount does not exceed 3,000 million shares, Baht 0.50 par value for offering to the existing shareholders in the proportion.
 - ☐ Total amount does not exceed 99.26 million shares, Baht 0.50 par value for reserve to adjust the additional right as warrant that will purchase (AQ-W2 total 25.77 million shares and AQ-W3 total 73.48 million shares).
 - ☐ Total amount not exceed 4,000 million shares, Baht 0.50 par value both full amount or any part in the same time or different time to private placement investors and/or institutional investors of private placement in the offering price not less than 90% of market price but the offering price not less than Baht 0.50 per share In addition, the Board of Directors or the people who is assigned by the Board of Directors are able to consider the allocation of newly issues common shares as mentioned above.
- 1.3) On July 15, 2015, the Company registered the change in paid-up capital to increase from the original amount of 8,614 shares, which made paid-up capital to be Baht 6,336,985,976.50, (divided into ordinary shares 12,673,971,953 shares at Baht 0.50 par value).
- 1.4) On June 6, 2016, the Company registered the change in paid-up capital to increase from the original amount of 711,582 shares, which made paid-up capital to be Baht 6,337,341,767.50, (divided into ordinary shares 12,674,683,535 shares, at the par value of Baht 0.50).

- 1.5) The company holds the Extra General Meeting of shareholders No.1/2017 on June 30, 2017, resolution to
- 1.) Approved by decreasing the unsold and unpaid of the registered capital of Baht 5,321,839,806.50, divided into 10,643,679,613 ordinary shares, Baht 0.50.
 - 2.) Approved the amendment of the company's memorandum of association in item 4 regarding the registered capital to comply with the capital reduction in accordance with agenda 1. The details are as follows: item 4 Registered Capital Baht 6,337,341,767.50, divided into Baht 12,674,683,535 shares par value Baht 0.50 per shares divided into 12,674,683,535 ordinary shares, Preference Shares
-None-
 - 3.) The capital increase-option 2, in case of the company increases the capital to private placement prior to the capital increase for right offering. The details are as follows:
 - ☐ Approved the capital increase in the amount of Baht 140,668,670,884 by issuance of newly issued ordinary shares of 281,337,341,768 shares at the par value of Baht 0.50. After the capital increase, the Company will have the registered capital of Baht 147,006,012,651.50 comprised of ordinary shares in total of 294,012,025,303 shares at par value of Baht 0.50.
 - ☐ Approved to amend the memorandum of association in item 4: Item Registered Capital, to comply with the increase of the registered share capital by cancelation of the previous sentences and use these new sentences as following: Item 4 Registered Capital Baht 147,006,012,651.50 Comprised of 294,012,025,303 shares par value Baht 0.50 Comprised of: Ordinary Shares 294,012,025,303 shares Preferred shares - None-
 - ☐ Approved to consider the issuance and offering the warrants to purchase ordinary shares of AQ Estate Plc.no. 4 (AQ-W4) for not exceeding 56,337,341,768 unit.
 - ☐ Approved to consider the allotment of newly issued ordinary shares of the Company of 281,337,341,768 shares at par value of Baht 0.50 per share in the following order:
 1. Allotment of newly issued ordinary shares of 100,000,000,000 shares, Baht 0.50 par value for private placement by empowerment the Board of Directors or the person assigned by the Board of Directors to determine offering price and number of allocated shares for one year. However, the offering price must be (1) the price calculated by weighted average in the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price with the price discount of not more than 10%. At present, the company has no reference price because in the periods of trading suspension (SP). Therefore, the company must have to find next price. (2) The company conducts a price determination through a process that allows institutional investors to express their wish to acquire newly issuance shares at book building price. At the date of the Board of Directors approved the share allotment and pricing, the company will take book building price to consider in

the allocation. In case of the price according to (1) and book building according to (2) does not reflect the true value of shares, the company will use the appraised value by the Financial Advisor Company for consideration. The company will employ S14 Advisory Company Limited, the financial advisor in the list of the SEC to appraise preliminary information for shareholders acknowledge and the appraised value is Baht 0.05.

2. Allotment of newly issued ordinary shares of not exceeding 56,337,341,768 shares at par value of Baht 0.50 per share to reserve for the exercise of warrants to subscribe the ordinary shares of AQ Estate Plc. No. 4 (AQ-W4).
 3. Allotment of newly issued ordinary shares of not exceeding 125,000,000,000 shares, Baht 0.50 par value for existing shareholders in proportion to each existing shareholding.
 4. Allotment of remaining newly issued ordinary shares from the existing shareholders in (3) and remaining newly issued ordinary shares for private placement in (1) to the existing shareholders as right offering again and empowerment the Board of Directors or the person assigned by the Board of Directors to determine all related details such as the ratio of allotment, the offering price, the subscription period, the Record date, and etc. Which details and conditions will be informed to the shareholders in advance. However, the offering price for the right offering, specified by the Board of Directors or the person assigned by the Board of Directors will not exceed the offering price for private placement in 1 and not exceed the offering price for right offering in 3.
- 1.6) Board of Directors' meeting no. 10/2017 on July 11, 2017, approved for the allotment of newly issued ordinary shares for private placement no. 1 "(No.1)" and Board of Directors' meeting no. 11/2017 on July 14, 2017, Approved for the allotment of newly issued ordinary shares for private placement no. 2 "(No.2)" as detail show below:

Reference is made to the approval from the Extraordinary General Meeting of Shareholders no. 1/2017 on June 30, 2017 for the allotment and offering of the newly issued ordinary shares of the Company for the amount of 100,000,000,000 shares for private placement. The Shareholders' meeting empowered the board of directors of the Company to determine the offering price at the market price. However, due to:

- 1.) The market price calculated from the weighted average of share price of not less than the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price as specified in item 8(1) of The Notification of the Capital Market Supervisory Board no. Tor Jor 72/2015, Re: Approval for the Listed Company to offer new shares to specific investors ("The Notification - Tor Jor 72/2015"), does not reflect the true value of shares of the Company because the shares of the Company has been suspended from trading in the Stock Exchange of Thailand; and

- 2.) The offering price cannot be determined by the opened process to the institutional investors who intend to subscribe for the newly issued shares at the preferred price level (book building) processed by the securities company as specified in item 8(2) of The Notification - Tor Jor 72/2015 because of no proposed bidding price from the institutional investors to purchase newly issued shares of the Company. Therefore, the fair value is appraised by S14 Advisory Co., Ltd. The financial advisor approved in the list of the SEC consideration which appraised from the latest financial Statement December 31, 2016 on July 11, 2017 equal to Baht 0.04 and it can be regard as substation of market price equal to Baht 0.04.

In accordance with the Notification of the SET, Re: Listing of ordinary shares or preferred shares as listed securities, B.E. 2558(2015), the Company shall disclose the weight average share price of 7 – 15 consecutive business days prior to the first date of subscription payment of investors or the fair value of share price as appraised by the financial advisor approved in the list of the SEC in case that the shares are not traded in the SET. Therefore, the Company shall use the fair value from the report of the financial advisor, S14 Advisory Co., Ltd., appraised on July 11, 2017 using the same criteria as the report dated May 31, 2017. The latest report, the financial advisor adjusted the appraisal to reflect the current situation based on the financial statement as at December 31, 2016, the updated financial statement, and the appraised share price is Baht 0.04 per share.

Thus, the Board of Directors determined the offering price at Baht 0.05 per share which is higher than the fair price as appraised by S14 Advisory Company Limited. As July 11, 2017 the financial advisor approved in the list of the Securities and Exchange Commission (the “SEC”) instead of the offering price in (1) and (2) mentioned above and according to item 8 second paragraph of The Notification - Tor Jor 72/2015.

The share offering price of newly issued ordinary shares for private placement at Baht 0.05 per share when compared to the fair value at Baht 0.04 per share is not considered as the offering price lower of the market price according to the Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (2015). Therefore, the mentioned newly issued ordinary shares are not subjected to the silence period.

In addition, the Board of Directors has the guideline to determine the specific investors by considering the investors who submitted the letter of intent to subscribe the newly issued ordinary shares for the allotment to private placement which has the large number of shares and for the Company to raise sufficient fund from capital increase and the detail is as following:

- 1.) The offering price for the specific investors is Baht 0.05 per share and is considered as the allotment at price instead of market price in accordance with the Notification - Tor Jor 72/2015 which is the fair price as appraised by the financial advisor approved in the list of the SEC because the shares of the Company has been suspended from trading in the SET since November 16, 2015 and there has no bidding from the institutional investors

from book building processed by Country Group Securities Plc. as appointed by the company to manage and process for book building to the institutional investors. Therefore, the fair price appraised by the financial advisor approved in the list of the SEC, is considered as the price instead of market price. The allotment at the offering price of Baht 0.05 per share is considered as the allotment at the market price according to the resolution from the Extraordinary General Meeting of Shareholders no. 1/2017.

Effect to shareholders (Dilution Effect) (No.1):

Effects from the allotment for private placement when the investors subscribe for the newly issued ordinary shares of 34,140,000,000 shares are:

No. of existing shares	12,674,683,535 shares
Allotment shares	34,140,000,000 shares
Total shares	46,814,683,535 shares

Effect to shareholders (Dilution Effect) (No.2):

Effects from the allotment for private placement when the investors subscribe for the newly issued ordinary shares of 38,500,000,000 shares are:

No. of existing shares	46,814,683,535 shares
Allotment shares	38,500,000,000 shares
Total shares	85,314,683,535 shares

The offering price for private placement is Baht 0.05 which is the appraised fair price from S14 Advisory Co., Ltd., the financial advisor approved in the list of the SEC appraisal on May 31, 2017, using the Financial Statement on September 30, 2016 (prior to market price of capital increase equal to Baht 0.05), the price dilution is 0% and the control dilution is 72.933%. The reason of no price dilution to the existing shareholders is that the weighted average of share price in the SET of the past 7- 15 consecutive business days prior to the date to determine the offering price, cannot be determined because the shares of the Company has been suspended from trading (SP). At present, the Company which is the substation of market price to provide the current valuation information on July 11, 2017 appraised price from S14 Advisory Co., Ltd., using the latest Financial Statement on December 31, 2016 and appraised at Baht 0.04. The Board of Directors approved the price allotment of Baht 0.05 which is higher than the latest fair price.

- 2.) The Company is required to raise fund for the debt payment and for the future operation and development which needs large amount of fund. Therefore, when receipt the intention for capital from 15 investors, the Company approved for shares offering to those investors.
- 3.) Detail and schedule for use of fund:
 - 3.1 The company will raise capital increase in amount of Baht 3,632 million (PP#1 of Baht 1,707 million and PP#2 Baht 1,925 million) to negotiate with Krung Thai Bank for damages according to the Supreme Court's judicial order.

3.2 For development of projects of the Company.

Detail and schedule for use of fund from capital increase for Private Placement (PP)

Period	Detail	Amount (Baht million)
2017	Payment for damages from judicial order	10,004.47
2017	Development of Estes Rattanathibet project	976.90
2017	Development of Chonburi – Bypass project	457.37
2017	Development of AQ Welle	81.93
2017	Development of AQ ARBOR	397.79
2017	Development of AQ ALIX	303.89
2017	Purchase of the collateralized land	1,500.00
2018 - 2019	Investment in new projects	1,500.00
2018 - 2019	Working capital	500.00
		<u>15,722.35</u>

- 4.) For the offering price for private placement, the Board of Directors considered and approved the offering price at Baht 0.05 from the fair price appraised by S14 Advisory Company Limited on May 31, 2017. The number of shares offered for sale No. 1 34,140,000,000 shares in the amount of Baht 1,707,000,000 and payment within July 14, 2017. And the number of shares offered for sale No.2 38,500,000,000 shares in the amount of Baht 1,925,000,000 and payment within July 19, 2017. The offering price is fair value, higher than the latest fair price which appraised price from S14 Advisory Co., Ltd. on July 11, 2017, at Baht 0.04, using the latest financial statements published to investors.
- 5.) Terms, conditions or other agreement with investors, The company allotted shares to the investors without any terms, conditions or other agreement.
- 6.) From the issuance and allotment for private placement of 100,000 million shares, the Company allotted No.1 34,140 million shares for this time and the remaining un-allotment is 65,860 million shares and allotted No.2 38,500 million shares for this time and the remaining un- allotment is 27,360 million shares allotted No. 1 and No. 2 Total 72,640,000,000 shares are as listed securities on July 17, 2017.

The Company paid the commission fee for issuing the increase share capital to 4 non – related companies totaling Baht 62.61 million.

On October 6, 2017 the Board of Director meeting of company No.14/2017 had approved the canceled the allocation of 27,360 million ordinary shares to private placement the allotment to shareholders and has resolved to determine the names of shareholders who will be entitled to allotment of warrants No.4 (AQ-W4) on October 24, 2017.

30.2 Warrants

- 1.1) Warrants of the Company 1,030,912,398 units, total number of warrants (AQ-W2) issued by the Company is 1,030,899,500 units on June 20, 2012. The warrants were registered as listed securities in the stock exchange of Thailand ("SET") on July 16, 2012. The warrants are in registered form and transferable. The terms of the warrants are not exceeded to three years from the date of issuing the warrants (June 20, 2012) and warrants can be exercised in every three-months which will be on last working day of March, June, September and December of each year. First, exercise date will be September 28, 2012 and the last exercise date will be June 19, 2015.

On September 16, 2014, the Company amended of the exercise price of warrant (AQ-W2). Because of the change in par value of common share Baht 10 to Baht 20.

- ☐ Old ratio: The warrant 1 Unit has the right to purchase 1 common share (1:1:1) exercise price 1 Baht per 1 common share.
- ☐ New Ratio: The warrant 1 Unit has the right to purchase 0.918 common share (1:0.918:1) exercise price Baht 1.090 per 1 common share.

- 1.2) Warrants of the Company 2,624,626,283 units, total number of warrants (AQ-W3) issued by the Company is 2,624,546,758 units on May 20, 2013. The warrants were registered as listed securities in SET on June 24, 2013. The warrants are in registered form and transferable. The term of the warrants is equal to three years and warrants have no exercise price. The warrants can be exercised in every one year which will be on last working day of December of each year. First, exercise date will be December 30, 2013 and the last exercise date will be May 19, 2016.

Warrants of the Company 2,624,626,283 units, warrants shall be offered to the existing shareholders and existing shareholders who subscribe for as follows:

- ☐ The rights of existing shareholders in the ratio of 10 shares per 1 unit of warrant (AQ-W3) total 211,176,828 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- ☐ The right of existing shareholders who subscribe to newly issued shares in the ratio of 7 new shares to 4 warrants total of 2,413,449,455 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- ☐ New Ratio: 1 Unit has the right to purchase 1.028 common share (1:1.028:1) exercise price Baht 0.584 per 1 common share.

- 1.3) Warrants to purchase the Company's ordinary shares (AQ-W4), issued by the Company is 42,656,849,667 units on October 31, 2017. The warrants were registered as listed securities in SET on November 1, 2017 and started the first trading day January 15, 2018. The warrants are in registered form and transferable. The term of warrants is 1 year and there is no offering price. The warrants will be exercisable after the 1-year subscription period is October 31, 2018. The

exercise dates are from October 16, 2018 to October 30, 2018 and the first and last exercise date will be October 31, 2018.

- 1.4) Warrants (AQ-W2) have number of warrant holder's application 1 person, number of exercised warrants 9,384 units, the remaining warrants have not been exercised were 1,030,890,116 units, number of shares derived from this exercise 8,614 shares, number of remaining shares reserved for warrants 946,286,216 shares. The warrants (AQ-W2) that have not exercised in full amount as above will be terminated on June 20, 2015 from the registered securities.
- 1.5) Warrants (AQ-W3) have number of warrant holder's application 27 persons, number of exercised warrants 692,209 units, the remaining warrants not yet been exercised were 2,697,322,486 units, number of shares derived from this exercise 711,582 shares, number of remaining shares reserved for warrants 2,697,393,397 shares. The warrants (AQ-W3) that have not exercised in full amount as above will be terminated on May 20, 2016 from the registered securities.
- 1.6) Warrants (AQ-W4) have number of warrant holder's application 48 persons, number of exercised warrants 10,127,909 units, the remaining warrants not yet been exercised were 42,646,721,758 units, number of shares derived from this exercise 10,127,909 shares, number of remaining shares reserved for warrants 42,646,721,758 shares. The warrants (AQ-W4) that have not exercised in full amount as above will be terminated on November 1, 2018 from the registered securities.

31. OTHER INCOME

Other income for the each of the years ended December 31, 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Management fee income	14,901	11,641	17,200	19,800
Interest income	12,032	95,036	125,645	217,462
Revenue from doubtful debt refunded	-	-	169,616	24,807
Rental income	3,608	4,039	13,830	14,536
Revenue from sale of merchandises in convenient store	10,950	12,017	-	-
Others	18,924	11,841	1,913	1,696
Total	60,415	134,574	328,204	278,301

32. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial		Separate Financial statements	
	Statements			
	2020	2019	2020	2019
Change in costs of property development	(265,194)	(304,873)	(90,826)	(65,316)
Subcontractor wages	59,120	67,018	20,777	20,567
Advertisement and sales expenses	48,946	52,140	17,274	18,594
Salary and other benefits of staffs	222,255	215,658	119,731	109,423
Premises and equipment expenses	45,605	51,115	10,614	11,142
Depreciation and amortization	95,752	86,037	12,119	11,622
Loss from disposal of assets	-	34,878	-	-
Doubtful debts	8,712	8,887	612,902	373,505
Consulting and professional	15,024	16,783	10,003	11,949
Loss reserve for litigation claim	338	1,906	2,374	926

33. REGISTERED PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530 based on the approval from the Securities and Exchange Commission Thailand in 2003. Under the plan, members contribute to the fund at 5% of the employees' basic salaries. The Company contributes to the fund at 5% of the employees' monthly salaries, depending on the length of employment. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530. The Company's contribution for the years 2020 and 2019, which was charged to the consolidated statements of comprehensive income, amounted to Baht 5.10 million and Baht 4.70 million, respectively. (The Company amounted to Baht 3.24 million and Baht 2.98 million, respectively).

34. BASIC PROFIT(LOSS) PER SHARE

Basic profit (loss) per share for the years ended December 31, 2020 and 2019 were based on the profit (loss) for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year of each period as follows:

	(Unit : Thousand shares)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Profit (loss) attributable to equity holders of the Company (basic)	(391,761)	(186,342)	(449,429)	(254,646)
Beginning number of ordinary shares	85,324,811	85,324,811	85,324,811	85,324,811
Effect of shares issued and the changes in par values of during year	-	-	-	-
Weighted average number of ordinary shares outstanding (basic)	85,324,811	85,324,811	85,324,811	85,324,811
Profit (loss) per share basic (in Baht per share)	(0.0046)	(0.0022)	(0.0053)	(0.0030)
Par value (Baht per share)	0.50	0.50	0.50	0.50

35. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated statement of financial position include cash and cash equivalents, short-term investments, trade and other account receivables, restricted deposits with banks, loans to subsidiaries, long-term loan to other, interest income from subsidiaries, trade and other account payables, customer down payments, retention payables, current portion of long - term liabilities under debt restructuring agreements, loans considered as default, long-term loans from financial institutions, liabilities under finance lease contracts, and accrued interest. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 5.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the consolidated financial statements. From the current situation, as described in Note 1 indicates that the AQ Estate Group may suffer from liquidity problems.

Foreign Currency Risk

The AQ Estate Group do not have commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the AQ Estate Group. The AQ Estate Group's exposure to interest rate risk relates primarily to their cash and cash equivalents, restricted deposits with banks, loans to subsidiaries and interest receivable, loan to other, long - term liabilities under debt restructuring agreements, long-term loans considered as default, long-term loans from financial institutions, and liabilities under finance lease contracts, which bear interest. However, since financial assets and liabilities bear floating interest rates which are close to the market rates. The management considers that the interest rate risk is minimal, hence, the AQ Estate Group has no hedging agreement to protect against such risk.

As at December 31, 2020 and 2019, classified by type of interest rates are summarized in the table below:

(Unit : Thousand Baht)

	2020						Effective interest rates (% p.a.)
	Consolidated Financial Statements						
	Fixed interest rates				Non-interest bearing	Total	
	Within 1 year	Over 1- 5 years	Over 5 years	Floating interest rate			
Financial assets							
Cash and cash equivalents	-	-	-	87,965	23,192	111,157	0.125-0.250
Temporary investments	-	-	-	1,072,160	-	1,072,160	6.50
Trade and other current account receivables	-	-	-	-	256,440	256,440	-
Short - term loans	412,145	-	-	-	-	412,145	5.50-6.00
Restricted deposits with banks	-	-	-	72,041	-	72,041	0.375-0.500
Total	412,145	-	-	1,232,166	279,632	1,923,943	
Financial liabilities							
Trade and other current account payables	-	-	-	-	344,435	344,435	-
Long - term liabilities under debt restructuring agreements	-	-	-	17,823	-	17,823	3.00-6.775
Loans considered as default	-	-	-	23,418	-	23,418	6.775
Liabilities under finance lease contracts	-	-	-	48,124	-	48,124	6.775
Total	-	-	-	89,365	344,435	433,800	

(Unit : Thousand Baht)

	2019						
	Consolidated Financial Statements						
	Fixed interest rates						
	Within 1 year	Over 1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rates (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	29,730	6,729	36,459	0.90-1.40
Temporary investments	-	-	-	1,072,160	-	1,072,160	6.50
Trade and other current account receivables	-	-	-	-	177,359	177,359	-
Short - term loans	412,145	-	-	-	-	412,145	5.50-6.00
Restricted deposits with banks	-	-	-	94,382	-	94,382	0.75-1.40
Total	412,145	-	-	1,196,272	184,088	1,792,505	
Financial liabilities							
Trade and other current account payables	-	-	-	-	271,014	271,014	-
Long - term liabilities under debt restructuring agreements	-	-	-	1,053	-	1,053	3.00
Loans considered as default	-	-	-	48,803	-	48,803	6.775
Liabilities under finance lease contracts	203	-	-	-	-	203	1.00-1.30
Total	203	-	-	49,856	271,014	321,073	

(Unit : Thousand Baht)

	2020						
	Separate Financial Statements						
	Fixed interest rates						
	Within 1 year	Over 1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rates (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	1,147	18,726	19,873	0.25
Temporary investments	-	-	-	1,072,160	-	1,072,160	6.50
Trade and other current account receivables	-	-	-	-	874,397	874,397	-
Restricted deposits with banks	-	-	-	50,264	-	50,264	0.375-0.500
Short term loans	412,145	-	-	1,393,974	-	1,806,119	6.00
Total	412,145	-	-	2,517,545	893,123	3,822,813	
Financial liabilities							
Trade and other current account payables	-	-	-	-	180,845	180,845	-
Long - term liabilities under debt restructuring agreements	-	-	-	1,073	-	1,073	3.00
Total	-	-	-	1,073	180,845	181,918	

(Unit : Thousand Baht)

	2019						Effective interest rates (% p.a.)
	Separate Financial Statements						
	Fixed interest rates					Total	
	Within 1 year	Over 1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	837	3,413	4,250	0.50
Temporary investments	-	-	-	1,072,160	-	1,072,160	6.50
Trade and other current account receivables	-	-	-	-	1,175,632	1,175,632	-
Restricted deposits with banks	-	-	-	50,471	-	50,471	1.00-1.30
Short term loans	412,145	-	-	1,421,109	-	1,833,254	5.50-6.25
Total	412,145	-	-	2,544,577	1,179,045	4,135,767	
Financial liabilities							
Trade and other current account payables	-	-	-	-	230,874	230,874	-
Long - term liabilities under debt restructuring agreements	-	-	-	1,053	-	1,053	3.00
Total	-	-	-	1,053	230,874	231,927	

36. FAIR VALUE MEASUREMENT

The fair value of cash and cash equivalents, restricted deposits with banks - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rates, which approximate market rates.

Trade and other account receivables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial assets.

Current portion of long - term liabilities under debt restructuring agreements, loans considered as default - the carrying values approximate their fair values because these financial liabilities have floating interest rate, which approximate market rates.

Trade and other account payables, customer down payments, retention payables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial liabilities.

Long - term loans financial institutions - the carrying values approximate their fair values because these financial liabilities have floating interest rates, which approximate market rates.

Liabilities under finance lease contracts carrying interest at fixed rates - the fair value could not be calculated appropriately because the market floating rate could not be determined.

Loans to subsidiaries and third party and accrued interest income - fair value cannot be reliably estimated since the specific repayment term is not known.

As at December 31, 2020, the AQ Estate Group had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non - current assets	-	-	900,000	900,000
Investment property	-	-	8,454	8,454
Total	-	-	98,454	98,454

(Unit: Thousand Baht)				
Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non - current assets	-	-	900,000	900,000
Investment property	-	-	264,793	264,793
Total	-	-	1,164,793	1,164,793

Valuation techniques and information to valuations level 3

Investment properties are presented at fair values, which are appraised by an independent value using the income approach. The key assumptions used in such appraisal are yield rate or discounted rate based on the turnover rate of government bonds, occupancy rate, long-term vacancy rate and long-term growth rate in revenue.

During the year, there was no transfer within the fair value hierarchy.

37. OPERATING SEGMENTS

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the Board of Directors in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the AQ Estate Group is organized into business units based on their businesses and has 4 reportable segments as follows:

- 1) Property development low rise
- 2) Property development high rise
- 3) Services
- 4) Property rental and service

AQ Estate Group operates in Thailand only as a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

The Board of Directors monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

For the years 2020 and 2019, the AQ Estate Group has no major customer with revenue of 10 percent or more of revenues.

Inter - segment revenues and expenses are eliminated on consolidation.

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2020:

	(Unit : Thousand Baht)					
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Elimination	Total
Revenues from sales and						
Services	383,351	23,201	98,522	20,618	-	525,692
Costs of sales and services	(319,714)	(15,807)	(201,789)	(9,382)	2,754	(543,938)
Gross profit (loss)	63,637	7,394	(103,267)	11,236	2,754	(18,246)
Management fee income						14,898
Interest income						12,033
Other income						33,484
Profit (loss) before expenses						42,169
Selling expenses						(43,167)
Administrative expenses						(325,042)
Doubtful expenses						(8,712)

(Unit : Thousand Baht)

	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Elimination	Total
Loss reserve from litigation claim						(45,680)
Finance cost						(11,408)
Profit before income tax						(391,840)
Tax income (expenses)						(49)
Loss for the year						(391,889)

Note: The hotel business is included in services segment.

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2019:

(Unit : Thousand Baht)

	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Elimination	Total
Revenues from sales and Services	419,890	66,176	136,063	21,451	(4,652)	638,928
Costs of sales and services	(329,114)	(46,656)	(220,462)	(10,666)	24,569	(582,329)
Gross profit (loss)	90,776	19,520	(84,399)	10,785	19,917	56,599
Management fee income						11,641
Interest income						95,036
Other income						27,897
Profit(loss) before expenses						191,173
Selling expenses						(42,025)
Administrative expenses						(323,654)
Doubtful expenses						(8,887)
Loss reserve from litigation claim						(1,906)
Finance cost						(1,331)
Profit before income tax						(186,630)
Tax income (expenses)						260
Loss for the year						(186,370)

Note : The hotel business is included in services segment.

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2020.

	(Unit : Thousand Baht)					
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Unallocated	Total
Assets	7,482,138	439,240	2,074,691	139,487	222,675	10,358,231
Elimination						(3,678,955)
Total						<u>6,679,276</u>
Liabilities	5,269,892	333,891	3,858,973	232,422	800,869	10,496,047
Elimination						(6,904,329)
Total						<u>3,591,718</u>
Depreciation and amortization						95,752
Loss from disposal of assets						-
Total						<u>95,752</u>

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2019.

	(Unit : Thousand Baht)					
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Unallocated	Total
Assets	8,080,655	497,797	2,057,141	128,552	210,018	10,974,163
Elimination						(4,109,040)
Total						<u>6,865,123</u>
Liabilities	5,335,846	373,830	3,463,076	189,476	760,171	10,122,399
Elimination						(6,736,723)
Total						<u>3,385,676</u>
Depreciation and amortization	21,678	6,167	50,069	7,347	776	86,037
Loss from amortized of asset						34,878
Total						<u>120,915</u>

38. OTHERS

38.1 BANK GUARANTEES

As at December 31, 2020 and 2019, the AQ Estate Group had obligations under bank guarantees approximately Baht 72.85 million and Baht 95.01 million, respectively, (The Company: Baht 47.62 million and Baht 47.62 million, respectively), which concerning obligation under normal businesses. The bank guarantees are collateralized by the Company's fixed deposits with the banks and also guaranteed by directors of the AQ Estate Group.

38.2 COMMITMENTS AND CONTINGENT LIABILITIES

38.2.1 As at December 31, 2020 and 2019, the AQ Estate Group had outstanding litigation claims from customers and creditors for breaching of the agreements to buy and to sell, the hire of work agreements and repayments retention for a total amount of Baht 13.17 million and Baht 13.38 million, respectively. The outcome of these litigations could not presently be determined. In addition, the AQ Estate Group are in the process of negotiating with certain customers claiming for repayments of cash paid in advance to the AQ Estate Group. The AQ Estate Group, however, believes that the provisions made in the accounts are adequate to cover any damage for such litigation. As the existing-shareholder of indirect - subsidiary also guaranteed for the contingent liability of the indirect subsidiary at approximately Baht 0.33 million.

38.2.2 As at December 31, 2020, the AQ Estate Group had 1 lawsuit filed against the defendant and claimed damages. The marketing consultant alleged that the contract breach. The compensation amount of Baht 0.89 million. The court judge to payment to the defendant. Currently, the case is in the process and the court will appointment on March 3, 2021.

38.2.3 In years 2020, the Company has been filed to a housing estate juristic to accuse that housing estate has requested to repair and transfer the central public property, also claim damages. The plaintiffs have filed a claim for damages in the amount of Baht 66.37 million. The Court arranged for the negotiation / plaintiff to testify on August 14, 2020. On August 14, 2020, the plaintiffs and the two defendants negotiated in a preliminary agreement, the court postponed the mediation again on September 23, 2020. The opinion of the legal advisor of the group company that the Group company cannot estimate the exact damages, so no provision records in account. Such case has trend to agree, the court postponed the mediation again on April 27, 2021.

38.2.4 On June 25, 2020, the subsidiary (Tarna Align Resort Co., Ltd.) was summoning the red case No. Por 61/2020 and the black case No.163/2019 to the subsidiary for payment Baht 37,342,500 with interest rate 15 per year. Since January 31, 2018 until ended payment for plaintiff but calculate interest until litigation (As at July 5, 2019) not increase Baht 7,980,041.10 payment within 30 days. From the date of enforcement. Due to the Company was accused since July 5, 2019, the black case No. Por 163/2019. The plaintiff, sued the subsidiary breach of obligation contract that the date accused the Company was unknow. Because in the process of preparing sale of contract for such subsidiary and was on September 2, 2019. The ex-director of The Tarna Align Resort Co., Ltd. has appointed a lawyer to defense and the court has a judgment on April 8, 2020. On July 23, 2020, the Appeal Court rendered the judgment to uphold the decision of the Court. At the present,

the Company is required to submit the petition requesting to submit the Supreme Appeal within February 28, 2021. At the present the company has submitted the petition requesting for an extension of time to submit the supreme appeal to the court and the Court granted permission for the Company to submit the supreme appeal by March 31, 2021. Therefore, has recorded as expenditure under “administrative expenses” account in the statements of comprehensive income and has recognized as liabilities in the statement of financial position.

38.3 COMMITMENT

- 38.3.1 The AQ Estate Group had pledged fixed deposits with bank and most of their inventories, which represent immovable properties for sale, construction in progress and land and buildings as collaterals for credit facilities granted by financial institutions.
- 38.3.2 As at December 31, 2020 and 2019, the AQ Estate Group had commitments under construction contracts amount of Baht 754.32 million and Baht 759.29 million, respectively. (The Company : Baht 120.35 million and Baht 125.95 million, respectively), which were utilities and condominium units construction and hotel amount of Baht 512.31 million and houses construction amount of Baht 230.01 million (December 31, 2019 : utilities and condominium units construction and hotel amount of Baht 512.55 million and houses construction amounting to Baht 246.74 million) and of the Company, utilities and condominium units construction amounting to Baht 22.50 million and houses construction amount of Baht 97.85 million (December 31, 2019: utilities and condominium units construction amount of Baht 23.99 million and houses construction amount of Baht 101.96 million).
- 38.3.3 As at December 31, 2020 and 2019, total contract price amount of Baht 1,743.98 million and Baht 1,771.33 million, respectively, and of the Company amount of Baht 327.07 million and Baht 330.77 million, respectively.

39. CAPITAL MANAGEMENT

The primary objective of the AQ Estate Group's capital management is to ensure that it has sustained good cash flows management and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2020 and 2019, the AQ Estate Group's debt-to-equity ratio was 1.16 and 0.97, respectively (and of the separate of financial statement's debt-to-equity ratio was 1.13 and 0.99, respectively).

No changes were made in the AQ Estate Group's objectives, policies or processes during the years ended December 31, 2020.

40. RECLASSIFICATION

Certain amounts in the 2019 financial statements has been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholder's equity.

41. APPROVAL OF FINANCIAL STATEMENTS

The Company's director has authorized these financial statements for issue on February 25, 2021.



A Q E S T A T E

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