Annual Report 2020

Quality Houses

Q House

Quality Houses Public Company Limited

Vision and Mission

Vision

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

Mission

Product and Service Quality

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

Work Life Quality

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

Personnel

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

Social Quality

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

Investment quality

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

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Investors can get more information form 56-1 from by downloading from www.sec.or.th or www.qh.co.th

Financial Highlights for the year 2018 – 2020

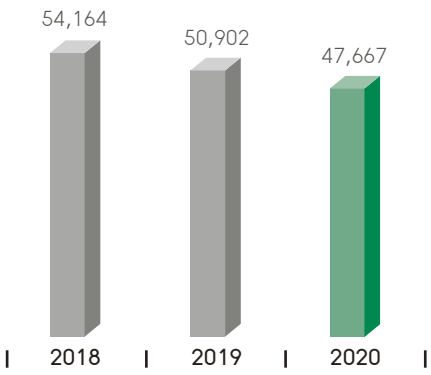
(Unit : Million Baht)

Summary of Financial Statements Information	2018 (Restated)	2019	2020
Total Assets	54,164	50,902	47,667
Total Liabilities	27,878	24,039	21,099
Shareholders' Equity	26,286	26,863	26,568
Net Sales	15,887	10,680	9,138
Total Revenues	16,148	10,949	9,377
Gross Profit	5,553	3,596	2,820
Net Profit	3,798	2,854	2,123

Financial Ratio	2018 (Restated)	2019	2020
Net Profit Margin (%)	23.5	26.1	22.6
Return on Equity (%)	14.9	10.7	7.9
Return on Assets (%)	7.1	5.4	4.3
Basic Earning per Share (Baht)	0.35	0.27	0.20
Dividend per Share (Baht)	0.22	0.20	n.a.
Debt to Equity Ratio (Time)	1.1	0.9	0.8
Time Interest Earned Ratio (Time)	4.5	4.6	10.4
Book Value per Share (Baht)	2.45	2.51	2.48

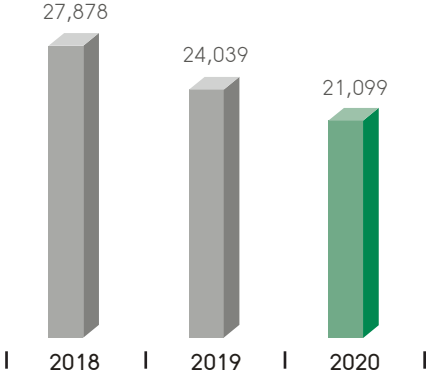
Total Assets

(Million Baht)



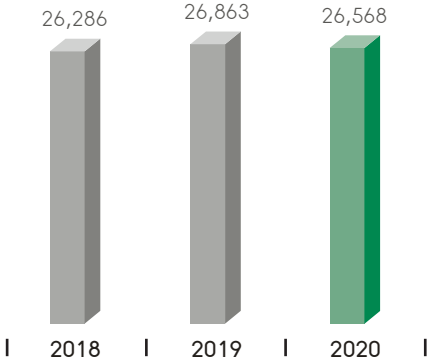
Total Liabilities

(Million Baht)



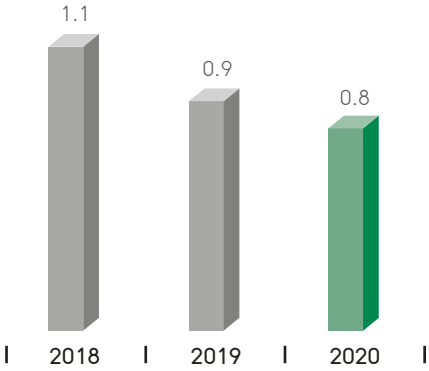
Shareholders' Equity

(Million Baht)



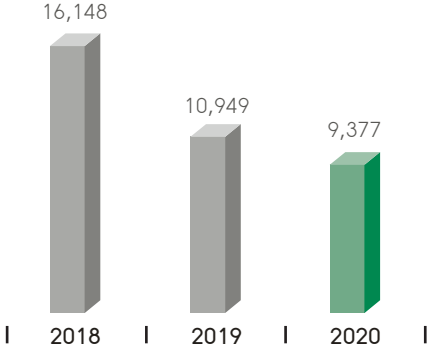
Debt to Equity Ratio

(Time)



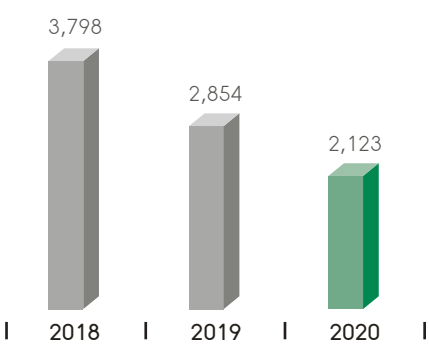
Total Revenues

(Million Baht)



Net Profit

(Million Baht)



Message from the Board of Directors



Dear shareholders,

The pandemic of coronavirus disease 2019 (COVID-19) in the year 2020 has plunged the world economy into a severe crisis. Meanwhile, the Thai economy has been affected as well, especially the tourism and service industries since the number of international tourist arrivals in Thailand decreased significantly from the year 2019 by 83%. As a result, the Thai economy in the year 2020 contracted by 6.1% which affected the real estate sector as a whole.

Due to the above factors resulting in the performance of the year 2020, the Company had revenue from core businesses at Baht 9,138 million, decreasing from the year 2019 by 14% and comprising of revenue from sales of real estate and revenue from rental and service fees at 93% and 7%, respectively. Meanwhile, net profit was at Baht 2,123 million, decreasing from the year 2019 by 26%. However, the Company could still control costs and expenses more efficiently. In addition, the Company's financial structure remained strong with interest bearing debt-to-equity ratio at 0.64x (Year 2019 equal to 0.77x). As a result, the Company maintained TRIS Credit Rating at A- / Stable.

For the year 2020, the Company launched 4 new housing projects in Bangkok and vicinities, comprising of 2 detached house projects and 2 townhouse projects, with total project value of Baht 5,012 million under 4 main strategies: 1) Analyzing data with a customer-centric focus in order to understand the real needs of target customers, 2) Developing new and modern products with complete facilities, 3) Increasing sales efficiency in order to increase sales of each project by increasing product variety and 4) Conducting business with social and environmental responsibility.

The Company remains committed to and focuses on sustainable business operations by creating an appropriate balance in 3 areas which are economy, society and environment. Moreover, the Company is also committed to developing quality products along with inventing new innovation and technology used in the development of residential projects in order to deliver good quality of life to customers. The Company also focuses on comprehensive after-sale service and security of project residents in order to create long-term competitiveness and sustainable growth.

In addition, the Company continues to focus on operations based on good governance.

In the year 2020, the Company achieved the CG score of "Excellent" level of recognition from the Corporate Governance Report of Thai Listed Companies (CGR) for 5 consecutive years.

Finally, the Board of Directors would like to thank the customers, shareholders, debenture holders, financial institutions, trading partners and other related parties for continued support. The Company continues to adhere to sustainable business practices under good corporate governance principles for highest benefits of all related parties.

(Mr. Boonsom Lerdhirunwong)
Chairman

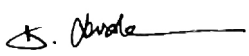
Report of the Board of Directors' Responsibility for the Financial Reports

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

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

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

According to the mentioned management structure and internal control system as well as an unqualified opinion by the auditor, the Board of Directors therefore believes that the financial statements of Quality Houses Public Company Limited as of December 31, 2020 have presented the financial position, operating results and cash flow correctly in accordance with GAAP.



(Mr. Boonsom Lerdhirunwong)
Chairman

Report from the Audit Committee

Dear Shareholders,

The Audit Committee of Quality Houses Public Company Limited consists of 3 independent directors. In 2020, 7 meetings were convened to independently discuss and consider various subjects. The list of Audit Committee's members and the details of its meetings were shown as follows:

Audit Committee		Position in the Audit Committee	Attendance / Total Meetings (Times)
Mr. Rachai	Wattanakasaem	Chairman of Audit Committee	7/7
Mr. Suri	Buakhom	Member of Audit Committee	7/7
Mr. Adul	Vinaiphat	Member of Audit Committee	7/7

The Audit Committee performed his duties as delegated by the Company's Board of Directors and as stipulated in the rules and regulations of the Stock Exchange of Thailand. The Audit Committee' s performance of year 2020 is summarized as follows:

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

   In 2020, the Audit Committee held 4 private meetings with the external auditors, without the presence of any the executives of the Company, in order to exchange opinions and acknowledge the significant comments as well as suggestions of the external auditors. The meetings were also conducted in order that the financial statements were well prepared for the changes on new or improved accounting standards. This brings about financial statement accuracy and reliability for the benefits of investors and users.

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

   The Audit Committee acknowledged the result of audit report and commented on taking the preventive measures of internal control systems to prevent or mitigate risks as well as suggested to improve the internal audit activities. The Audit Committee also emphasized the following up the improvement of business operation as recommended in the internal audit report to achieve the efficiency and effectiveness of internal audit system. In 2020, no significant deficiencies were found in the Company's internal control systems.

3. **Reviewing the adequacy of the risk management system:** The Audit Committee considered the adequacy of the risk management system. The Risk Management Committee was established in order to classify the risk type, define the criteria of risk assessment and evaluate the impact level of each risk type by department. The Audit Committee considered that the Company has the appropriate and adequate risk management for the business operation.

4. **Monitoring the Company's compliance with the Securities and Exchange Law:** The Audit Committee monitored the Company's business conducts to ensure that they comply with the regulations of the Stock Exchange of Thailand, the regulations of the Securities and Exchange Commission and any other laws related to the business activity of the Company. The secretary of the Audit Committee was assigned to regularly report such laws and regulations including any updated laws to the Audit Committee. The Audit Committee believed that there was no significant incident of violations of any laws or regulations in 2020.

5. **Selecting the Company's external auditors and reviewing their remuneration:** The Audit Committee proposed and selected the Company's external auditors based on their knowledge, capabilities, independence, performance and service, as well as the appropriate remuneration. In 2020, the Audit Committee recommended the appointment of EY Office Company Limited to be the Company's external auditors. The proposal was approved by the Board of Directors and was subsequently approved by shareholders at the 2020 Annual General Meeting.

6. **Reviewing and providing opinions on related party transactions:** The Audit Committee ensured that the Company has established procedures and guidelines for every related party transactions in accordance with the government law and regulations, by considering the Company's best benefits at arm's length basis to prevent any conflicts of interest. The Audit Committee also monitored the full and fair disclosure of all related party transactions. The Company performed fairly in compliance with government regulations.

7. **Emphasizing the Company's corporate governance:** The Audit Committee focused on the Company's corporate governance to ensure that the Company business practices complied with rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission in terms of principles of good corporate governance. The Company has an established system to receive complaints from all stakeholders. It also promotes staff's compliance with such rules, regulations and Code of Conduct, as well as encouraged staff's participation in the environmental reservation. The practice of Company's good corporate governance would enhance the Company recognition and trust among shareholders, investors and other stakeholders.

8. **Performing the Audit Committee' s duties properly:** The Audit Committee properly performed his duties prudently and independently within the framework of Audit Committee Charter, and also regularly reviewed and appropriately revised the Audit Committee Charter in accordance with the current business situation.

9. **Establishing the Self-Assessment System:** The Audit Committee established the self-assessment system for its members in following topics:
   - The Audit Committee composition
   - Training and resources
   - Meetings
   - Activities of the Audit Committee
   - Relationship with Chief of Internal Audit Department, External Auditors and Executives

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

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



(Mr. Rachai Wattanakasaem)
Chairman of Audit Committee

Report from the Nomination and Remuneration Committee

Dear Shareholders,

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

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

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

For the year 2020, the Nomination and Remuneration Committee held a total of 3 meetings to consider and present agendas to the Board of Directors for approval as follows:

1. Nominate the directors to replace those who completed their terms
2. Consider the Board of Directors' monthly remuneration and meeting allowance for the year 2020
3. Consider the Board of Directors' bonus for the year 2019
4. Consider employee bonus for the year 2020 and employee salary increase for the year 2021
5. Consider the Chief Executive Officer's bonus for the year 2020 and salary increase for the year 2021
6. Consider the Nomination and Remuneration Committee's self-assessment for the year 2020

(Mr. Adul Vinaiphat)
Chairman of Nomination and Remuneration Committee

Report from the Corporate Governance Committee

Dear shareholders,

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

Names of the Corporate Governance Committee and details of the Corporate Governance Committee Meeting in 2020 are as follows:

Name of the Corporate Governance Committee	Position of the Corporate Governance Committee	Meeting Attendance / Total Meeting (time)
1. Mr. Suri Buakhom	Chairman of the Corporate Governance Committee	4/4
2. Mr. Rachai Wattanakasaem	Member of the Corporate Governance Committee	4/4
3. Mrs. Suwanna Buddhaprasart	Member of the Corporate Governance Committee	4/4
4. Ms. Apinya Jarutrakulchai	Member of the Corporate Governance Committee	3/4
5. Mr. Korasuit Piyambuit*	Member and Secretary of the Corporate Governance Committee	1/1

Remark: * *Mr. Korasuit Piyambuit has completed the term of a Member of the Corporate Governance Committee since February 25, 2020*

In 2020, the Corporate Governance Committee acted according to the charter based on the Board of Director's assignment. Details of the operation are as follows:

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

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

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

The Corporate Governance Committee approved an update on the Corporate Governance Policy based on the Corporate Governance Code 2017 by the Securities and Exchange Commission (SEC) and presented to the Board of Director to apply the Code with the company's business.

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

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

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

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

The Corporate Governance Committee approved the operating guideline for sustainable development. The committee also encouraged the employees to join the SET's training courses.

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

- **Evaluation result on the corporate governance 2020**

  The company received a CG Score of Excellent or 5 Stars in the evaluation program arranged by the Thai Institute of Directors Association (IOD). In addition, the company also received a CG Score of Excellent in 2019.

- **Evaluation result on the quality of the Shareholders' Meeting 2020**

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

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



(Mr. Suri Buakhom)
Chairman of the Corporate Governance Committee

The Board of Directors and Executives

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

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

Mr. Boonsom Lerdhirunwong (67 years old)

Independent Director and Chairman of the Board of Directors (appointed on September 21, 2015)

% of Shareholding (as at December 31, 2020)

- None -

Education

- Ph.D. of Civil Engineering, INSA Toulouse, France
- Master Degree of Civil Engineering, Chulalongkorn University
- Bachelor Degree of Civil Engineering, Chulalongkorn University

Training

Thai Institute of Directors Association (IOD)

Training Course

2019 - Board Matters and Trends (BMT) 7/2019
- Ethical Leaderships Program (ELP) 15/2019

2016 - Anti-Corruption : The Practical Guide (ACPG)

2014 - Role of Chairman Program (RCP)

2013 - Successful Formulation & Execution of Strategy (SFE)

2012 - Directors Certification Program (DCP)
- Financial Statement for Directors (FSD)
- Audit Committee Program (ACP)
- Monitoring Fraud Risk Management (MFM)
- Monitoring of the Quality of Financial Reporting (MFR)
- Monitoring the Internal Audit Function (MIA)
- Monitoring the System of Internal Control and Risk (MIR)

IOD Forum

2018 - Digital Transformation : A Must for All Companies

2017 - The Role of Chairman in Leading Strategic Risk Oversight Update COSO Enterprise Risk Management : Integrating with Strategy and Performance

2016 - Corporate Governance VS Corporate Performance : Duty or Choice?

Others

2014 - Corporate Governance : Effectiveness and Accountability in the Boardroom, Kellogg School of Management, Northwestern University

2013 - Certificate in Top Executives in the Energy Education Program (Class of 3rd)

2006 - Diploma, National Defense College, the Joint State Sector Course (Class of 19th)

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2014 - Present	Independent Director and Chairman of Audit Committee	Home Product Center Plc.
Other Organizations/Institutions		
2015 - Present	President	Shinawatra University
2010 - Present	Director and Chairman of Executive Directors of Building and Infrastructure Committee	The Thai Red Cross Society
2015 - 2018	Chairman of the Board Directors	Thailand Institute of Nuclear Technology

Mr. Rachai Wattanakasaem (73 years old)

Independent Director (appointed on August 10, 2005)
Chairman of Audit Committee (appointed on September 24, 2019)
Member of Nomination and Remuneration Committee (appointed on June 23, 2008)
Member of Corporate Governance Committee (appointed on December 20, 2016)

% of Shareholding (as at December 31, 2020)

- None -

Education

- MBA (Honors Degree) Industrial Management II class, Pacific States University, California, U.S.A.

Training

Thai Institute of Directors Association (IOD)

2019 - Board Matters and Trends (BMT) 7/2019
2011 - Role of the Compensation Committee (RCC)
2007 - Directors Certification Program (DCP)

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2015 - 2018	Independent Director, Member of Audit Committee and Member of Risk Management	Thai Rubber Latex Corporation (Thailand) Plc.
Non - Listed Companies		
2018 - Present	Director	Yip In Tsoi & Jacks Co., Ltd.
2014 - Present	Independent Director and Member of Audit Committee	Land and Houses Securities Plc.

Mr. Adul Vinaiphat (74 years old)

Independent Director (appointed on March 30, 2018)
Chairman of Nomination and Remuneration Committee (appointed on September 24, 2019)
Member of Audit Committee (appointed on March 30, 2018)

% of Shareholding (as at December 31, 2020)

- None -

Education

- Master of Arts (Economics), University of Texas at Austin, U.S.A.
- Bachelor of Economics, Thammasat University

Training

Thai Institute of Directors Association (IOD)

2010 - Financial Institutions Governance Program (FGP) (1/2010)
2007 - Role of the Compensation Committee (RCC) (2/2007)
2005 - Audit Committee Program (ACP) (7/2005)
2002 - Directors Certification Program (DCP) (25/2002)

Others

- Diploma, National Defense College, The Joint State-Private Sector Course (Class 388)
- Senior Administrator Course, Office of the Civil Service Commission
- Capital Market Academy Leadership Program, CMA14

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
Aug 2017 - Present	Chairman of the Audit Committee	LH Financial Group Plc.
2013 - Present	Chairman of the Corporate Governance Committee	
2009 - Present	Independent Director	
Jul 2018 - Sep 2018	Nomination and Remuneration Committee	
Apr 2009 - Jul 2018	Chairman of the Nomination and Remuneration Committee	
Apr 2009 - Aug 2017	Member of the Audit Committee	
2010 - Present	Director	The Thai Package and Printing Plc.
Non - Listed Companies		
2016 - Present	Independent Director and Chairman of the Audit Committee	Land and Houses Fund Management Co., Ltd.
2009 - Present	Director and Chairman of the Executive Committee	Evergreen Plus Co., Ltd.
2007 - Present	Director	I.G.S Plc.
Other Organization/Institution		
2002 - Present	Director	The Thai Tapioca Development Institute Foundation (TTDI)

Mr. Suri Buakhom (76 years old)

Independent Director (appointed on April 20, 2010)
Chairman of Corporate Governance Committee (appointed on February 26, 2014)
Member of Audit Committee (appointed on May 26, 2014)

% of Shareholding (as at December 31, 2020)

- None -

Education

- Master Degree of Business Administration (MBA), Thammasat University
- Bachelor Degree of Economics, Kasetsart University

Training

Thai Institute of Directors Association (IOD)

2019 - Board Matters and Trends (BMT) 7/2019
- Ethical Leaderships Program (ELP) 15/2019

2014 - Anti-Corruption : The Practical Guild (ACPG)

2008 - Directors Certification Program Refresher (DCP-Re)
- Role of the Compensation Committee (RCC)

2007 - Role of the Chairman Program (RCP)

2006 - Finance for Non-Finance Director (FND)
- Directors Certification Program (DCP)
- Directors Accreditation Program (DAP)

Others

- Diploma of Information Technology, Harvard University
- National Defense College (Class 4010)

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2010 - Present	Chairman and Chairman of Audit Committee	Thaiwire Products Plc.
2013 - 2016	Director and Chairman of Audit Committee	Bliss-Tel Plc.
Non - Listed Companies		
2009 - Present	Director and Member of Nominating Committee	Zhengxin Bank Co., Ltd.

Mr. Naporn Sunthornchitcharoen (62 years old)

Director (appointed on June 27, 2017)

% of Shareholding (as at December 31, 2020)

100,000 Shares representing 0.00093%

Education

- MBA, Thammasat University
- B.Eng. (Civil Engineering), Chiangmai University

Training

Thai Institute of Directors Association (IOD)

2011 - Financial Institutions Governance Program (FGP) 2/2011
2005 - Directors Certification Program (DCP) 53/2005
2004 - Directors Accreditation Program (DAP) 25/2004

Others

2006 - National Defense College Class of 2006

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2017 - Present	Chairman of the Board of Directors and Chairman of the Executive Board	Land & Houses Plc.
2013 - Aug 2017	Director, Executive Director and Managing Director (Operations)	
2015 - Present	Member of the Nomination and Remuneration Committee	Home Product Center Plc.
2001 - Present	Director and Executive Director	
2011 - Present	Director	LH Financial Group Plc.
Sep 2018 - Mar 2019	Member of the Nomination and Remuneration Committee	
2011 - Jul 2018	Member of the Nomination and Remuneration Committee.	
2011 - Jun 2017	Executive Director	
1994 - Present	Director	Quality Construction Products Plc.
Non - Listed Companies		
2013 - Present	Director	Land and Houses Securities Plc.
2012 - Present	Director	Land and Houses U.S.A., Inc.
2005 - Present	Director, Executive Director	Land and Houses Bank Plc.
2004 - Present	Director	LH Asset Co., Ltd.
2003 - Present	Director	LH Real Estate Co., Ltd.
2002 - Present	Director	Land & Houses Property Fund 2
2000 - Present	Director	Land & Houses Property Fund 1
1995 - Present	Director	Land & Houses Northeast Co., Ltd.
	Director	Land & Houses North Co., Ltd.
	Director	LH Muang Mai Co., Ltd.
1993 - Present	Director	Siam Tanee Real Estate Co., Ltd.
1990 - Present	Director	Siam Tanee Property Co., Ltd.
1987 - Present	Director	Atlantic Real Estate Co., Ltd.
1986 - Present	Director	LH Mall & Hotel Co., Ltd.
2005 - Sep 2018	Director	Phuket Future Plan Co., Ltd.
2005 - Jul 2018	Member of the Nomination and Remuneration Committee	Land and Houses Bank Plc.
2005 - 2017	Director	Double Three Co., Ltd.
2001 - 2016	Director	Muang Mai Guthrie Plc.

Mr. Adisorn Thananan-narapool (66 years old)

Director (appointed on May 9, 2003)

Member of Nomination and Remuneration Committee (appointed on March 30, 2018)

% of Shareholding (as at December 31, 2020)

1,101 Shares representing 0.00001%

Education

- Stanford Executive Program (SEP), Graduate School of business, Stanford University
- Master Degree of Business Administration (MBA), Thammasat University
- Bachelor Degree of Accounting, Thammasat University

Training

Thai Institute of Directors Association (IOD)

2004 - Directors Certification Program (DCP)
- Directors Accreditation Program (DAP)

Other

- Capital Market Academy (CMA 2)

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2013 - Present	Director and Managing Director	Land and Houses Plc.
2002 - Mar 2013	Director and Senior Executive Vice President	
Non - Listed Companies		
2013 - Present	Director	Land And Houses U.S.A., Inc.
2005 - Present	Director	L&H Property Co., Ltd.
2004 - Present	Director	LH Asset Co., Ltd.
	Director	LH Real Estate Co., Ltd.
2002 - Present	Director	Land and Houses Property Fund II
2001 - Present	Director	LH Muang Mai Co., Ltd.
1991 - Present	Director	LH Mall & Hotel Co., Ltd.

Mrs. Suwanna Bhuddhaprasart (65 years old)

Director (appointed on June 27, 2000)

Member of Corporate Governance Committee (appointed on February 26, 2014)

Member of Risk Management Committee (appointed on February 26, 2014)

% of Shareholding (as at December 31, 2020)

7,013,754 Shares representing 0.06546%

Education

- Master Degree of Business Administration (MBA), Chulalongkorn University
- Bachelor Degree of Commerce and Accountancy, Chulalongkorn University

Training

Thai Institute of Directors Association (IOD)

2011 - Financial Institutions Governance Program (FGP)

2007 - Directors Certification Program (DCP)

2004 - Directors Accreditation Program (DAP)

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2018 - Present	Director	Mandarin Hotel Plc.
2003 - Present	Director	Home Product Center Plc.
2011 - Aug 2017	Director	LH Financial Group Plc.
Non - Listed Companies		
2017 - Present	Director	Land and Houses Fund Management Co., Ltd.
	Director	L&H Property Co., Ltd.
2016 - Present	Director and Chief Executive Officer	LH Mall & Hotel Co., Ltd.
	Director	L&H Retail Management Co., Ltd.
	Director	Gusto Village Co., Ltd.
	Director	Casa Ville (Rayong 2553) Co., Ltd.
	Director	Casa Ville (Prachuabkhirikhan 2554) Co., Ltd.
	Director	Casa Ville (Petchburi 2553) Co., Ltd.
2013 - Present	Director	Property Host Co., Ltd.
	Director	Casa Ville (Chonburi 2554) Co., Ltd.
2012 - Present	Director	Center Point Hospitality Co., Ltd.
	Director	L&H Hotel Management Co., Ltd.
2010 - Present	Director	Q.House Precast Co., Ltd.
2008 - Present	Director	L&H Management Co., Ltd.
2003 - Present	Director	Casa Ville Co., Ltd.
	Director	Q.H. Management Co., Ltd.
2000 - Present	Director	Q.H. International Co., Ltd.
	Director	The Confidence Co., Ltd.

Mr. Achawin Asavabhokin (45 years old)

Director (appointed on December 26, 2017)

% of Shareholding (as at December 31, 2020)

- None -

Education

- Bachelor Degree of Finance, University of Pennsylvania, U.S.A.
- Bachelor Degree of Industrial engineering, University of Pennsylvania, U.S.A.

Training

Thai Institute of Directors Association (IOD)

2014 - Directors Certification Program (DCP)

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2018 - Present	Director	Land and Houses Plc.
2014 - Present	Director	Home Product Center Plc.
Other Organization/Institution		
2018 - Present	Senior Executive Vice President, Chief Marketing Officer	SCB Asset Management Co., Ltd.
2011 - 2018	Executive Vice President, Product & Foreign Fixed Income Group	

Mr. Chalerm Kiettitanabumroong (68 years old)

Chief Executive Officer

Chairman of Executive Committee

Director (appointed on February 26, 2019)

Chairman of Risk Management Committee (appointed on February 26, 2019)

% of Shareholding (as at December 31, 2019)

136,500 Shares representing 0.00127% (Shares held by spouse)

Education

- Master Degree of Business Administration (MBA), Chulalongkorn University
- Bachelor Degree of Civil Engineering, Chulalongkorn University

Training

Thai Institute of Directors Association (IOD)

2005 - Directors Certification Program (DCP) 54/2005
- Directors Diploma Examination 16/2005

Working Experience in the 5 preceding years

During	Position	Company Name
Listed Companies		
2017 - Dec 2018	Director, Executive Director & President (Operation)	Land and Houses Plc.
2014 - Dec 2018	Risk Management and Sustainable Development Director	
2013 - Aug 2017	Director, Senior Executive Vice President & Chief Operation Officer	
2011 - Dec 2018	Director	
Non - Listed Companies		
2005 - Dec 2018	Director	Phuket Future Plan Co., Ltd.
	Director	Double Three Co., Ltd.
2004 - Dec 2018	Director	LH Real Estate Co., Ltd.
	Director	LH Asset Co., Ltd.
2001 - Dec 2018	Director	LH Muang Mai Co., Ltd.

Mr. Pravit Choatewattanaphun (63 years old)

Managing Director

Director (appointed on April 20, 2010)

Member of Risk Management Committee (appointed on July 1, 2016)

% of Shareholding (as at December 31, 2020)

- None -

Education

- Master Degree of Business Administration (MBA), Thammasart University
- Bachelor Degree of Civil Engineering, Chiang Mai University

Training

Thai Institute of Directors Association (IOD)

2016 - How to Develop Risk Management (HRP)

2011 - Directors Certification Program (DCP)

Working Experience in the 5 preceding years

During	Position	Company Name
Non - Listed Companies		
2016 - Present	Director	Gusto Village Co., Ltd.
	Director	The Confidence Co., Ltd.
	Director	Center Point Hospitality Co., Ltd.
	Director	Casa Ville (Prachuabkhirikhan 2554) Co., Ltd.
	Director	Casa Ville (Rayong 2553) Co., Ltd.
	Director	Casa Ville (Chonburi 2554) Co., Ltd.
2011 - Present	Director	Property Host Co., Ltd.
2010 - Present	Director	Q.House Precast Co., Ltd.
	Director	Casa Ville (Petchburi 2553) Co., Ltd.
2005 - Present	Director	Q.H. International Co., Ltd.
	Director	Casa Ville Co., Ltd.
2003 - Present	Director	Q.H. Management Co., Ltd.

Ms. Apinya Jarutrakulchai (58 years old)

Senior Executive Vice President

Director (appointed on August 10, 2018)

Member of Risk Management Committee (appointed on November 24,2015)

Member of Corporate Governance Committee (appointed on November 24,2015)

Company Secretary

% of Shareholding (as at December 31, 2020)

- None -

Education

- Master Degree of Business Administration (MBA), National Institute of Development Administration (NIDA)
- Bachelor of Business Administration, University of the Thai Chamber Commerce

Training

Thai Institute of Directors Association (IOD)

2016 - How to Develop Risk Management (HRP)
- Directors Accreditation Program (DAP)

Other

2020 - TLCA CFO Professional Development Program 2020), Thai Listed Companies Association (TLCA).
- No.4/2020 "Capital Structure and Funding Strategy"
- No.6/2020 "Update on Taxes and Foreign Investment Issues"
- No.7/2020 "Data Privacy Law and Cyber Security"
- No.8/2020 "Strategic Financial Communication"

2019 - TLCA CFO Professional Development Program 2020), Thai Listed Companies Association (TLCA).
- Strategic CFO in Capital Markets (Class of 1st), The Stock Exchange of Thailand (SET)
- Fundamentals for Corporate Secretaries (FCS), Thai Listed Companies Association (TLCA)

Working Experience in the 5 preceding years

During	Position	Company Name
Non - Listed Companies		
Jul 2018 - Present	Director	Q.H. International Co., Ltd.
2016 - Present	Director	Gusto Village Co., Ltd.
	Director	The Confidence Co., Ltd.
	Director	Center Point Hospitality Co., Ltd.
	Director	Casa Ville (Prachuabkhirikhan 2554) Co., Ltd.
	Director	Casa Ville (Rayong 2553) Co., Ltd.
	Director	Casa Ville (Chonburi 2554) Co., Ltd.
	Director	Q.House Precast Co., Ltd.
	Director	Casa Ville (Petchburi 2553) Co., Ltd.
	Director	Casa Ville Co., Ltd.
	Director	Q.H. Management Co., Ltd.

Nature of Business

Quality Houses Public Company Limited operates real estate development for sales and rent business, head quartered at the 6th and 7th Floor of Q. House Lumpini Building, No. 1 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120, under Public Company Limited Registration No. 0107536000579; Telephone Number: 0-2677-7000; Facsimile Number, 0-2677-7009; Website "www.qh.co.th". As of December 31, 2020, the Company has a registered capital of Baht 10,714,426,091, paid-up capital of Baht 10,714,381,645 as 10,714,381,645 ordinary shares at a par value of Baht 1.

1. Company History, Significant Changes and Developments

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

Year 1983 : The Company was incorporated on October 21,1983 with an initial registered capital of Baht 1.0 million with a primary objective to provide one-stop, integrated construction services for housing projects on customers' plots of land;

Year 1990 : The Company began operating the business of real estate development for rent, divided into 2 categories: serviced apartments for rent and office buildings for rent;

Year 1991 : On September 11, 1991, the Company was listed on the Stock Exchange of Thailand;

Year 1992 : The Company began operating the business of land and houses for sales;

Year 1993 : The Company was transformed into a Public Company on June 28, 1993;

Year 1997 : The Company encountered business difficulties during Thailand's financial crisis;

Year 1999 : The Company entered into debt restructuring agreements with commercial banks and financial institutions and was able to satisfactorily comply with the terms and conditions of the agreements. Later in 2005, the Company was able to repay the full amount of loans according to the agreements;

Year 2001 : The Company increased its capital and offered 20% of its total shares or Baht 812.0 million to the Government of Singapore Investment Corporation Pte Ltd. (GIC);

Year 2006 : The Company and its subsidiaries sold the properties together with the related equipment, and/or gave the leasehold rights, and/or transferred the property leasehold rights for 2 office buildings, namely, Q.House Ploenjit and Q.House Lumpini, to the Quality Houses Leasehold Property Fund (QHPF). The transaction was approved by the Securities and Exchange Commission (SEC) on December 7, 2006. The Company also invested 204.5 million units, equating to 25.66%, worth Baht 2,045.1 million in the property fund.

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

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

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

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

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

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

2. Shareholding Structure of the Company

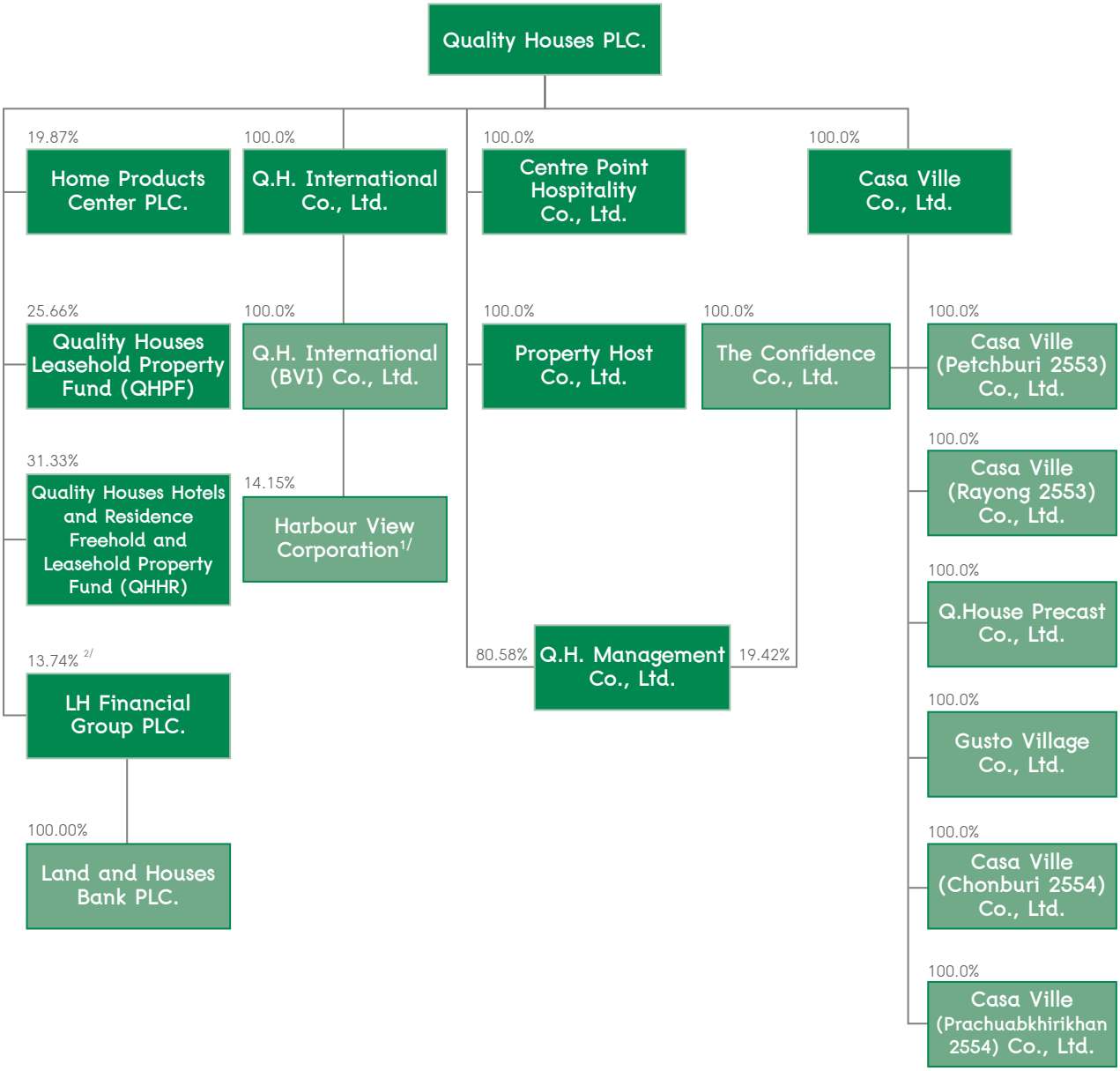
2.1 Overview of Business Operations of the Company, Subsidiaries and Associated Companies

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

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

(Details as per Marketing and Competition Section 1 "Nature of Products and Services", Sub-section (A) to (D).)

2.2 Structure of Shareholding (of the Company)



Remark : *1/ The remaining 85.85% of shares of Harbour View Corporation which are not identified as persons with potential conflicts are as follows*

1. *Glory Star 23.63%*
2. *IPEM 31.83%*
3. *RGR 30.39%*

2/ Holding of 13.74% stake was computed from LHFG's issued and paid up ordinary shares with amount of 21,183,660,594 shares.

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

2.2.1 Subsidiaries

The Company has invested in 13 subsidiaries as follows,

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

10. **Casa Ville (Chonburi 2554) Co., Ltd. :** The Company holds 100% of its shares via Casa Ville Co., Ltd. to operate the business of property development for sales, including land and houses, condominium units for sales and hotel business;
11. **Property Host Co., Ltd. :** The Company holds 100% of its shares to operate the business of property for rent;
12. **Casa Ville (Prachuabkhirikhan 2554) Co., Ltd. :** The Company holds 100% of its shares via Casa Ville Co., Ltd. to operate the business of property development for sales, including condominium units for sales;
13. **Centre Point Hospitality Co., Ltd. :** The Company holds 100% of its share to operate the business of hotel and serviced apartment.

2.2.2 Associated Companies

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

1. **Home Product Center Plc. :** The Company has a long-term investment policy, as of December 31, 2020, the Company has a shareholding of 19.87%. Home Product Center Plc. operates as a one stop shopping home center, selling products and providing services for construction, decoration, expansion, repair and improvement for home, residential unit, and building, under the trademark 'Home Pro' and also provides space for rent;
2. **LH Financial Group Plc. :** As of December 31, 2020, the Company has a shareholding of 13.74%. LH Financial Group Plc. was established as a holding company with the business objective of making long-term investment by holding 100% shares in Land and Houses Bank Plc., which operates the business of commercial banking services that provides services of deposits, mortgages, corporate loans and personal loans;
3. **Quality Houses Leasehold Property Fund (QHPF) :** QHPF was established in December 2006. The Company has a long-term investment policy and a unit holding of 25.66%. Quality Houses Leasehold Property Fund operates in property for rent business and has registered as a closed-end Property Fund, with the capital of Baht 7,970 million in total. Properties in form of office buildings for rent invested by the Quality Houses Leasehold Property Fund include Q.House Lumpini, Q.House Ploenjit and Wave Place projects;
4. **Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (QHHR) :** QHHR was established in July 2012. The Company has a long-term investment policy on a unit holding of 31.33% of shares. Quality Houses Hotel and Residence Freehold and Leasehold Property Fund operates in hotel and serviced apartment business and has registered as a closed-end Property Fund, with the capital of Baht 3,360 million in total. Properties invested by the Quality Houses Hotel and Residence Freehold and Leasehold Property Fund include Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10 and Centre Point Hotel Chidlom.

2.2.3 Other Companies

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

2.3 Objective of Business

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

The Company's Investment

1. The investment of Quality Houses Plc.

Company	Type of Business	Paid-up Capital (Million Baht)	Shareholding %
1) Subsidiary companies			
1.1 Q.H. International Co., Ltd.	Managing of serviced apartment, hotel and office building for rent and making investments in various companies	25.0	100.00
1.2 Casa Ville Co., Ltd.	Property development for sales	3,000.0	100.00
1.3 Q.H. Management Co., Ltd.	Managing utilities of housing projects. (At present, Q.H. Management Co., Ltd. does not conduct any businesses, as the business of infrastructure management and after sales service has been transferred to the Company and its subsidiaries.)	110.0	80.58
1.4 Property Host Co., Ltd.	Property for rent	5.0	100.00
1.5 Centre Point Hospitality Co., Ltd.	Hotels and serviced apartments	5.0	100.00
2) Associated companies			
2.1 Home Products Center Plc.	Supplier of construction materials and home decorations	13,151.2	19.87
2.2 LH Financial Group Plc.	Holding Business	21,183.7	13.74
2.3 Quality Houses Leasehold Property Fund	Investing in office building for rent	7,863.1	25.66
2.4 Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	Investing in hotel and serviced apartments	3,360.0	31.33

2. The investment of Q.H. International Co., Ltd. (Subsidiary)

Company	Type of Business	Paid-up Capital (Million Baht)	Shareholding %
Q.H. International (BVI) Co., Ltd.	Investing in foreign companies	30.8	100.00

3. The investment of The Confidence Co., Ltd. (Subsidiary)

Company	Type of Business	Paid-up Capital (Million Baht)	Shareholding %
Q.H. Management Co., Ltd.	Managing utilities of housing projects. (At present, Q.H. Management Co., Ltd. does not conduct any businesses, as the business of infrastructure management and after sales service has been transferred to the Company and its subsidiaries.)	110.0	19.42

4. The investment of Casa Ville Co., Ltd. (Subsidiary)

Company	Type of Business	Paid-up Capital (Million Baht)	Shareholding %
1. The Confidence Co., Ltd.	Developing properties for sale	1,000.0	100.00
2. Casa Ville (Rayong 2553) Co., Ltd.	Developing properties for sale	5.0	100.00
3. Casa Ville (Petchburi 2553) Co., Ltd.	Developing properties for sale	5.0	100.00
4. Q.House Precast Co., Ltd.	Manufacture and distribution precast concrete	5.0	100.00
5. Gusto Village Co., Ltd.	Developing properties for sale	500.0	100.00
6. Casa Ville (Prachuabkhirikhan 2554) Co., Ltd.	Developing properties for sale	5.0	100.00
7. Casa Ville (Chonburi 2554) Co., Ltd.	Developing properties for sale and hotel	5.0	100.00

5. The investment of Q.H. International (BVI) Co., Ltd.

Company	Type of Business	Paid-up Capital (Million USD)	Shareholding %
Harbour View Corporation	Hotels and office buildings for rent in rental in Haiphong City, Vietnam	6.8	14.15

Marketing and Competition

Marketing Policy of Products and Services

1. Nature of products and services

The Company and its subsidiaries classify its products according to the nature of business and use variety of marketing strategies based on each business types. The Company's approaches may be summarized as follows:

A) Real Estate Development for Sales Business

- **Land and houses for sales business**

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

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

- **High-end products**

(Price per Unit)

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

- **Middle-end Products**

(Price per Unit)

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

- **Low-end products**

(Price per Unit)

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

- **Residential condominium units for sales business**

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

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

(Price per Unit)

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

B) Real Estate for Rent Business

- **Hotel business**

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

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

- **Office buildings for rent business**

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

C) Management Service for Real Estates for Rent Business

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

- Management of Wave Place Building and management of office buildings: Q.House Lumpini Building, and Q.House Ploenjit Building for the Quality Houses Leasehold Property Fund;
- Management of residential buildings for rent : Centre Point Residence Promphong Project and Centre Point Sukhumvit-Thonglor, as well as management of houses for rent in L&H Villa Sathorn Project for Land and Houses Freehold and Leasehold Property Fund;
- Management of Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10 and Centre Point Hotel Chidlom for Quality Houses Hotel and Residence Freehold and Leasehold Property Fund;
- Management of Mandarin Hotel for the Mandarin Hotel Public Company Limited.
- To be an advisor to Siam Retail Development Company Limited to manage Centre Point Terminal 21 Korat.

D) Investment Business

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

- **Harbour View Corporation ("HVC"):** The Company has invested indirectly in HVC by holding 100% shares in Q.H. International Co., Ltd. (QHI), while in turn QHI owns 100% shares in Q.H. International (BVI) Co., Ltd. ("QHI (BVI)") and QHI (BVI) is in possession of 14.15% shares in HVC, the last of which operates a hotel and office building rental business in Haiphong, Vietnam;

- **Home Product Center Plc.:** Of which the Company holds 19.87% shares (detail in Structure of Shareholding (of the Company) section, topic 2.2.2 Associated Companies, sub-section1);

- **LH Financial Group Plc.:** A holding company which has remained active in making long-term investments in the Land and Houses Bank Plc., holding 100% of shares; the Company holds 13.74% of its shares (detail in Structure of Shareholding (of the Company) section, topic 2.2.2 Associated Companies, sub-section 2).

- **Quality Houses Leasehold Property Fund ("QHPF"):**

  The Company and its subsidiaries sold the property with components and relevant equipment and/or transferred the office building leasehold rights of 2 projects, Q.House Ploenjit and Q.House Lumpini, to Quality Houses Leasehold Property Fund. The Company invested in QHPF for 204.5 million units, or 25.66% of QHPF's total investment units, which amounted to 2,045.1 million Baht.

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

In 2020, the Company and Q.H. International Company Limited,the Company's subsidiary, was continuously extended the agreement as the Property Manager for another 3 years which is effective since 1 January, 2020 to 31 December, 2012.

- **Quality Houses Hotel and Residence Freehold and Leasehold Property Fund**

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

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

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

2. Pricing Policy

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

3. Sales and Distribution Channels

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

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

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

2) Hotel business

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

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

3) Office buildings for rent business

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

4. Target Customers and Their Characteristics

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

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

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

2) **Real estate for rent business**

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

5. Environmental Impact

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

1) **Real estate for sales business**

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

2) **Real estate for rent business**

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

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

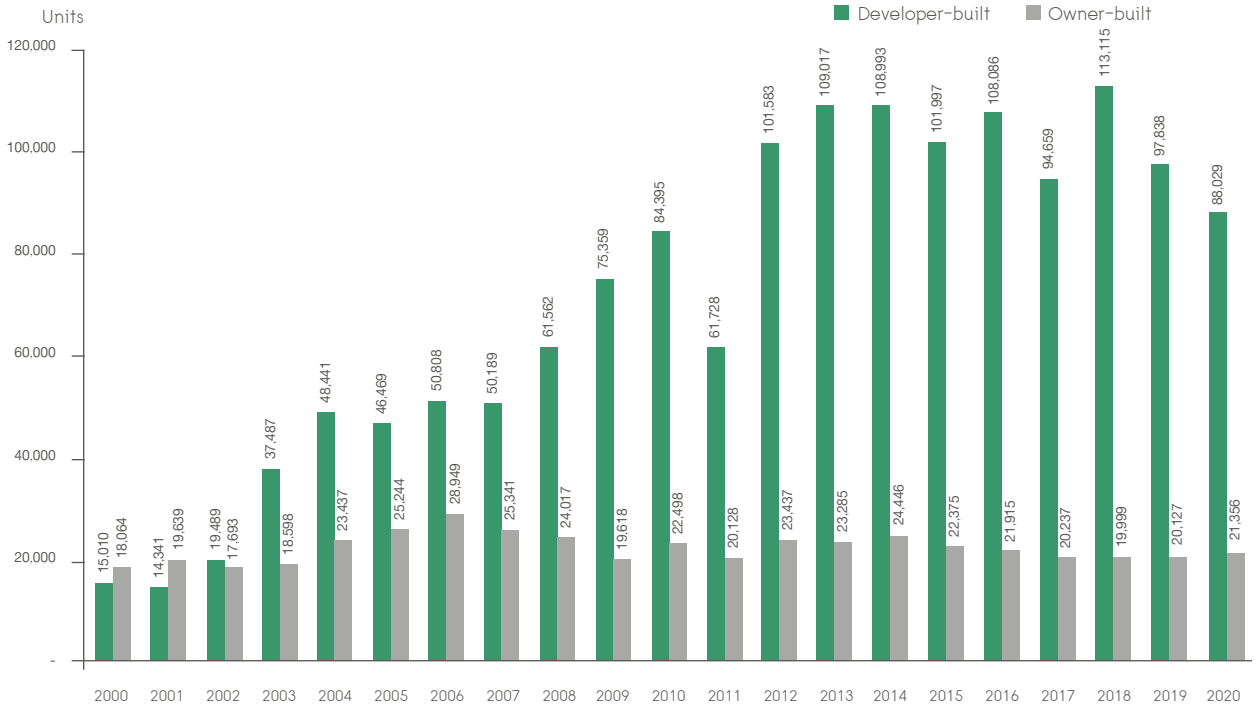
Industry Situation and Competition

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

1) **Real estate for sales business**

The number of newly registered residential property in 2019 was at 117,965 units, down 11% from 133,114 units in 2018. In particular, the number of developer-built housing was at 97,838 units, down 14% YoY. Meanwhile, the number of owner-built housing was at 20,127 units, up 1% YoY.

The number of newly registered residential property in 2020 was at 109,385 units, down 7% from 117,965 units in 2019. In particular, the number of developer-built housing was at 88,029 units, down 10% YoY. Meanwhile, the number of owner-built housing was at 21,356 units, up 6% YoY.



Source: Real Estate Information Center, Government Housing Bank

Additional developer-built house registrations classified by types of housing from 2013 to 2020

Additional developer-built house registrations classified by types of housing	2013	2014	2015	2016	2017	2018	2019	2020	% changes from 2019 / 2018	% changes from 2020 / 2019
Single Detached houses	13,869	13,056	11,837	12,736	12,129	15,563	13,552	11,010	-13%	-19%
Duplexes	2,470	2,820	2,366	1,895	2,535	2,101	3,024	2,472	+44%	-18%
Townhouses and commercial buildings	21,238	18,059	19,624	17,111	16,634	20,051	21,274	15,535	+6%	-27%
Condominiums	71,440	75,058	68,170	76,344	63,361	75,400	59,988	59,012	-20%	-2%
Total number of additional developer-built house registrations	**109,017**	**108,993**	**101,997**	**108,086**	**94,659**	**113,115**	**97,838**	**88,029**	**-14%**	**-10%**

Source: Real Estate Information Center, Government Housing Bank

The number of newly registered developer-built housing in 2019 decreased from 2018, mainly from condominiums and single detached houses. Meanwhile, the number of newly registered duplexes, townhouses and commercial buildings in 2019 increased from 2018.

The number of newly registered developer-built housing in 2020 decreased in all product types from 2019, mainly due to economic slowdown from the impacts of the COVID-19 pandemic. As a result, residential developers had to modify the business plans by postponing new launches and focusing on price competition and promotion in order to clear old inventories. During the economic lockdown at the beginning of 2020, residential sales decreased significantly, especially condominium projects which were further affected by the travel lockdown of foreigners. As a consequence, the sales of condominium to foreigners remarkably decreased.

For the property market outlook in 2021, the company forecasts that the property market will be similar to 2020. Positive factors are low interest rates and the government's property stimulus measures. On the other hand, negative factors are economic slowdown and the global economic fluctuations which will delay the business recovery, especially the tourism sector which is directly affected by the second wave of COVID-19, and the recovery depends on how fast the pandemic is controlled and the effectiveness of the use of vaccines in the country and abroad. In addition, another negative factor is domestic political conflict since the end of 2020. Meanwhile, household debt and the unemployment rate remain high. Moreover, the land and building tax will affect the operating cost of the real estate business.

2) Office buildings for rent business

Total leasable area of rental office was at 9.220 million sq.m. in 2020, up by 0.346 million sq.m. from 2019, expanding into the central business district (CBD) by 0.107 million sq.m. and 0.239 million sq.m. in the non-central business district (Non-CBD).

Regarding the overall market for rental office in 2020, new office supply was significantly more than new office demand. In particular, total occupied office area increased by only 0.027 million sq.m. compared with an increase of 0.153 million sq.m. in 2019, resulting in total occupied office area of 8.384 million sq.m. in 2020. The COVID-19 pandemic has affected both domestic and global economic growth, slowing down office demand since the first quarter of 2020. Many companies including international companies, whose businesses were directly affected by the COVID-19 pandemic, had to delay business expansion and office space expansion. Meanwhile, some companies decided to reduce unnecessary office space in order to reduce expenses or move to other buildings with lower rental rates so that the companies could continue operations. As a result, total occupancy rate decreased.

As of 4Q20, average rental rate (for leasable area of 100-300 sq.m.) increased in all location from 4Q19. For office buildings with occupancy rate more than 90%, small areas were not much affected by the COVID-19 pandemic. In particular, the average rental rate of Grade A office buildings in central business district (CBD) increased from THB1,055 /sq.m./month to THB1,100 /sq.m./month. The average rental rate of Grade A office buildings in non-central business district (Non-CBD) also increased from THB878 /sq.m./month to THB892 /sq.m./month. Meanwhile, the average rental rate of Grade B office buildings in central business district (CBD) increased from THB788 /sq.m./month to THB796 /sq.m./month. Similarly, the average rental rate of Grade B office buildings in non-central business district (Non-CBD) increased from THB717 /sq.m./month to THB724 /sq.m./month. For areas more than 1,000 sq.m., the average rental rate decreased from the rate previously mentioned by 5-15% depending on the area size.

For the rental office market outlook in 2021, the company forecasts total leasable area to increase by 0.291 million sq.m. with an increase of 0.144 million sq.m. in central business district (CBD) and 0.147 million sq.m. in non-central business district (Non-CBD). In 2022-2024, the company forecasts total leasable area to increase around 1 million sq.m. from office buildings currently under construction. Therefore, if the overall economy continues to slow down with unclear sign of recovery as well as business expansion or investment may slow down, the trend of demand for new office space in 2021 may not be high with stable average rental rate compared with 2020.

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

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

Source : Information compiled by Quality Houses plc.

3) Hotels / Rental Residential Buildings

Total number of foreign tourist arrival in Thailand in 2020 recoded at 6.7 million persons, down by 33.2 million or 83.2% from 39.9 million persons in 2019. This caused tourism income from foreign tourists to decrease due to impact of COVID-19 pandemic since many countries has implemented travel restriction in order to control the outbreak within the country, including the prohibition of tourists from entering the country. For Thailand, the declaration of the Emergency Decree in March 2020 to close all immigration checkpoints throughout the country and the announcement of the Civil Aviation Authority of Thailand to temporarily prohibit aircrafts from flying into Thailand since April 3, 2020 caused no foreign tourists to travel to Thailand since April 2020. Until October 2020, Thailand started to accept foreign tourists according to the resolution of the Cabinet regarding the Special Tourist Visa (STV), allowing foreign tourists to travel for long-term stay in Thailand in a special way with a maximum length of stay of 270 days and must go through 14 days of state quarantine.

For domestic tourism, the COVID-19 pandemic has had a negative impact as well. At the end of 2020, total number of Thai tourists in the country recorded at 95 million persons, creating income from tourism within the country of THB500 billion. Although the government has implemented the measures to restore tourism within the country through "Rao Tiew Duay Gun / Kum Lung Jai" projects, helping domestic tourism to continually recover but with gradual pace as well as lower number of tourists and tourism income compared with 2019. This could not replace the tourism income from foreign tourists which suddenly disrupted.

For the hotel market in 2020, total number of rooms was at 55,663 rooms, up by 3,334 rooms or 6.3% from 52,329 rooms in 2019. The mid-end hotels recorded the highest number of rooms in the market and mostly located in Pleonjit-Sukhumvit business districts. However, the COVID-19 pandemic has substantially affected the hotel business. In particular, many mid and small hotels have temporarily shut down due to insufficient number of guests to operate the business.

An overall investment in Thailand based on the data from the Board of Investment (BOI) showed that foreign investors applied for the BOI's approval in 2020 for 907 projects with total value of THB213,162 million, compared with 934 projects with total value of THB465,444 million in 2019. In particular, 2020 data showed a decrease in the number of project by 27 projects or 2.8% YoY but total investment value declined by THB252,282 million or 54.2% YoY due to the impact from the COVID-19 pandemic as well.

The number of foreigners living in Bangkok with working permits in the companies with BOI privilege recorded at 87,777 persons at the end of 2020, down by 14,895 persons or 14.5% from 102,672 persons in 2019. Target customers of rental condominium projects remained Japanese and other Asian customers. As of December 2020, Japanese investors with working permits were No.1 foreign investors in Thailand at 28,532 persons, following by Chinese and the Philippines at 24,455 and 18,534 persons, respectively.

For rental residential market in 2020, total number of rental units was at 18,899 units, up 1,424 units or just 8.1% from 17,475 units in 2019. Most of foreign customers continued to prefer living in serviced apartments. However, the reduction of accommodation expenses of foreign customers in many multinational companies and the rental condominium market growth, competing and gaining market share of the rental residential market, have resulted in a fierce competition in the rental residential market.

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

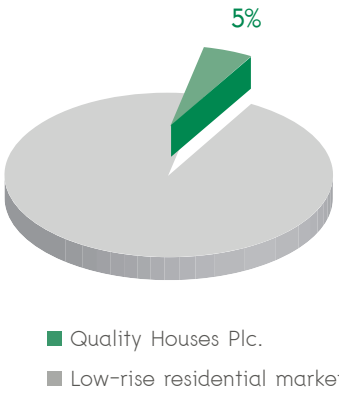
Market Share

The Company reported a market share of sales of residential projects in Bangkok and Vicinities in 2020 as follows:

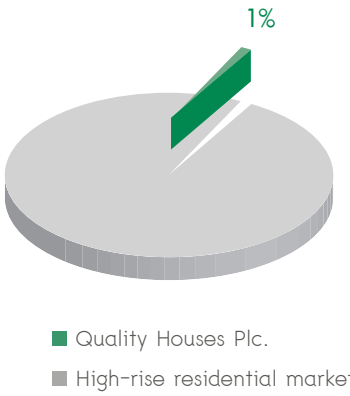
- For low-rise projects including detached house, duplex and townhouse, the Company reported a market share around 5%.
- For high-rise projects including condominium, the Company had a market share around 1%.

Overall, the Company reported a market share of sales of residential projects in Bangkok and Vicinities in 2020 around 3% as shown in the following diagrams:

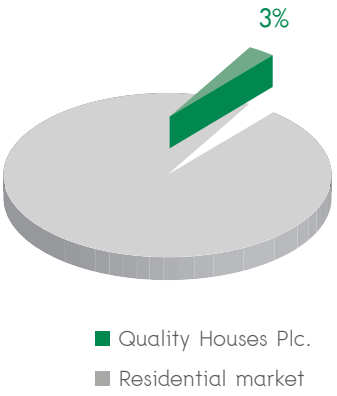
QH's sales of low-rise projects vs. Total sales of low-rise projects



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



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



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

Revenue Structure

Revenue structure of Quality Houses Public Company Limited and its Subsidiaries

(Unit : Million Baht)

Revenue by Business[1/]	Operated by	2018		2019		2020	
		Revenues	%	Revenues	%	Revenues	%
		(Restated)					
1. Real Estate Business							
1.1 Real Estate for Sales Business	Quality Houses Plc. and its Subsidiaries [2/]	12,653	71	7,827	61	7,674	70
1.2 Residential Condominium for Sale Business	Quality Houses Plc. and its Subsidiaries [3/]	1,946	11	1,464	11	829	8
1.3 Hotel Business	Quality Houses Plc., Centre Point Hospitality Co., Ltd. and Casa Ville (Chonburi 2554) Co., Ltd.	905	5	1,052	8	330	3
1.4 Office Building for Rent Business	Quality Houses Plc.	384	2	337	3	305	3
Total revenue from real estate businesses		**15,888**	**89**	**10,680**	**83**	**9,138**	**84**
2. Other income							
2.1 Share of profit from investments in associates	Quality Houses Plc.	1,776	10	1,927	15	1,530	14
2.2 Others	Quality Houses Plc. and its subsidiaries	261	1	269	2	239	2
Total of other Income		**2,037**	**11**	**2,196**	**17**	**1,769**	**16**
Total		**17,925**	**100**	**12,876**	**100**	**10,907**	**100**

Remarks : *1/ The Company's revenue is entirely from domestic sales.*

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

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

The structure of Share of profit from investments in associates

(Unit : Million Baht)

Project	Operated by	% Owned by the Company as at Dec 31, 2020	2018		2019		2020	
			Revenues	%	Revenues	%	Revenues	%
			(Restated)					
1. Office building for rent Business								
- Q. House Lumpini Building, Q.House Ploenjit Building and Wave Place Building	Quality Houses Leasehold Property Fund	25.66	174	10	192	10	167	11
Sub-total			**174**	**10**	**192**	**10**	**167**	**11**
2. Hotel Business								
- Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10, Centre Point Hotel Chidlom	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	31.33	60	3	61	3	32	2
Sub-total			**60**	**3**	**61**	**3**	**32**	**2**
3. Construction material Business	Home Product Center Plc.	19.87	1,115	63	1,232	64	1,020	67
Sub-total			**1,115**	**63**	**1,232**	**64**	**1,020**	**67**
4. Investment Business	LH Financial Group Plc.	13.74	427	24	442	23	311	20
Sub-total			**427**	**24**	**442**	**23**	**311**	**20**
Total			**1,776**	**100**	**1,927**	**100**	**1,530**	**100**

Risk Factors

1 Financial Risks

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

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

As of December 31, 2020, the net investment after the allowance for impairment of investment in HVC amounted was zero, in comparison with the investment cost of Baht 33 million. The Company reserved an allowance for loss impairment of the aforementioned investment in full amount as HVC, which operates hotel businesses and rental office buildings in Haiphong, Vietnam, had continually operated at a loss.

As of December 31, 2020, QHI (BVI), the subsidiary, had loan amount, principal and interest receivables to HVC, of approximately US$ 2.3 million and US$ 0.04 million, respectively (2019: US$ 2.3 million and US$ 0.04 million; 2018: US$ 2.3 million and US$ 0.04 million, respectively). Thus, the mentioned subsidiary probably incurs the risk of losing all principal as HVC had continually operated at a loss; however, QHI (BVI) has already had provision for loss arising on such debt. In addition, the Company has guaranteed the loans for HVC since 1997 because each shareholder is obligated to provide financial support to HVC in proportion to their shareholding. Consequently, QHI (BVI) and one other shareholder jointly provided loan guarantee (principal and interest) US$ 1.8 million from a financial institution in the proportion of 50% each. However, the liabilities that the Company and its subsidiaries had to provide for HVC, was dependent on the percentage of ownership of QHI (BVI), which was equivalent to 21%. Subsequently, there was a capital increase to existing shareholders in the same proportion, whereas the subsidiary company (QHI (BVI)) did not exercise its right to subscribe for such shares, as HVC had continually operated at a loss. Consequently, the Company's shareholding in HVC at the end of 2007 reduced to 14.15%. During 2017, HVC had already paid back both principal and interest owned to financial institutions and the Company withdrew such guarantees and reversed the provision for losses arising.

Risk from obligation Company issued debentures

As of December 31, 2020, the Company had debentures with total of Baht 12,095 million, comprising of current portion of debentures due within one year at the amount of Baht 4,600 million and debentures-net of current portion at the amount of Baht 7,495 million. In addition, the Company had short-term loans from financial institutions at the amount of Baht 998 million and long-term loans from financial institutions at the amount of Baht 3,944 million. Interest bearing debt-to-equity ratio was at 0.64 times. If the Company is unable to achieve the sales target, it might affect the Company's repayment ability. However, the Company still delivered revenue from sale of housing and condominiums as shown performance as of December 31, 2020. Furthermore, the Company and its subsidiaries had total 65 active projects of landed properties for sale with a remaining value of Baht 30,346 million; furthermore, there are 14 residential condominiums projects for sale with a remaining value of Baht 13,265 million which are potential sources of the Company's revenue in the future. Meanwhile, the Company has continual stable income from the hotel business and rental office building business to bolster cash flow.

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

Risks from interest rate fluctuation and access to capital

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

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

2 Business Risks

Risks from Pre-built Projects

The Company and its subsidiaries operate a business of real estate development for sales and for rent with main revenue generated from sales of land and houses. In 2018, 2019 and 2020, the Company and its subsidiaries generated revenue from sales of land and houses of 92%, 87% and 93% of total revenue from their real estate business for sales and for rent respectively. The Company and its subsidiaries has pre-built projects, resulting in requiring high working capital for such construction, and having risks from not being able to completely sell all pre-built houses.

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

Risks from Pre-sale Units

The Company and its subsidiaries have a policy to sell pre-sale units for the lower-to medium-priced ranges, as well as condominium buildings. The pre-sale approach is to increase sales opportunity and increase liquidity of the Company's subsidiaries. However, this approach has a risk of controlling construction costs since the selling prices are established earlier prior to construction. Consequently, the Company and its subsidiaries have adopted preventive measures against such risk by entering into a turnkey construction contract with the contractor with fixed costs of construction material for a period of 6-12 months, in case of the Company and its subsidiaries have to provide such material. Furthermore, since this approach is adopted for units for the lower-to medium-priced ranges with smaller sizes, the construction period is shorter enabling cost control for a certain period of time.

In addition, the Company has also adopted the Pre-cast, Pre-fabrication and Tunnel methods in the residential projects with a price range lower than Baht 3 million and in 2-3 story townhouses to shorten the construction period which makes cost control possible.

Risk from high competition

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

3 Production Risk

Risk from shortage of contractors and skilled labor

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

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

In addition, the Company and its subsidiaries have also adapted its construction methods by introducing new technologies, including, pre-cast, pre-fabrication and tunnel to reduce labor intensity and shorten construction period.

Risk from cost of construction material

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

4 Risk from mortgage loan by commercial banks

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

Shareholders and Dividend Payment Policy

1. Major shareholders

List of the top 10 shareholders at the book-closing date on August 25, 2020 are :

	Major shareholders	Number of shares	% of the paid-up capital
1	LAND AND HOUSE PLC.	2,675,945,601	24.98
2	THAI NDVR COMPANY LIMITED	755,922,174	7.06
3	MR. NIWES HEMVACHIRAVARAKORN	250,000,000	2.33
4	STATE STREET EUROPE LIMITED	211,494,245	1.97
5	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	173,175,868	1.62
6	MR. PRINYA TIEANWORN	155,000,000	1.45
7	MS.PISSACHA HEMVACHIRAVARAKORN	150,000,000	1.40
8	DHIPAYA INSURANCE PUBLIC COMPANY LIMITED	143,721,600	1.34
9	NORTRUST NOMINEES LTD-CL AC	136,228,195	1.27
10	MS. PIENGCHAI HARNPANICH	127,202,819	1.19
	Total of the top 10 shareholder	**4,778,690,502**	**44.60**
	Total of the shareholder	**10,714,381,645**	**100.00**

2. Dividend payment policy

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

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

Management Structure

1. The Board of Directors

As of December 31, 2020, the Company's Board of Directors is comprised of 11 members as follows:

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

The following are the members of the Board of Directors

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

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

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

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

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

Director Selection Criteria and Process for Appointment of New Director

The Company regards the direction selection process with high transparency. The Nomination and Remuneration Committee shall nominate the candidates by taking into account those whose qualifications are in accordance with the rules and regulations as well as related laws while simultaneously making deliberation as to how indispensable the candidates may be in response to the Company's requirements, whereupon the list of the qualified candidates are to be submitted to the board of directors for their consideration and finally to the shareholders during the shareholders' meetings for their approval.

The Company has established a policy whereby its shareholders are provided with the opportunity to nominate the qualified candidate through the company's website. Alternatively, the shareholders can submit a letter to the Corporate Secretary, and the list of candidates will be forwarded to The Nomination and Remuneration Committee. The committee shall then take into account those with proper qualifications and thus make selection and nomination and make submission of the list of qualified candidates to the Board of Directors for their consideration. In the end, the name list of the candidates shall be proposed to the shareholders during the shareholders' meeting for their consideration and appointment approval.

In regard to the selection of directors implemented in replacement for those whose terms have come to expire or who have resigned from the position, the qualifications of the directorial replacements shall be mainly taken into account as to whether or not or how much their knowledge and expertise be required by the Company.

Director Qualifications

1.1 The candidate must possess knowledge and competency as well as relevant work experience at least in one of the integral disciplines to becoming part of the Board of Directors (such as finance, accounting, marketing, law, management, real estate, etc.) while proving highly skilled in such professional expertise;
1.2 The candidate must have business ethics;
1.3 The candidate must possess leadership traits;
1.4 The candidate must possess moral integrity and honesty, as well as being legally qualified in accordance with the law (such as Public Company Limited Act, Securities and Exchange Act, etc.);
1.5 The candidate must be able to make deliberations in a legitimately straightforward manner and independently from the management team;
1.6 The candidate must be able to dedicate his/her time to the Company for which he/she holds a director post and be diligent at work and professionally responsible.

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

Authorities, duties and responsibilities of the Board of Directors

- To exercise authority and perform duties in conformity with the Company's Memorandum of Association, including supervising and managing the Company's operation so as to be in compliance with the laws, the Company's objectives and regulations, as well as the resolutions given during the shareholders' meetings;
- To determine vision, missions, goals, strategies and policies of the Company while having them reviewed on annual basis;
- To approve strategies, major policies, objectives and corporate goals in terms of assets management, financial management and the Company's business plans, as well as ensuring that operational plans be effectively implemented;
- To actualize the scope of authority such as requesting for permissions relating to property development as well as the submission and receiving of tax-related documents to/from the Revenue Department, filing complaints to police officers or interrogation officials, withdrawing complaints, reconciliation and making statements, as well as 'sending and receiving' documents relating to legal cases, etc.;
- To scrutinize the transactions required to be submitted for shareholders' approvals during the shareholders' meetings, with the following agendas included in the Annual General Meeting:

  (1) Considering the Board of Directors' reports on the Company's performance being presented during the meeting.
  (2) Considering and approve the financial budgets.
  (3) Considering the corporate profit appropriation.
  (4) Nominating the new directors in replacement for those who are leaving at the end of the term.
  (5) Nominating the auditor and determining the auditor's remuneration.
  (6) Consider the transactions with possible conflicts of interest which require approval from the shareholders.
  (7) Others.

Authority of the Board of Directors

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

Authorized directors

As of December 31, 2020, the authorized directors of the Company are Mr. Chalerm Kiettitanabumroong or Mrs. Suwanna Bhuddhaprasart or Mr. Pravit Choatewattanaphun or Ms. Apinya Jarutrakulchai. To validate a document, two out of the four shall have signatories on behalf of the company together and affix the Company seal.

Board of Directors' Meeting

The Company has convened the Board of Directors' meeting so as to approve the vision, strategies, goals, policies, business plans and budgets of the Company, as well as to follow up on the management team's administrative operations and ensure that the Company's goals and business plans are incessantly achieved. The Board of Directors held 8 meetings per year from 2018 to 2019 and 10 meetings in 2020. The corporate secretary will dispatch an invitation letter to the meeting together with meeting agendas and all relevant documents to the directors 7 days in advance, in order that the directors had enough time to study the data/information prior to participating in the meeting, whereupon all directors would be able to independently express their professional opinions while not being subject to any person's will or that of a group of persons. Minutes of each of those meetings, including directors' opinions, will be recorded clearly in writing.

The details of the Board of Directors' Meetings being held from 2018 to 2020 are shown in the following table:

	Name		Position	Meeting attendance / Total number of attendances (times)					
				Year 2018		Year 2019		Year 2020	
				Number of attendances	%	Number of attendances	%	Number of attendances	%
1.	Mr. Boonsom	Lerdhirunwong	Chairman and Independent Director	8/8	100	8/8	100	10/10	100
	Mr. Chulasingh	Vasantasingh [1]	Independent Director	8/8	100	3/4	75	-	-
2.	Mr. Rachai	Wattanakasaem	Independent Director	8/8	100	8/8	100	10/10	100
3.	Mr. Suri	Buakhom	Independent Director	8/8	100	8/8	100	10/10	100
4.	Mr. Adul	Vinaiphat [2]	Independent Director	6/6	100	8/8	100	10/10	100
	Ms. Kanokvalee	Viriyaprapaikit [2]	Director	1/1	100	-	-	-	-
5.	Mr. Naporn	Sunthornchitcharoen	Director	7/8	88	8/8	100	10/10	100
6.	Mr. Adisorn	Thananan-narapool	Director	8/8	100	8/8	100	10/10	100
7.	Mrs. Suwanna	Bhuddhaprasart	Director	8/8	100	8/8	100	10/10	100
8.	Mr. Achawin	Asavabhokhin	Director	7/8	88	8/8	100	10/10	100
9.	Mr. Chalerm	Kiettitanabumroong [3]	Director	-	-	8/8	100	10/10	100
	Mr. Chadchart	Sittipunt [3]	Director	8/8	100	-	-	-	-

Name		Position	Meeting attendance / Total number of attendances (times)					
			Year 2018		Year 2019		Year 2020	
			Number of attendances	%	Number of attendances	%	Number of attendances	%
10. Mr. Pravit	Choatewattanaphun	Director	8/8	100	8/8	100	10/10	100
11. Ms. Apinya	Jarutrakulchai [4]	Director	3/3	100	7/8	88	10/10	100
Mr. Suang	Chaisurote [4]	Director	4/4	100	-	-	-	-

Remarks : (1) Mr. Chulasingh Vasantasingh passed away on July 6, 2019.

(2) Mr. Adul Vinaiphat was approved and appointed as Independent Director by the resolution of the Board of Directors' Meeting No. 2/2018 held on March 30, 2018, in replacement for Ms. Kanokvalee Viriyaprapaikit, who has resigned from the position of Director effective from March 12, 2018 onwards.

(3) Mr. Chalerm Kiettitanabumroong was approved and appointed as Director by the resolution of the Board of Directors' Meeting No. 1/2019 held on February 26, 2019, in replacement for Mr. Chadchart Sittipunt, who has ended and he also resigned from the position of Director effective from January 1, 2019 onward.

(4) Ms. Apinya Jarutrakulchai was approved and appointed as Director by the resolution of the Board of Directors' Meeting No. 5/2018 held on August 10, 2018, in replacement for Mr. Suang Chaisurote, who has resigned from the position of Director effective from July 1, 2018 onwards.

2. The Executives

2.1 The Executives

The Company's Executives as of December 31, 2020, are as follows:

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

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

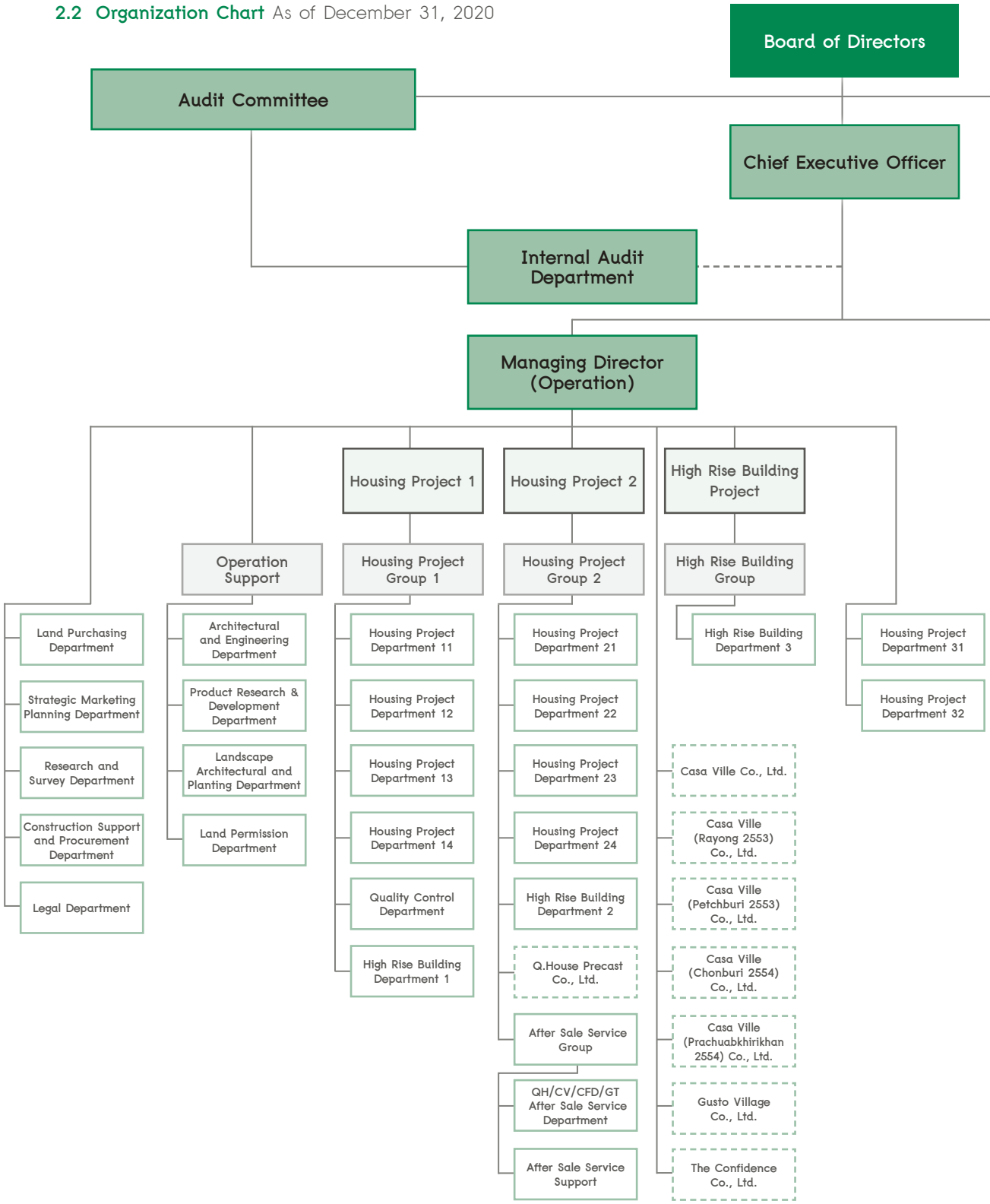
Training Courses for Directors and Executives

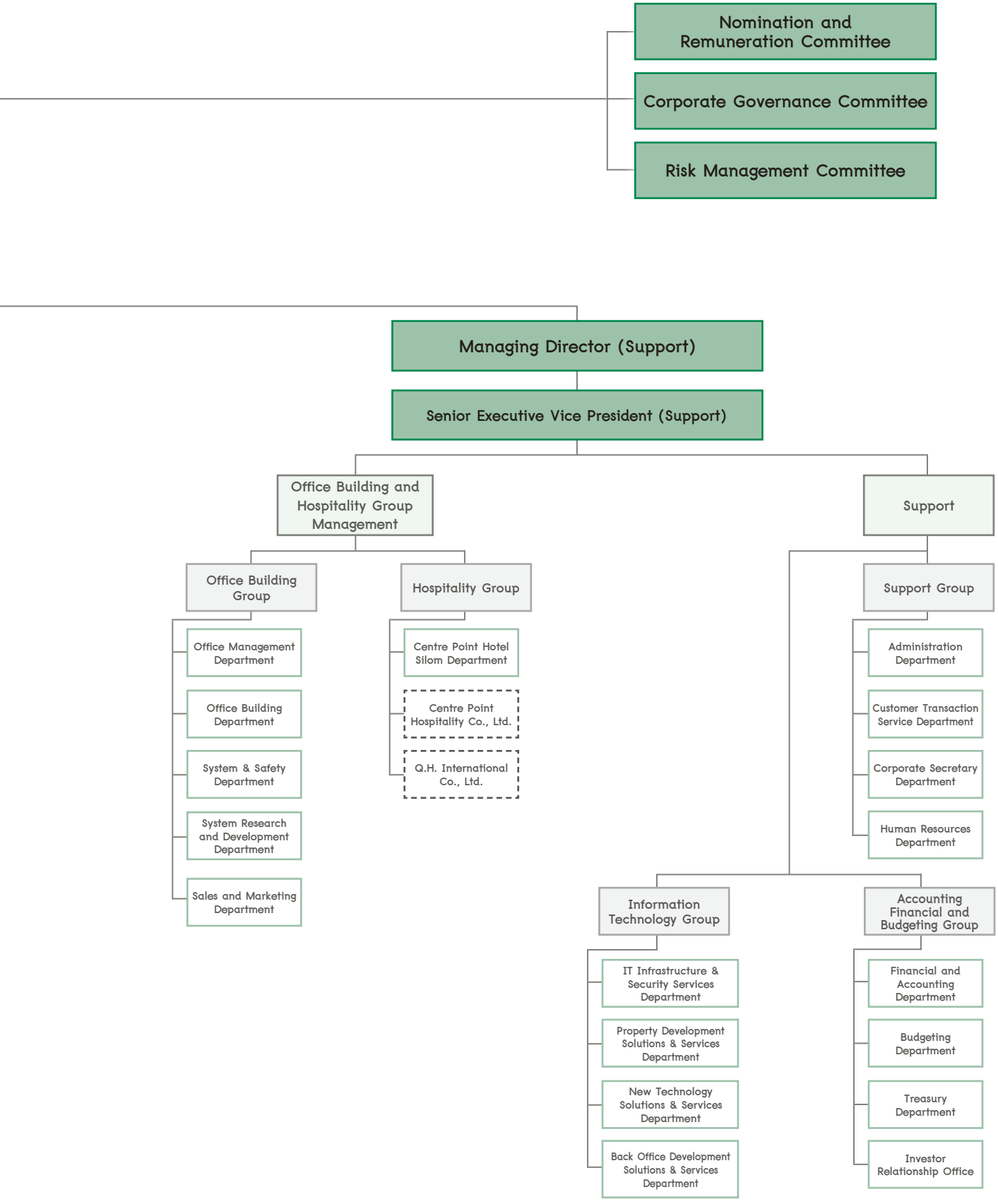
The Company has implemented a policy whereby the directors and executives are encouraged to undergo training courses so as to enhance their work-related knowledge on continual basis such as the ones awarded by the Thai Institute of Directors (IOD) and other renowned institutes.

Below shown is the list of directors and executives who have undergone training courses in 2020:

Name of directors and executives	Training course
1. Mr. Pravit Choatewattanaphun	- Mindset - Personal Data Protection Act 2019 - Land and Buildings Tax Act 2019
2. Ms. Apinya Jarutrakulchai	- Change Management - Personal Data Protection Act 2019 - Land and Buildings Tax Act 2019 - TLCA CFO Professional Development Program 2020, Thai Listed Companies Association • No 4/2020 "Capital Structure and Funding Strategy" • No 6/2020 "Update on Taxes and Foreign Investment Issues" • No 7/2020 "Data Privacy Law and Cyber Security" • No 8/2020 "Strategic Financial Communication"
3. Mr. Adisak Srisook	- Mindset - Personal Data Protection Act 2019 - Land and Buildings Tax Act 2019
4. Mr. Sommart Promkunakorn	- Mindset - Land and Buildings Tax Act 2019

2.2 Organization Chart As of December 31, 2020




Nomination and Remuneration Committee
Corporate Governance Committee
Risk Management Committee
Managing Director (Support)
Senior Executive Vice President (Support)
Office Building and Hospitality Group Management
Support
Office Building Group
Hospitality Group
Support Group
Office Management Department
Office Building Department
System & Safety Department
System Research and Development Department
Sales and Marketing Department
Centre Point Hotel Silom Department
Centre Point Hospitality Co., Ltd.
Q.H. International Co., Ltd.
Administration Department
Customer Transaction Service Department
Corporate Secretary Department
Human Resources Department
Information Technology Group
Accounting Financial and Budgeting Group
IT Infrastructure & Security Services Department
Property Development Solutions & Services Department
New Technology Solutions & Services Department
Back Office Development Solutions & Services Department
Financial and Accounting Department
Budgeting Department
Treasury Department
Investor Relationship Office

3. Corporate Secretary

The Company's Board of Directors' meeting No. 4/2016 on May 31, 2016, has resolved to appoint Ms. Apinya Jarutrakulchai as the Corporate Secretary replacing Mrs. Suwanna Bhuddhaprasart, who has resigned, effective from June 1, 2016 onwards. The Corporate Secretary has responsibility to ensure that activities performed by the Board of Directors be in compliance with relevant legislations, regulations and orders relating to the new version of Securities and Exchange Act. The Company has determined the roles and major responsibilities of the Corporate Secretary as follows:

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

4. Remuneration for Directors and Executives

(A) Monetary compensation

- **Remuneration of Directors**

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

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

Directors' remuneration could be divided into 2 segments:

1. **Monthly Remuneration**
   This type of payment is made payable to the Company's directors on monthly basis whether or not there be directors' meeting.
2. **Meeting Allowance**
   This type of payment is made payable to non-executive directors for each of the meetings they attend; note that payment shall be made to those who participate in the meeting only in order to reward those who take part in meetings on regular basis.

During the 2020 Annual General Meeting of Shareholders held on June 29, 2020 a resolution has approved the Remuneration and Meeting Allowance effective from May 2020 onwards, in the amount of not exceeding Baht 12 million.

Executive directors are not entitled to the meeting allowance in any case.

In 2018-2020, the Company had the directors' remuneration payment of Baht 9.45 million, Baht 9.07 million and Baht 9.25 million, respectively. Details of remuneration categories are shown as follows:

(Unit : Thousand Baht)

Name	Position	Year 2018			Year 2019			Year 2020		
		Monthly Remuneration	Meeeting Allowance	Others	Monthly Remuneration	Meeeting Allowance	Others	Monthly Remuneration	Meeeting Allowance	Others
1. Mr. Boonsom Lerdhirunwong	Chairman and Independent Director	600.0	280.0	-	600.0	298.0	-	600.0	380.0	-
Mr. Chulasingh Vasantasingh [1]	Independent Director, Chairman of Audit Committee and Member of Nomination and Remuneration Committee	480.0	637.0	-	246.7	187.0	-	-	-	-
2. Mr. Rachai Wattanakasaem	Independent Director, Chairman of Audit Committee and Member of Nomination and Remuneration Committee and Member of Corporate Governance Committee	480.0	707.0	-	480.0	719.0	-	480.0	776.0	-
3. Mr. Suri Buakhom	Independent Director, Chairman of Corporate Governance Committee and Member of Audit Committee	480.0	560.0	-	480.0	593.0	-	480.0	662.0	-
4. Mr. Adul Vinaiphat [2]	Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit Committee	362.7	336.0	-	480.0	520.0	-	480.0	624.0	-
Ms. Kanokvalee Viriyaprapaikit [2]	Director and Member of Nomination and Remuneration Committee	94.7	56.0	-	-	-	-	-	-	-
5. Mr. Naporn Sunthornchitcharoen	Director	480.0	196.0	-	480.0	236.0	-	480.0	300.0	-
6. Mr. Adisorn Thananan-narapool	Director and Member of Nomination and Remuneration Committee	480.0	336.0	-	480.0	354.0	-	480.0	390.0	-
7. Mrs. Suwanna Bhuddhaprasart	Director, Member of Corporate Governance Committee and Member of Risk Management Committee	480.0	336.0	-	480.0	354.0	-	480.0	420.0	-
8. Mr. Achawin Asavabhokin	Director	480.0	196.0	-	480.0	236.0	-	480.0	300.0	-
9. Mr. Chalerm Kiettitanabumroong [3]	Director and Chairman of Risk Management Committee	-	-	-	404.0	-	-	480.0	-	-
Mr. Chadchart Sittipunt [3]	Director and Chairman of Risk Management Committee	480.0	-	-	-	-	-	-	-	-
10. Mr. Pravit Choatewattanaphun	Director and Member of Risk Management Committee	480.0	-	-	480.0	-	-	480.0	-	-
11. Ms. Apinya Jarutrakulchai [4]	Director, Member of Corporate Governance Committee and Member of Risk Management Committee	189.3	-	-	480.0	-	-	480.0	-	-
Mr. Suang Chaisurote [4]	Director and Member of Risk Management Committee	240.0	-	-	-	-	-	-	-	-
	Total	**5,806.7**	**3,640.0**	**-**	**5,570.7**	**3,497.0**	**-**	**5,400.0**	**3,852.0**	**-**

Remark : *(1) Mr. Chulasingh Vasantasingh passed away on July 6, 2019*

(2) Mr. Adul Vinaiphat was approved and appointed as Independent Director by the resolution of the Board of Directors' Meeting No. 2/2018 held on March 30, 2018 in replacement for Ms. Kanokvalee Viriyaprapaikit, who has resigned from the position of Director effective from March 12, 2018 onwards. He was appointed as a Member of Audit Committee. Later on, he was approved and appointed as Chairman of Nomination and Remuneration Committee by the resolution of the Board of Directors' Meeting No. 6/2019 held on September 24, 2019.

(3) Mr. Chalerm Kiettitanabumroong was approved and appointed as Director, CEO and Chairman of Risk Management Committee by the resolution of the Board of Directors' Meeting No. 1/2019 held on February 26, 2019, in replacement for Mr.Chadchart Sittipunt, who has ended and resigned from the position of Director effective from January 1, 2019 onward.

(4) Ms. Apinya Jarutrakulchai was approved and appointed as Director by the resolution of the Board of Directors' Meeting No. 5/2018 held on August 10, 2018, in replacement for Mr. Suang Chaisurote, who has resigned from the position of Director effective from July 1, 2018 onwards

- **Directors' bonus**

The 2020 Annual General Meeting of Shareholders held on June 29, 2020 had a resolution to approve the directors' bonus for the year 2020 to all directors in total amount not exceeding Baht 15 million.

In 2018-2020, the Company paid the directors' bonus in total amount of Baht 15 million, Baht 17.5 million and Baht 15 million, respectively with details as follows:

Name	Position	Bonus [7]		
		Year 2018	Year 2019	Year 2020
1. Mr. Boonsom Lerdhirunwong	Chairman and Independent Director	1,629.3	1,808.3	1,615.5
Mr. Chulasingh Vasantasingh [1]	Independent Director	1,303.4	1,446.6	664.2
2. Mr. Rachai Wattanakasaem	Independent Director	1,303.4	1,446.6	1,292.5
3. Mr. Suri Buakhom	Independent Director	1,303.4	1,446.6	1,292.5
4. Mr. Adul Vinaiphat [2]	Independent Director	-	1,093.0	1,292.5
Ms. Kanokvalee Viriyaprapaikit [2]	Director	1,303.4	285.3	-
5. Mr. Naporn Sunthornchitcharoen [3]	Director	666.2	1,446.6	1,292.5
Mr. Achanan Asavabhokhin [3]	Director	441.7	-	-
6. Mr. Adisorn Thananan-narapool	Director	1,303.4	1,446.6	1,292.5
7. Mrs. Suwanna Bhuddhaprasart	Director	1,303.4	1,446.6	1,292.5
8. Mr. Achawin Asavabhokin [4]	Director	21.7	1,446.6	1,292.5
Mr. Anant Asavabhokhin [4]	Director	510.5	-	-
9. Mr. Chalerm Kiettitanabumroong [5]	Director	-	-	1,087.8
Mr. Chadchart Sittipunt [5]	Director	1,303.4	1,446.6	-
10. Mr. Pravit Choatewattanaphun	Director	1,303.4	1,446.6	1,292.5
11. Ms. Apinya Jarutrakulchai [6]	Director	-	570.6	1,292.5
Mr. Suang Chaisurote [6]	Director	1,303.4	723.3	-
	Total	**15,000.0**	**17,500.0**	**15,000.0**

Remark :

(1) Mr. Chulasingh Vasantasingh passed away on July 6, 2019

(2) Mr. Adul Vinaiphat was approved and appointed as Independent Director by the resolution of the Board of Directors' Meeting No. 2/2018 held on March 30, 2018 in replacement for Ms. Kanokvalee Viriyaprapaikit, who has resigned from the position of Director effective from March 12, 2018 onwards. He was appointed as a Member of Audit Committee. Later on, he was approved and appointed as Chairman of Nomination and Remuneration Committee by the resolution of the Board of Directors' Meeting No. 6/2019 held on September 24, 2019.

(3) Mr. Naporn Sunthornchitcharoen was approved and appointed as Director by the resolution of the Board of Directors' Meeting No. 4/2017 held on June 27, 2017, in replacement for Mr. Achanan Asavabhokhin, who has resigned from the position of Director effective from May 3, 2017 onwards.

(4) Mr. Achawin Asavabhokin was approved and appointed as Director by the resolution of the Board of Directors' Meeting No. 8/2017 held on December 26, 2017, in replacement for Mr. Anant Asavabhokhin, who has resigned from the position of Director effective from May 22, 2017 onwards.

(5) Mr. Chalerm Kiettitanabumroong was approved and appointed as Director, CEO and Chairman of Risk Management Committee by the resolution of the Board of Directors' Meeting No. 1/2019 held on February 26, 2019, in replacement for Mr. Chadchart Sittipunt, who has ended and resigned from the position of Director effective from January 1, 2019 onward.

(6) Ms. Apinya Jarutrakulchai was approved and appointed as Director by the resolution of the Board of Directors' Meeting No. 5/2018 held on August 10, 2018, in replacement for Mr. Suang Chaisurote, who has resigned from the position of Director effective from July 1, 2018 onwards

(7) Bonus according to the information disclosed each year was the compensation paid in the previous year as approved by the Annual General Meeting of Shareholders.

- **Remuneration of Executives**

From 2018 to 2020, the total remuneration of the Chief Executive Officer and the next top 4 executives and that for any person holding equivalent position as the fourth executives, including those at the level of Executive Vice President upward was Baht 47.5 million, Baht 55.0 million and Baht 46.7 million, respectively, as detailed below;

(Unit: Baht Million)

Type of Remuneration	Year 2018	Year 2019	Year 2020
Salary	32.6	31.7	33.8
Bonus	14.0	22.8	12.4
Provident Fund	0.9	0.5	0.6
Total	**47.5**	**55.0**	**46.7**

(B) Other Remuneration

The Company and its subsidiaries has established the Provident Fund for employees whereby each employee voluntarily contributes 2-15% of his/her salary to the fund. The Company and its subsidiaries will also match the same contributes 3-6% with the Provident Fund. The Provident Fund is registered to be managed by a licensed fund management company in compliance with the Provident Fund Act 2542 (1999) B.E.

5 Personnel

(A) As of the end of 2018 to 2020, the Company and its Subsidiaries had 1,123 persons, 1,083 persons and 1,002 persons, respectively, as detailed below;

(Unit: person)

Business Line	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020
1. Chief Executive Officer	30	7	8
2. Housing and Condominium Projects	616	587	541
3. Office buildings for rent and Hotels	367	371	338
4. Operational support	110	118	115
Total	**1,123**	**1,083**	**1,002**

(B) Labor disputes in the past 3 years (January 1, 2018 - December 31, 2020)

-None-

(C) Total remuneration and types of remuneration payable to the employees

The Company and its subsidiaries provide remuneration for employees in a fair manner according to their duties, responsibilities and annual performance appraisal. Payments include salary, annual bonus, and provident fund. Below shown are the details of the total amount of compensation for employees in 2018-2020.

(Unit: Baht Million)

Type of Remuneration	Year 2018	Year 2019	Year 2020
1. Salary	432.2	444.4	435.9
2. Bonus	251.9	160.2	124.4
3. Provident Fund	21.4	22.5	22.5
4. Others [1/]	73.6	122.9	65.4
Total	**779.1**	**750.0**	**648.2**

Remark : 1/ Other types of remuneration include training expenses, medical expenses, health & life insurance premiums and other benefits

(D) Policy on human resource development

The Company and its subsidiaries have implemented a policy to provide training for employees and for human resources development on continual basis in order to enhance their knowledge and competency. There are training programs available for employees working in every level. Examples of some of these programs are also provided in Section "Corporate Governance" in Clause 1.5 "Support on innovation and business operation with responsibility", Sub-clause "Employees".

Corporate Governance

1. Corporate Governance Policy

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

The Company has established the guidelines for business operations based on the principle of good corporate governance with a "Good Corporate Governance Policy" and strictly followed. In addition, the Company has also improved and added to Code of Conduct in order to cover various operational guidelines to meet international standards and be up to date. As a result, the conduct of directors, executives and employees of Quality Houses Public Company Limited will be in compliance with generally accepted standards. The Board of Directors has approved the corporate governance policy to comply with the principle of good corporate governance for listed companies 2017 (CG Code 2017) of the Securities and Exchange Commission in the Board of Directors' Meeting No. 6/2018 held on September 25, 2018. In addition, the Board of Directors' Meeting No. 9/2020 held on November 19, 2020 has approved to improve and update such policy in order to make the principle of corporate governance more complete.

This policy would focus on the principle for the Board of Directors, who is the leader with highest responsibility for the company, to apply with the company's supervision in order to create value and long-term growth. The Board of Directors' Meeting No. 10/2020 held on December 18, 2020 has considered and reviewed the implementation of the CG Code 2017 in accordance with the business context of the company. In general, this is what the Board of Directors has practiced in most cases and practices that are not yet applicable, the Company has recorded as part of the resolution of the Board of Directors' Meeting.

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

In 2020, the Board of Directors has applied the CG Code 2017 as follows:

1.1 Acknowledgement of duty and responsibility of the Board of Directors as the company leader to create sustainable value

Duty and responsibility of the Board of Directors

1. The Board of Directors has abided by law, objective, company's rule and resolution from the shareholders' meeting with honesty and caution for the best of company's benefit.

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

The Board of Directors has supervised directors and executives about the duty of care and the duty of loyalty, in line with law such as Securities and Exchange Act as well as resolution from the shareholders' meeting. In addition, the Board of Directors also has an approval process of an important operation such as investment, transaction with significant impact on the company's business, transaction with related parties, acquisition/ divestment of assets and dividend payment, etc.

Codes of conduct

In order to preserve the good corporate governance, the Board of Directors has created the written codes of conduct for the directors, executives and employees to follow. In the Board of Directors' Meeting No. 6/2018 held on September 25, 2018, the Board of Directors has approved a revision of the company's CG Code and distributed through the company's website (www.qh.co.th) with regular observation.

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

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

1.2 Objective and target of the business for sustainable growth

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

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

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

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

1.3 Strengthening an effective Board of Directors

Structure of the Board of Directors and balance of power of non-executive directors

As of December 31, 2020, the Company was comprised of the following 11 directors:

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

Leadership and vision

Members of the Board of Directors of the Company possess knowledge, skills and competency, as well as work experiences, obtained from various fields. The roles, duties and responsibilities between the Board of Directors and the Executives are clearly segregated. The Board of Directors' Meetings have been convened regularly so that due diligence is performed and approval be given in regard to the Company's visions, strategies, goals, policies, business plans and budgets, as well as following up on the administrative tasks of the management team and ensure that they be in accordance with the corporate goals.

Separation of responsibility between Chairman and Chief Executive Officer

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

Roles and duties of Chairman and Chief Executive Officer

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

5. The CEO is one of the executives who knows the company the best with leadership and outstanding vision, organizing the Company as a whole.
6. The Company clearly separates the roles of the CEO and the Chairman with collaborative work to support each's other responsibilities.

Internal meeting of non-executive directors

Non-executive directors convene internal meetings to discuss certain issues in which they took interest in but with no presence of the management team. In 2018, there were 2 meetings on February 27, 2018 and May 10, 2018. In 2019, there was 1 meeting on December 20, 2019 and there was 1 meeting in 2020 on November 19, 2020.

Performance evaluation of the Board of Directors and Sub-committees

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

The Board of Directors has collectively assessed the performance of the year 2020, using 2 assessment forms, "the Board of Directors' Group Self-Assessment Form" and "the Board of Directors' Individual Self-Assessment Form". These 2 forms were prepared by the Company under the principle of corporate governance and the SET guidelines. The topics in each assessment form are listed as follows:

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

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

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

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

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

Details of Sub-Committee evaluation are discussed in No.2 Sum-Committee.

Supervision of operation of subsidiary and associated companies

Disclosed details in No.4 Supervision of Operation of Subsidiary and Associated Companies

The Board of Directors' Meeting and Directors' Attendance

In 2020, the Company scheduled all of the Board of Directors' Meetings in advance totaling 10 times. All of the committees attended the meetings more than 75% of the total number of meetings.

The Board of Directors has a freedom to express opinion on the vision, mission, strategy, target, business plan and budget presented by the company's management. The Board of Directors also supervised and monitored the management's operation both short term and long term for best interest of the shareholders and related parties. Details are disclosed in The Board of Directors' Meeting (Management Structure Subitem 1: The Board of Directors and Corporate Governance Subitem 2: Sub Committee).

Appointment of the Company Secretary

Disclosed details in Management Structure No.3 Company Secretary

1.4 Selection and development of Senior Executives and human resource management

Disclosed details in No.3 Nomination and appointment of directors and top executives

1.5 Support on innovation and business operation with responsibility

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

- **Employees**

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

  1) To provide appropriate short term employee benefits in accordance with each employee's knowledge, responsibilities, performance and corporates' profitability;
  2) To support and promote, as well as enhance knowledge and skill sets of the employees for career growth and stability;
  3) To support the participation of the employees in the Company's work direction and problem resolution;
  4) To create work environment with safety for heath, hygiene, bodies and properties of employees;
  5) To reward and punish the employees based on the righteousness and justice;
  6) To operate in accordance to laws and regulations relating to labor laws and employee welfare;
  7) To manage employees without unfair and wrong acts, which impact the career growth and stability of employees;
  8) To treat employees on the basis of the human rights as well as individual rights.

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

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

Employee welfare

- The Company has established the workplace welfare committee to improve the quality of life of the employees. The committee was assigned from employee representatives in each department of the Company to discuss and exchange information regarding employee welfare to improve employee welfare and enhance the working atmosphere;
- To provide uniforms for receptionists and sales representatives on housing projects, office building for rent projects, hotels and serviced apartment projects;
- To provide welfare of medical expense reimbursement in the case of outpatients;
- To provide life insurances, group accident insurances and group health insurances (in case of in-patients);
- To establish a provident fund as morale in return for the employees' dedication to their works;
- To place importance upon the matter of employees' welfare and health, thus providing for nursing rooms in which with professional nurses are available for consultancy and giving first-aid advice to its employees, as well as conducting annual physical checkups;
- To provide for other elements of its employee welfare system, some of which cover the benefits for their family members, such as funeral service allowances in case of the employees and family members (spouses and children); welfare of scholarships for employees' children, etc.;
- To monitor the work environments, in order to provide good hygiene for the employees during operation, such as checking the cleanliness of the drinking water station in the office space.
- In 2020, the Company and subsidiaries had no employees injured due to accident from work resulting in absence of work.

Personnel development training

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

In 2020, the Company has established a number of training courses, not only the core courses, but also special courses to be provided for employees in various levels in accordance with the Company's policy as follows:

Personal Data Act B.E. 2562 As technology has advanced, violation of personal rights becomes easier which may cause damage to the owner of the data and may affect an overall economy. Therefore, employees must be aware of the rules and requirements or regulatory measures for the protection of personal information, including collection, use or disclosure of personal data of both customers and employees as stated in the Personal Data Act B.E. 2562.

Mindset To modify the conceptual framework of employees in each team which is a conceptual framework that affects behavior, life and attitude of employees in the same direction, affecting the working behavior that will lead to the same goal.

Change Management Constructive adjustment of perspectives on post-COVID-19 to enable employees to understand and see the importance of post-COVID-19 adaptation to intense competition and change as well as to give employees a clear operational direction in the new era and adaptation of perspectives to behavior that is consistent with constructive change in order to improve organizational efficiency with sustainable progress.

OSH&E Committee Program (Occupational Safety, Health and Environment Committee Program) To provide employees, who are appointed as the Safety Committee, with knowledge and understanding about the efficient management of the OSH&E Committee as well as knowledge and understanding of occupational safety law and be able to apply the knowledge that has been trained to apply to suit the organization.

Land and Buildings Tax Act B.E. 2562 To provide employees with knowledge and understanding about the new Land and Buildings Tax Act which will cancel and replace the Local Maintenance Tax and the Property Tax. This Land and Buildings Tax Act aims to improve and develop the tax collection at the modern and up-to-date tax rates as well as to enhance complete and transparent tax collection with less staff discretion.

How to maximize the revenue by using Booking.com tooling "Analytic Dashboard" To provide employees with understanding about the function to use "Analytic Dashboard" on extranet Booking.com. As a result, employees can use the information gained from learning "Analytic Dashboard" to analyze the data and set a sales strategy with proper understanding about the function of the system.

First aid & CPR Training To provide employees with basic knowledge in helping tourists and be able to assess situations, make decisions and coordinate with emergency department of the hospital correctly and quickly in order for patients to receive the treatment correctly and quickly in accordance with the standard of emergency medical.

Integrated Solution with TQM Employees will be able to build problem solving skills that are more complex with a variety of solutions and be able to solve problems as well as to analyze errors to improve the work process in order to avoid repeated problems.

Advanced Revenue Management To provide executive employees of the hotel group with the knowledge about an overview of the hotel business management in various areas, including the legal side, source of funds, construction, human capital management and other administration.

Personnel development and work environment campaigns

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

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

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

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

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

Level	Average time spent in training (Hour: Person: Year)	Objectives of personnel development
Employee	8	To provide knowledge and various skill sets relating to business operations in practice, as well as better understanding in their roles, duties and robust corporate culture, while making best efforts at work.
Middle Management	16	To provide knowledge and various skill sets integral to team management and strategic planning, as well as allowing for systemic and effective implementation so as in accordance with the Company's policies.
Executive	18	To enable the executives to manage both operations and workforce under command in compliance with the Company's policies. The executives should also be able to become more visionary in terms of business administration and ready for the continual growth and expansion in the future.

- **Customers**

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

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

In addition, the Company has also carried out various activities with customers as per the detailed in the "Corporate Social Responsibility" section, topic 5: "Responsibility towards consumers".

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

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

- **Business partners**

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

- **Competitors**

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

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

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

  The Company believes in acting to banks, financial institutions, debenture holders and loan creditors with honesty, and it always repays principal and interest on a timely basis. The Company also strictly follows the terms and conditions and covenants that are specified in the lending contract. In addition, the Company also adheres to the rules of good corporate governance, for instance:

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

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

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

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

   Quality Houses Plc.

   No. 1, Q. House Lumpini Building, 7th Floor, Thungmahamek Sub-district, Sathorn District, Bangkok 10120

1.6 Supervision on appropriate risk management and internal control

- **Risk management and internal control**

  Disclosed details in Internal Control and Risk Management

- **Establishment of Audit Committee**

  Disclosed details in Corporate Governance Topic 2 Sub-Committee

- **Conflict of interest and supervision on the use of internal information**

  1. Conflict of interest

  Policy on related transactions

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

  2. Supervision on the use of internal information

  Policy on the use of internal information

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

- **Anti-corruption policy**

  Disclosed details in Corporate Social Responsibility

1.7 Financial reliability and information disclosure

The Board of Directors is responsible for supervising the financial report system and disclosure of important information in a timely fashion according to regulation and principle. Information, which could affect decision making of related parties, is disclosed in the annual report, 56-1 report and the Company's website "www.qh.co.th" such as name and biography of the Board of Directors, Director's remuneration, Top 10 Shareholders, Corporate Governance, Financial Statement, Risks, Nature of Business, Management, Financial Position and Business Performance. In addition, the Company's data can be downloaded from "www.sec.or.th" and "www.set.or.th".

Remuneration for directors and executives

The remuneration for directors and members of the sub-committees are comparable to the general practice within the same industry. The members of the Audit Committee have received remuneration according to their duties and responsibilities, which have been approved by the Nominating and Remuneration Committee prior to being submitted for approval by the shareholders in the Shareholders' Annual General Meeting. Regarding the Company's executives, they receive remuneration linked to their performance and the performance of the Company. The Company has fully disclosed the remuneration for the directors, sub-committees and top management of the Company in the Annual Report, under the Clause Management Structure section, topic 4 Remuneration for directors and executives.

Board of Directors' report on financial transactions

The Board of Directors recognizes the importance of the quality of the Company's financial statement, therefore, reviews both quarterly and annual financial reports to ensure that the users have acquired accurate and complete information. In addition, the Company has made presentation of the report on the Committee's responsibilities for the preparation and disclosure of the Company's financial report in the Annual Report together with the financial statement certified by an auditor so as to reveal that the Company's financial statement has been prepared according to generally certified accounting standards, and that the auditor has not taken note of anything irregular whatsoever.

The Board of Directors has also placed importance upon the matter of disclosure of entirely accurate, transparent and complete information by disseminating the information and news through communication channels of the Stock Exchange of Thailand and the Company's website. In addition, the Board of Directors has reported the responsibilities for the financial report as follows:

Report on the Board of Directors' responsibilities for financial report

The financial statement of Quality Houses Public Company Limited has been prepared under the Board of Directors' policy which is to be in accordance with the Generally Accepted Accounting Principles. All accounts are recorded with great care together with a great deal of deliberation made in the preparation to reflect upon the Company's actual performance.

The Board of Directors recognizes the importance of the quality of the Company's financial statement; therefore, has reviewed financial information and has ensured that significant information has been sufficiently and properly disclosed in the Notes to Financial Statement for the benefits of the shareholders and investors.

Consequently, the Board of Directors has appointed the Audit Committee, which is comprised of a group of qualified independent members, to directly be responsible for the quality of the financial reports. The Audit Committee's opinions are included in the Audit Committee Report as part of this Annual Report as well.

By virtue of the availability of the aforementioned internal control system and the administrative structure, as well as the audition results by the unconditionally certified auditor, the Board of Directors has come to the conclusion that the Financial Statement of Quality Houses Public Company Limited dated December 31, 2020 are accurately and properly presented in regard to the Company's financial status, performance and cash flow, according to the Generally Accepted Accounting Principles.

Entering into connected transactions

The Company has a policy to operate its business with high standard based upon relevant legislations and regulations, as well as business ethics.

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

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

Report of stake holding of directors

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

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

Report of the acquisition and distribution of the Company's shares by the Directors and First Four Executives

Report of Changes in Shareholding of the Directors/Executives as of December 31, 2020

Name	Position	December 31, 2019		Change in 2020		December 31, 2020	
		Number of Shares	Portion (%)	Acquired (Shares)	Disposed (Shares)	Number of Shares	Portion (%)
1. Mr. Boonsom Lerdhirunwong	Chairman and Independent Director	-	-	-	-	-	-
2. Mr. Rachai Wattanakasaem	Independent Director, Chairman of Audit Committee, Member of Nomination and Remuneration Committee, and Member of Corporate Governance Committee	-	-	-	-	-	-
3. Mr. Suri Buakhom	Independent Director, Member of Audit Committee and Chairman of Corporate Governance Committee	-	-	-	-	-	-
4. Mr. Adul Vinaiphat	Independent Director, Chairman of Nomination and Remuneration Committee and Member of Audit Committee	-	-	-	-	-	-
5. Mr.Naporn Sunthornchitcharoen	Director	100,000	0.00093	-	-	100,000	0.00093
6. Mr. Adisorn Thananan-narapool	Director and Member of Nomination and Remuneration Committee	1,101	0.00001	-	-	1,101	0.00001

Name	Position	December 31, 2019		Change in 2020		December 31, 2020	
		Number of Shares	Portion (%)	Acquired (Shares)	Disposed (Shares)	Number of Shares	Portion (%)
7. Mrs. Suwanna Bhuddhaprasart	Director, Member of Corporate Governance Committee and Member of Risk Management Committee	7,013,754	0.06546	-	-	7,013,754	0.06546
8. Mr. Achawin Asavabhokin	Director	-	-	-	-	-	-
9. Mr. Chalerm Kiettitanabumroong	Director, Chief Executive Officer and Chairman of Risk Management Committee	-	-	-	-	-	-
Mrs. Wipha Kiettitanabumroong	Spouse	136,500	0.00127	-	-	136,500	0.00127
10. Mr. Pravit Choatewattanaphun	Director, Senior Executive Vice President and Member of Risk Management Committee	-	-	-	-	-	-
11. Ms. Apinya Jarutrakulchai	Director, Senior Executive Vice President, Member of Corporate Governance Committee and Member of Risk Management Committee	-	-	-	-	-	-
12. Mr. Adisak Srisook	Executive Vice President	33	0.00000	-	-	33	0.00000
13. Mr. Sommart Promkunakorn	Member of Risk Management Committee and Executive Vice President	-	-	-	-	-	-

Relationship with Investors

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

Due to the COVID-19 pandemic, in 2020 the Company has followed the government's policy of social distancing by presenting the Company's data to analysts, investors and fund managers through Virtual Roadshow with details as follows:

- International Virtual Roadshow to foreign investors and fund managers totaling 1 time
- Local Virtual Roadshow to investors and fund managers totaling 3 times
- Roadshow to analysts and local fund managers as follows:
  - Virtual Analyst Meeting Annually and Quarterly totaling 4 times
  - Virtual Analyst Meeting Business Plan 2020 totaling 1 time
  - Company Visit with Management from investors and analysts to acknowledge the operating status of the Company totaling 3 times

In addition, the Company has also assigned the Investor Relations Office to assume responsibilities for the dissemination of financial data affecting the prices of the Company's shares as well as other important data. Investor Relations Office operates under the supervision of Ms. Apinya Jarutrakulchai, Senior Executive Vice President. Investors may contact the Investor Relations Office at www.qh.co.th in the "Investor Relations" section in the "Contact the Investor Relations Officer" topic, or by email to vorapoj.h@qh.co.th

1.8 Support on participation and communication with shareholders

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

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

1.1 The rights to attend and cast votes in a shareholders' meeting so as in association with making important decisions on the topic of the Company's policy change and as an exercise of their rights to make approval (or not), for which the Board of Directors are required to request prior to giving resolutions;

1.2 The rights to elect and remove any of the directors from the position and to give approval in regard to the matter of the appointment of independent auditors;

1.3 The rights to receive share of profit;

1.4 The rights to take into account the topics of the approval of directors' remuneration and dividend payment;

1.5 The rights to propose issues under concern to be additionally included as part of the agenda during the Annual General Meeting of Shareholders in accordance with the Company's rules and regulations;

1.6 The rights to nominate a list of qualified candidates for the election of directors in accordance with the Company's rules and regulations;

1.7 The rights to submit their enquiries in advance prior to the appointed date of the Shareholders' Meeting by doing so in accordance with the Company's rules and regulations;

1.8 The rights to receive a sufficient amount of information in its suitable format and in timely manner for their consideration and decision making upon the critical matters to the Company and the shareholders;

1.9 All other rights as prescribed by law.

Rights to attend Shareholders' Meeting

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

In 2020, the Company held 1 Annual General Meeting of Shareholders on Monday, June 29, 2020 at 10.30 a.m. and assigned Thailand Securities Depository Co., Ltd. as a sender of invitation letter for the meeting to the shareholders on June 17, 2020. In addition, the Company also published an invitation letter for the meeting and details accompanying each agenda (both Thai and English) on the Company's website www.qh.co.th on June 2, 2020 in order for the shareholders to have time to study the information in advance of the meeting date.

In addition, the Company has also accommodated the process for the benefits of its shareholders for their participation in the Shareholders' Annual General Meeting, by strategically opting for such a convenient location for their commutes as Q. House Lumpini Building, No. 1, South Sathorn Rd., Thungmahamek Sub-district, Sathorn District, Bangkok, which is located next to MRT Lumpini station.

The Company has placed importance upon all shareholders so that they were provided with the opportunity to participate in the 2020 Annual General Meeting of Shareholders as follows:

- Proposing issues to be included as part of the agenda of the 2020 Annual General Meeting of Shareholders
- Nominating a list of qualified candidates for the election of directors in the 2020 Annual General Meeting of Shareholders
- Submitting enquiries prior to the 2020 Annual General Meeting of Shareholders

The criteria for the aforementioned, therefore, had also been published and disseminated on the Company's website since September 26, 2019, whereby the duration of time for the additional agenda, the list of qualified candidates and the enquiries, was to be designated as from October 1, 2019 to December 31, 2019. However, there existed no information thereof having been directed towards the Company whatsoever.

Preparation of the invitation letter

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

2. Implementation of the Meeting

At the 2020 Annual General Meeting of Shareholders, there were 9 out of 11 Directors who attended the meeting due to social distancing policy under the COVID-19 pandemic in order to reduce congestion, consisting of 4 Independent Directors, 3 Executive Directors and 2 Non-Executive Directors.

In addition, certified public accountants of the Company and law firms were invited to attend the meeting as independent representatives and intermediaries in the counting of votes. All shareholders attending the meeting had equal rights in all respects.

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

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

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

Before the meeting started, the Chairman of the meeting welcomed and opened the meeting, announcing the number and proportion of the shareholders and representatives. Before any agendas got started, the Chairman of the meeting announced the voting and score counting methods as well as the number of persons with no voting right due to relevant interests.
During the meeting, shareholders were given opportunity and appropriate time to express their opinions and ask questions through the paper provided by the Company instead of speaking to the microphone together. The executives answered questions clearly and the 2020 Annual General Meeting of Shareholders proceeded with order in accordance with the regulations of the Company by agenda specified in the meeting invitation letter without adding or switching any agendas. In addition, there was no shareholder disputing the vote counting.

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

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

The Company has disclosed the resolution and voting from the shareholders' meeting through the Stock Exchange of Thailand's news system on June 26, 2020.

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

In addition, the Company has sent a copy of report on the shareholders' meeting to the Stock Exchange of Thailand and uploaded on the company's website www.qh.co.th on July 13, 2020 with a notification through the Stock Exchange of Thailand's news system.

2. Sub-committees

Establishment of Sub-committees and evaluation of Sub-committees

As of December 31, 2020, the Company's structure is comprised of 5 Committees: the Company's Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee. Below shown is the summary of the name list and position of the directors in the Board of Directors and Committees:

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

As of December 31, 2020, the Company has 4 Sub-committees to take into account its business-related matters, including:

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

The scope of authorities, duties, responsibilities and details of the Sub-committees' meetings are shown as follows:

1) Audit Committee

The Audit Committee is comprised of 3 independent directors as of December 31, 2020. The name list and number of meeting attendances of each committee member in years 2018 to 2020 are shown as follows:

Name	Position	Meeting attendance / total number of meetings (times)		
		2018	2019	2020
1. Mr. Rachai Wattanakasaem [1]	Chairman of Audit Committee	7/7	7/7	7/7
Mr. Chulasingh Vasantasingh [2]	Chairman of Audit Committee	7/7	2/4	-
2. Mr. Suri Buakhom	Member of Audit Committee	7/7	7/7	7/7
3. Mr. Adul Vinaiphat [3]	Member of Audit Committee	6/6	7/7	7/7

Remarks : (1) Mr. Rachai Wattanakasaem , Member of Audit Committee, was approved and appointed as Chairman of Audit Committee by the resolution of the Board of Directors' Meeting No. 6/2019 held on September 24, 2019.

(2) Mr. Chulasingh Vasantasingh, Chairman of the Audit Committee and Member of Nomination and Remuneration Committee, passed away on July 6, 2019.

(3) Mr. Adul Vinaiphat was approved and appointed as Member of Audit Committee by the resolution of the Board of Directors' Meeting No. 2/2018 held on March 30, 2018.

- *Mr. Rachai Wattanakasaem is a member of audit committee with knowledge and professional experience in accounting or finance;*
- *Audit Committee Secretary : Ms. Chanya Thanaboonsombat.*

The Audit Committee has convened 4 meetings in 2018, 4 meetings in 2019 and another 4 meetings in 2020 with the Company's auditors without the presence of the Company's management team.

Scope of authorities and duties of the Audit Committee

The Company's Audit Committee has authorities, duties, and responsibilities to report to the Board of Directors as shown below:

1. To review and comment on adequacy and effectiveness of internal control on both business and information technology as well as compliance with other relevant laws, rules and regulations such as Securities and Exchange Law, Stock Exchange's Requirements and Laws relating to the Company's business;
2. To review and ensure that the Company's financial reports have been prepared accurately and adequately;

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

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

Composition of the Audit Committee

The composition of the Audit Committee is as follows:

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

Self-assessment of the Audit Committee

The Audit Committee has collectively conducted self-assessment as a group for the year 2020, using the "Audit Committee's Self-Assessment Form" prepared by the company under the principle of corporate governance and the SET guidelines. There were 5 main areas having been taken into account as follows:

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

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

2) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of 3 members as of December 31, 2020. The name list and number of meeting attendances of each committee member in years 2018 to 2020 are shown as follows:

Name	Position	Meeting attendance / total number of meetings (times)		
		2018	2019	2020
1. Mr. Adul Vinaiphat [1]	Chairman of Nomination and Remuneration Committee	-	2/2	3/3
2. Mr. Rachai Wattanakasaem[1]	Member of Nomination and Remuneration Committee	5/6	4/4	3/3
Mr. Chulasingh Vasantasingh [1]	Member of Nomination and Remuneration Committee	6/6	1/1	-
3. Mr. Adisorn Thananan-narapool [2]	Member of Nomination and Remuneration Committee	4/4	4/4	3/3
Ms. Kanokvalee Viriyaprapaikit [2]	Member of Nomination and Remuneration Committee	1/1	-	-

Remarks : *(1) Mr. Adul Vinaiphat was approved and appointed as Member of Nomination and Remuneration Committee by the resolution of the Board of Directors' Meeting No. 6/2019 held on September 24, 2019, in replacement for Mr. Chulasingh Vasantasingh, who passed away on July 6, 2019. Mr. Adul Vinaiphat also worked as Chairman of Nomination and Remuneration Committee in replacement for Mr. Rachai Wattanakasaem, effective from September 24, 2019 to comply with the good CG principles.*

(2) Mr. Adisorn Thananan-narapool was approved and appointed as Member of Nomination and Remuneration Committee by the resolution of the Board of Directors' Meeting No. 2/2018 held on March 30, 2018, in replacement for Ms. Kanokvalee Viriyaprapaikit, who has resigned from the position of Member of Nomination and Remuneration Committee effective from March 12, 2018 onwards.

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

1. To determine procedures and criteria in nominating the Company's directors or the top management of the Company from the Managing Director position up, in alignment with the Good Corporate Governance policy;
2. To make selection of the qualified candidates for the position of new director or search for the top management of the Company from Managing Director position up, whose names are to be proposed for the Board of Directors' executive decision;

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

New committee orientation

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

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

Performance evaluation for the Chief Executive Officer

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

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

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

The Nomination and Remuneration Committee has evaluated self-performance as a group in 2020, based on "The Nomination and Remuneration Committee Self-Assessment Form" prepared by the company under the principle of good corporate governance and the SET guidelines. There were 4 main areas having been taken into account as follows:

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

Average scores received for assessments made by the Nomination and Remuneration Committee for performance in 2020 was considered excellent.

3) Corporate Governance Committee

The Corporate Governance Committee is comprised of 4 members as of December 31, 2020. The name list and number of meeting attendances of each committee member in years 2018 to 2020 are shown as follows:

Name	Position	Meeting attendance / total number of meetings (times)		
		2018	2019	2020
1. Mr. Suri Buakhom	Chairman of Corporate Governance Committee	4/4	4/4	4/4
2. Mrs. Suwanna Bhuddhaprasart	Member of Corporate Governance Committee	4/4	4/4	4/4
3. Mr. Rachai Wattanakasaem	Member of Corporate Governance Committee	4/4	4/4	4/4
4. Ms. Apinya Jarutrakulchai	Member of Corporate Governance Committee	4/4	4/4	3/4
5. Mr. Korasuit Piyambuit	Member and Secretary of Corporate Governance Committee	4/4	4/4	1/1

Remark: *(1) Mr. Korasuit Piyambuit has ended from the position of member of Corporate Governance Committee effective from February 25, 2020 onwards.*

Authorities and duties of the Corporate Governance Committee

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

6. To perform any other duties as assigned by the Board of Directors with consent from the Corporate Governance Committee.

Self-assessment of the Corporate Governance Committee as a group

The Corporate Governance Committee has evaluated self-performance as a group in 2020, based on "The Corporate Governance Committee Self-Assessment Form" prepared by the company under the principle of corporate governance and the SET guidelines. There were 3 main areas having been taken into account as follows:

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

Average scores received for assessments made by the Corporate Governance Committee for performance in 2020 was considered excellent.

4) Risk Management Committee

The Risk Management Committee is comprised of 5 members as of December 31, 2020. The name list and number of meeting attendances of each committee member in years 2018 to 2020 are shown as follows:

Name	Position	Meeting attendance / total number of meetings (times)		
		2018	2019	2020
1. Mr. Chalerm Kiettitanabumroong [1]	Chairman of Risk Management Committee	-	2/2	1/1
Mr. Chadchart Sittipunt [1]	Chairman of Risk Management Committee	3/3	-	-
2. Mrs. Suwanna Bhuddhaprasart	Member of Risk Management Committee	3/3	2/2	1/1
Mr. Suang Chaisurote [2]	Member of Risk Management Committee	1/1	-	-
3. Mr. Pravit Choatewattanaphun	Member of Risk Management Committee	3/3	2/2	1/1
4. Ms. Apinya Jarutrakulchai	Member of Risk Management Committee	3/3	2/2	1/1
Mr. Adisak Srisook [3]	Member of Risk Management Committee	3/3	1/1	-
5. Mr. Sommart Promkunakorn	Member of Risk Management Committee	3/3	2/2	1/1
6. Mr. Somsak Jirarungruangvong [4]	Member of Risk Management Committee	3/3	2/2	-

Remark: *(1) Mr. Chalerm Kiettitanabumroong was approved and appointed as Chairman of Risk Management Committee by the resolution of the Board of Directors' Meeting No. 1/2019 held on February 26, 2019, in replacement for Mr. Chadchart Sittipunt, Chief Executive Officer, who has ended and resigned from the position of Director effective from January 1, 2019 onward.*

(2) Mr. Suang Chaisurote has resigned from the position of member of Risk Management Committee effective from July 1, 2018 onwards.

(3) Mr. Adisak Srisook has ended from the position of member of Risk Management Committee effective from August 23, 2019 onwards.

(4) Mr. Somsak Jirarungruangvong has ended from the position of member of Risk Management Committee effective from February 25, 2020 onwards.

Authorities and Duties of the Risk Management Committee

1. To determine criteria, policies and processes of evaluation and management of risks which have impact on the Company;
2. To evaluate, analyze and prioritize the risks and to determine guidelines and strategies for risk management so that the risks shall be at an acceptable level under proper cost schemes;
3. To follow up and evaluate the risk management and to report the result of risk evaluation to the Audit Committee;
4. To make decisions and to give advice on major problems occurred in the risk management process.

Self-assessment of the Risk Management Committee as a group

The Risk Management Committee has evaluated self-performance as a group in 2020, based on "The Risk Management Committee Self-Assessment Form" prepared by the company under the principle of good corporate governance and the SET guidelines. There were 3 main areas having been taken into account as follows:

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

Average scores received for assessments made by the Risk Management Committee for performance in 2020 was considered Very Good.

Process of performance evaluation of the Sub-committee

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

3. Nomination and appointment of directors and top executives

The Nomination and Remuneration Committee shall prescribe the qualifications of those who will be appointed for the positions of director or the top management of the Company from Managing Director up so as to be in compliance with the good governance policy and within the scope of authorities and duties of the Nomination and Remuneration Committee as stipulated in the Charter. The details are presented in topic 2 "the Nomination and Remuneration Committee" section. In addition, the Company also provides an opportunity for shareholders to nominate the qualified candidates through the channel of the Nomination and Remuneration Committee in light of taking into account a set of qualifications prior to the further submission for resolutions in the shareholder meeting.

1) Independent Directors

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

(A) An independent director must hold no more than 1% of shares with voting rights in the Company, parent company, subsidiaries, associated companies or parties with possible conflict of interest including the shareholding of related individuals of that independent director.

(B) An independent director must not be or had not been the Company's executive directors, nor served as permanent employees, advisors on regular payroll, and authorized persons of the Company, parent company, subsidiaries, associated companies and same level subsidiaries of the parent company except when the previous association has been terminated at least for more than two years prior to the submission to request for permission from SEC.

(C) Independent directors must not be a "blood relative" or by legal registration in the nature of father, mother, husband, wife, sibling, child, son or daughter-in-law of the management, major shareholders, authorized persons, or individuals who are about to be nominated as the management or authorized persons who have control over the Company or its subsidiaries.

(D) Independent directors must not or have not had business relationship with the Company, parent company, subsidiaries, associated companies or parties with possible conflicts of interest in a way that will prevent independent judgment. Furthermore, independent directors must not be or had been major shareholders, directors that were not independent directors, or the management of any party who has a business relationship with the Company, parent company, subsidiaries, associated companies or parties with possible conflicts of interest except when the previous association has been terminated at least for more than two years prior to the submission to request for permission from SEC.

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

(E) Independent directors must not be or had not been auditors of the Company, parent company, subsidiaries, associated companies or parties with possible conflict of interest. Independent directors must not be or had not been major shareholders, directors that are not independent directors, the management, or managing partners of auditors' company in which auditors of the Company, parent company, subsidiaries, associated companies or parties with possible conflict of interest, belong to, except when the previous association has been terminated for at least for more than two years prior to submission to request for permission from SEC.

(F) Independent directors must not be or have been servicing professionals including legal advisors and financial advisors, receiving more than Baht 2 million per annum in remuneration for the service from the Company, parent company, subsidiaries, associated companies or parties with possible conflicts of interest. If the servicing professional is a legal entity, it must include major shareholders, directors that are not independent directors, the management, or managing partners of those servicing professionals, except when the previous association was terminated for at least for more than two years prior to submission to request for permission from SEC.

(G) Independent directors must not be directors who are representative of directors of the Company, major shareholders, or shareholders that are related to major shareholders of the Company.

(H) Independent Directors do not engage in a business of the same nature as and which is significantly competitive to that of the Company, or a Subsidiary. An Independent Director is not a significant partner to a partnership or a director with involvement in the management, employees, staff, consultant with monthly salary, or, who holds more than 1% of all shares with voting rights of another company which is engaged in a business of the same nature as and which is significantly competitive to that of the Company or a Subsidiary.

(I) Independent directors must not have other characteristics prohibiting independent judgment on the Company's operation.

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

2) Directors and top executives

The appointment of the Company's directors or the top management of the Company, from Managing Director up, shall be done through the Nominating and Remuneration Committee, which will consider the candidates' qualifications in terms of knowledge, experience, expertise from varieties of professions, as well as the qualifications specified by the laws. In this regard, the appointment of the Company's directors must receive the vote of no less than half of the total number of shareholders who attend the meeting and have the rights to vote.

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

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

4. Supervision of subsidiaries' and associated companies' operation

The Company's directors shall approve the establishment of vision, strategies, policies, business plan and budget of the Company to be used as frameworks or goals of the management for operation to achieve the result prescribed by the Company's Board of Directors. All of the approvals by the Company's Board of Directors include the subsidiaries and associated companies as appropriate in management. Details are as follows:

1) **Subsidiaries**: The Companies hold 100% shares in its subsidiaries both directly and indirectly. The Company has a policy to supervise the operation of its subsidiaries in the same manner as it does for the Company. The Company's management team shall be the authorized directors and executives of the subsidiaries so that the establishment of vision, strategies, policies, business plans and budget will be in compliance with the approval of the Company's Board of Directors. The Company shall convene regular meetings among the executives of the subsidiaries in order to control and supervise the subsidiaries to operate in compliance with the Company's goals. Besides, the Company's Audit Committee also allows the Company's Internal Control Department to audit the internal control system of the subsidiaries and report the result of such audits in all subsidiaries as planned to the Audit Committee.
2) **Associated companies**: The Company dispatches its executives or management team to be directors in its associated companies in accordance with the proportion of shareholding in order that they represent the Company's interests, and that they participate in establishing major policies in business operation. In this regard, the Company has not yet established the regulations or requirements of the Company that call for approval from the meeting of the Company's Board of Directors in light of appointing its representatives to a position in the associated companies; the aforementioned appointment, however, still requires an approval from the Company's management.

5. Supervision of the use of inside information

The Company has the policy to control the use of the Company's internal data for personal benefits by prohibiting the directors and/or executives to use the Company's data for personal benefits and prohibiting the trading of the Company's shares during 1 month before the announcement of financial statements to the public. In addition to the above-mentioned restriction, the Company has no policy to prohibit the directors' and/or executives' trading of the Company's shares. However, directors and/or executives of the Company shall be obliged to prepare report on holding of the Company's shares by their spouses and minor children and those related parties to the directors and/or executives under Section 59 of the Securities and Exchange Act 2535 BE within 3 working days as from the date of changes of holding of the Company's shares. directors and/or executives must always report such changes of holding of the Company's shares. The Company had no measures of punishment, in case, it was found that any executive has violated the Company's policies. However, in case directors and/or executives has breached the law and caused damage to the Company and the third parties, the Company shall cooperate and coordinate with the regulatory authorities to take legal actions.

6. Adopting the principles of good Corporate Governance 2017 (CG Code 2017)

The Board of Directors has realized the role and duty as the leader of the organization, and the Corporate Governance Committee has studied or received a lecture on the principles of good Corporate Governance 2017 (CG Code 2017) with good understanding of the benefits and practices in applying to create sustainable value for the business.

The Board of Directors' Meeting No. 10/2020 held on December 18, 2020 has reviewed the implementation of the principles of good Corporate Governance 2017 (CG Code 2017) to be adapted according to the business context of the Company. In general, the Board of Directors has practiced in most cases, and practices that are not yet applicable has been recorded as part of the resolution of the Board of Directors' Meeting.

Corporate Social Responsibility

The Company supports for a variety of activities that prove beneficial to the society, community and environment. In addition, the Company also has the policy to promote and implant good conscience, awareness and a sense of responsibility among its employees for the benefits of the Thai society, community and environment as follows:

- The Company has the policy not to take any actions which may result in damaging the reputation of the country and/or cause damages to natural resources and the environment;
- The Company shall not cooperate or support any persons who operate illegal businesses, poses a threat to the society and/or homeland security;
- The Company continually implants social awareness and a sense of responsibility for communities and Thai society as a whole, among employees at all levels;
- The Company operates and takes control so as to ensure that all operations are in compliance with the related laws.

1. Fair Business Operations

- The Company selects contractors and subcontractors based on equality and fairness;
- The Company provides assistance as appropriate to trading partners;
- The Company adheres to the value of acting toward financial and banking institutions, debentures holders and loan creditors with honesty and it always repays principal and interest on a timely basis. The Company also strictly follows the conditions and rules that are specified in the lending contract;
- The Company has a policy not to support its employees to infringe the intellectual property or copyrights of other persons.

2. Anti-corruption activities

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

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

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

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

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

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

In addition, for clarity of practice, the Board of Directors meeting No.1/2016 held on February 26, 2016 approved "the Anti-Bribery and Corruption Policy and Measures" separately from "the Corporate Governance Policy" and "Business Ethics" of the Company. These were specified as the duties and responsibilities of the directors, executives and all employees which should be acknowledged, understood and strictly conformed to the policy and code of practice. The Company presented this policy and code of practice including "the Corporate Governance Policy" and "Business Ethics" on the Company's website. This shall increase the channels for the executives and employees to acknowledge the code of practice and implement effectively. All stakeholders are also to know the intention and determination of the Company in developing the Company and the nation to be free from corruption onwards. In addition, the Board of Director has approved the "Anti-Corruption Policy" with latest update according to the resolution from the Board of Director Meeting No. 8/2018 on December 24, 2018.

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

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

7. The Company has provided the communication of the Anti-Bribery and Corruption Policy both internally and externally, in order to let all stakeholders learn more about the policy, including the notification to subsidiaries, associates and other companies under the Company's control, as well as the business representatives, to adopt the Anti-Bribery and corruption policy of the Company;

Guidelines for Anti-Bribery and Corruption

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

1. Political Aid

1.1 The Company remains in its politically neutral state, with no supports for any political party in particular;

1.2 In the event that the Company may have an intent to provide political support in the name of democracy, such action shall not fail to comply with the laws related to the issue; nor shall the Company be doing so in expectation of being provided with special treatment. Company procedures in light of the matter must be strictly observed;

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

2. Donation for Charity

2.1 The Company has a policy on donation for charity both in terms of financial support and others such as donation of goods, participating in various activities, etc., so as in remaining adhered to its ethical framework of social responsibility;

2.2 Employees must take precautions and ensure that donations for charity not be directed towards corruptive behaviors such as bribery and the likes, and that their good deeds be done with transparency and in compliance with the laws;

2.3 The Company's money or property must be spent or used in light of donation for charity 'only' in the Company's name, typically for the good of such establishments as foundation, public charity organization, temple, hospital or other social benefit organizations, all of which must also be in possession of official certificate and verifiable in entity; implementations are to be made according to the Company's rules and regulations.

3. Monetary Support

3.1 Being a sponsor may be a public relations instruments rightfully adopted by the Company;

3.2 Employee must ensure with good care that, in case of donation, it be made strictly for charity purpose in order that the Company's sponsorship shall not be misused as another means of avoiding being labeled as giving bribes, and so that actions have been taken with transparency in accordance with the laws;

3.3 Employee must ensure with good care that the Company's money or property spent or used in providing supports for certain projects be credited to the Company's name only, and that the aforementioned actions must have been taken strictly for the benefits of the Company's reputation and positive brand image, etc.

4. Gifts/presents, service fees and other expenses

4.1 Directors, Executives and Employees shall not accept or ask for gifts or other benefits from trading partners, contractors, advisors and other related parties in all situations that could lead to unfair decision making or conflict of interests.

4.2 Directors, Executives and Employees shall avoid giving or accepting gifts or benefits from trading partners and related parties, except gifts for traditional festivals with reasonable prices unrelated to bonding or decision making. In addition, giving or accepting gifts with transparency and formal are acceptable.

4.3 Directors, Executives and Employees shall avoid giving or accepting unusual reception from related parties.

Whistle-blowing and Protection of Whistleblowers

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

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

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

Mr. Rachai Wattanakasaem	Member of Audit Committee	Email: rachai.w@qh.co.th
Mr. Suri Buakhom	Member of Audit Committee	Email: suri.b@qh.co.th
Mr. Adul Vinaiphat	Member of Audit Committee	Email: adul.v@qh.co.th

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

Protection of whistleblower or complainant

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

Operating process after receiving clues / complaints

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

Information and details of the Anti-Corruption Policy will be on the Company's website at www.qh.co.th topics Investor Relations / Corporate Governance / Anti-Corruption.

3. Respect for human rights

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

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

4. Fair treatment towards employees

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

- Providing appropriate compensation in accordance with each employee's knowledge, ability, responsibility and performance;
- Encouraging, developing and enhancing knowledge and ability of employees;
- Supporting participation of the employees in determining the directions in working and problem solving in the Company;
- Taking care of work environment for life and properties safety and good health for the life of the employees;

- The reward and punishment for employees must be based on righteousness;
- Adhering to the laws and other regulations regarding legal laws and employees' welfare;
- Treating the employees based on the dignity of human beings and respect their individual human rights and duties.

5. Responsibilities towards Consumers

The Company's guidelines are shown as follows:

Hotel business

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

Business of real estate development for sales

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

- The public park and clubhouse of high-end home projects has been designed with consideration for the disabled and senior citizen, such as creating the path for wheelchair so as to enter the public park of the project, as well as the slope for the wheelchair, including the toilets where wheelchair can access.

6. Environment Conservation

The Company remains constantly resolute in providing supports for a variety of activities that prove beneficial to the society, community and environment. In addition, the Company also has the policy to promote and implant good conscience, awareness and a sense of responsibility among its employees for the benefits of the Thai society, community and environment as follows:

- Office buildings for rent, hotels and serviced apartment projects have cooperated well in light of energy conservation by installing new air-conditioners in replacement for the previous ones every time it was detected that the use of energy exceeded the standard of energy consumption; in addition, the quality of the used water supplies in buildings has been tested before draining to the public wastewater system, etc.;
- Waste water treatment system has been utilized in office buildings for rent, hotels and serviced apartment projects so as to treat waste liquid prior to releasing it to public pipes;
- Encouraged to classify wastes before disposed;
- Training courses have been provided for the employees whose tasks are related to housekeeping, which include the properties of floor cleaning products that are suitable for each type of surface or materials, as well as the appropriate amount required to reduce both the residue and the amount of water used in cleaning; as a result, the amount of waste water affecting the environment has proven to be in decline;
- Only materials by the manufacturers who have proven to care about environment, and who have made efficient use of natural resources in aims at alleviating environmental impacts, are to be used. Verification may be conducted by examining their certified environment standards;
- "Smoke-Free Hotel Project" is promoted to campaign for no smoking by encouraging hotel customers to realize the benefits of no smoking, which will result in good health, good hygiene and environmental pollution reduction;
- To help reducing the amount of dust in the air (PM 2.5), the Company has the measures and guidelines as follow:
  - Office buildings for rent installed fresh air intake filters to filter the dust that will enter the building for the health of the tenants;
  - The housing projects fenced off the construction area next to the nearby community to reduce the impact on daily life and cleaned the road in the projects to reduce dust in the air.

7. Participation in social/community development

- The lighting system has been installed surrounding the project area, as well as that of traffic lights in the public-roadway junction area for safety of customers and neighboring community residents;
- The employees of the Company and its subsidiaries, participated in blood donation campaign for the charitable benefits of the Thai Red Cross Society at 'Q. House Lumpini, 4 times annually;

- Calendar donation to the blind at Chulalongkorn Hospital and Foundation for the Blind to make Braille letters for the blind as teaching materials.

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

Hotel business

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

Business of real estate development for sales

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

Internal Control and Risk Management

During the Board of Directors' Meeting No.1/2021 held on February 24, 2021, which was attended by all 3 Audit Committee Members, the Board of Directors evaluated the internal control system using "Internal Control Adequacy Assessment Form", accessible from SEC website. They jointly considered and inquired certain information and intelligence from management to evaluate the Company's internal control system in 5 disciplines, including;

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

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

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

The details of the 5 disciplines are summarized below;

1. Internal Control Environment

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

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

- The Board of Directors have managed to ensure that the Company has a set of well-defined business goals, all of which are assessable and practically utilized as guidelines for performance appraisal and business conducts by both the management team and employees at operational level;

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

The Audit Committee has supervised the internal audit work by giving approvals of the annual audit plans, acknowledging the audit results, providing opinions on how to implement the well-defined internal control system in order to prevent or reduce potential risks, as well as drawing up guidelines for reporting the follow-up results of revisions so that the internal audit work shall be proceeded properly and effectively. In 2020, no significant errors related to the internal control have been found.

2. Risk Assessment

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

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

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

3. Control Activities

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

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

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

4. Information and Communication

The Company has made a continually concentrated effort to develop and improve the information system in response to its business operation and expansion in light of facilitating employees' workflows, alleviating manual tasks and enhancing work efficiency while being in compliance with government regulations.

The Company's IT system supports multi-company operation with a payment control by the budget system and approval authority of each job position. All systems, both receiving and paying, are linked from the front office system to the financial accounting system in order to work accurately, quickly and efficiently. In addition, the Company has increased convenience and speed at work such as an automatic report submission to the management, related employees and shops as well as various warning systems to provide timely work, including a self-service system for employees.

In addition, the Company also focuses on the Personal Data Protection Act. Therefore, the work system has been improved to ensure the security of access to personal information with a consent system for collecting, using and disclosing personal information from the customers.

Regarding the issue of security/safety control, various systems have been designed to be connected to a central log-in server. This allows for a username (account) to be automatically disabled upon the person's resignation and in case of password being forgotten, a new one may be obtained upon request and delivered via SMS at the authorized telephone number that had been provided for the Employee Affairs Department. For strengthened security, one time passwords are utilized for sensitive tasks.

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

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

Pertaining to a variety of applications including Executive Information System (EIS), Extranet, Intranet, as well as the organization's main applications, they are to be replicated and transferred to a Data Backup Center on daily basis. Additionally, the 'disaster recovery' backup program must be tested at Data Backup Center 4 times a year.

5. Monitoring Activities

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

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

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

In 2020, the Audit Committee has convened 7 meetings to take into account, follow up on the financial status and operational results on a regular basis and make significant recommendations which had impacts on the "organization and executive officers" periodically, while simultaneously monitor and ensure that the corporate goals would be attained. The internal control system would be continually reviewed and improved promptly in response to the ever-changing situations.

Furthermore, the Company's auditor, EY Office Company Limited, represented by Ms. Pimjai Manitkajohnkit, who served as the auditor for the financial statements for the year 2020, had no opinion on a note in the Auditor's Report that the Company had any defects related to the issue of internal control system.

The Company had appointed Ms. Chanya Thanaboonsombat as the Head of Internal Audit of the Company since August 1, 2018. She possesses qualifications and experiences in Internal Audit, IT Audit and Consulting Services. Additionally, she understands the activities and operations of the Company and also has been trained with numerous courses relating to Internal Audit and anti-corruption procedures. The Company had considered that she was suitable to perform properly in aforementioned role.

To consider, select nominate and terminate the Head of Internal Audit will require an approval from the Audit Committee.

Connected Transactions

1. Connected transaction with persons with potential conflicts

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

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
1) Land and Houses Fund Management Co., Ltd.					
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74 % and 21.88 % of the total shares, respectively (as of Nov 28, 2020). Meanwhile, LHFG is the shareholder of Land and Houses Bank Plc. ("LHBANK"), holding 100% of the total shares; and in turn, the LHBANK is holding 100% shares of Land and Houses Fund Management Co., Ltd. - Joint directors are Mrs. Suwanna Bhuddhaprasart and Mr. Adul Vinaiphat	Renting the office space in Q. House Sathorn Building				The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
	- Revenue from rental and service fee	8.13	8.99	9.36	
	- Deposit from rental and service fee	1.82	1.84	1.84	
	- Account receivables	0.14	0.15	0.15	
2) Land and Houses Bank Plc. ("LHBANK")					
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74% and 21.88% of the total shares, respectively (as of May 28, 2020). Meanwhile, LHFG is the shareholder of Land and Houses Bank Plc. (LHBANK), holding 100% of the total shares	(A) Bank transaction:				Bank transaction The Audit Committee expressed that the opening of each type of bank accounts, rates of interest income and normal bank charges were normal and implemented in the same manner as other persons or companies as has been generally announced.
	- Bank deposit	2,819.05	1,749.67	1,918.17	
	- Interest income	13.13	13.88	5.92	
	- Bank charge	1.15	1.35	1.01	
	(B) Leasing of space in Q House Asoke Building.				
	- Revenue from rental and service fees.	0.71	0.78	0.75	
	- Deposit for rental and service fees.	0.19	0.15	0.15	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
2) Land and Houses Bank Plc. ("LHBANK") (cont.)					
- Joint directors are Mr. Adisorn Thananan-narapool and Mr. Naporn Sunthornchitcharoen Remark: Below shown are the subsidiaries, with both direct and indirect shareholdings: Q.H. Management Co., Ltd., Q.H. International Co., Ltd., The Confidence Co., Ltd., Casa Ville Co., Ltd., Q House Precast Co., Ltd., Casa Ville (Petchburi 2553) Co., Ltd., Casa Ville (Rayong 2553) Co., Ltd., Casa Ville (Chonburi 2554) Co., Ltd., Casa Ville (Prachuabkhirikhan 2554) Co., Ltd., Property Host Co., Ltd., Gusto Village Co., Ltd. and Centre Point Hospitality Co., Ltd.	(C) Leasing of space in Q House Sathorn Building.				Rental of spaces in office buildings The Audit Committee expressed the rates of rentals and service fees of spaces for rent were reasonable and thus suitable for entering into transaction. In addition, the fees were found comparable to other operators with similar size of spaces, thus constituting those of fair market value as well.
	- Revenue from rental and service fees	29.18	29.36	31.63	
	- Receivables (rental and service fees)	0.47	0.46	0.49	
	- Deposit for rental and service fee	5.88	5.88	6.55	
					Sales promotion expenses incurred from the activities related to customers who bought properties The Audit Committee expressed that the transactions of sales promotion expenses incurred from the activities related to customers who bought properties and had repaid principal and interest expenses, which is in accordance with the ordinary course of business as usual and also found to be in the approximate value to that of other sales promotion campaigns given to other real-estate customers. Thus, it was deemed proper and reasonable to carry out the aforementioned transactions

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
3) Home Products Center Public Company Limited ("HMPRO")					
- LH is the major joint shareholder of QH and HMPRO, holding 24.98% (as of Aug 25, 2020) and 30.23% (as of Mar 10, 2021), respectively. - QH is the major shareholder of HMPRO, holding 19.87% (as of Mar 10, 2021). - HMPRO's joint directors are : Mr. Boonsom Lerdhirunwong, Mrs. Suwanna Bhuddhaprasart, Mr. Naporn Sunthornchitcharoen and Mr. Achawin Asavabhokin	Purchasing products and services. - Value of purchased products and services. - Account payables from the purchase of products and services.	0.40 0.07	2.10 0.94	7.52 0.90	The Audit expressed that such transaction was deemed reasonable and based on the principle of fair market value. In addition, QH and its subsidiaries are entitled to opt for products and construction materials from other companies in the event that the rivals' offers are found more reasonably priced.
4) Quality Construction Products Public Company Limited ("Q-CON")					
- The major joint shareholder is LH, holding shares of both QH and Q-CON at the ratio of 24.98% (as of Aug 25, 2020) and 21.16% (as of Feb 23, 2021) respectively. - Q-CON's joint director is Mr. Naporn Sunthornchitcharoen	Purchasing products. - Value of purchased products and services. - Account payables from the purchase of products and services. Remark : QH and its subsidiaries (Q.H. International Co., Ltd.) held 25.78% and 1.45% of the total shares in Q-CON (as of Dec 31, 2009) respectively. On Feb 23, 2010, QH and its subsidiary had entered into business agreement upon the shares of Q-CON with SCG Construction Products Co., Ltd., the latter of whose shares were being held in total of 100% by Siam Cement Plc. The entire amount of payment was implemented and all shares were transferred on Feb 24, 2010. In addition, on Mar 2, 2010, QH had signed the Product Sales Agreement with Q-CON, with the terms of Agreement being the period of 3 years. QH also agreed to purchase light-weight bricks at the minimum quantity and for the prices as prescribed in the aforementioned instrument, the obligation being incorporated as part of the terms and conditions of the Q-CON Share Agreement.	45.32 8.64	43.02 3.49	14.88 4.20	The Audit Committee expressed that it was justifiable to enter into the aforementioned transactions since it was in accordance with the terms and conditions stipulated under the Q-CON Share Agreement. Both QH and its subsidiaries also benefited from the profit obtained from selling Q-CON shares. Meanwhile, both QH and its subsidiaries were still utilizing a larger number of light-weight bricks in construction of housing projects than contractually prescribed by the product sales agreement. In addition, the price range of the products appeared relatively similar to the fair market value at that time. Upon completion of the contractual period, QH and its subsidiary would be entitled to make purchase of the same products from other companies that might make more attractive offers in terms of pricing.

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
5) L&H Management Company Limited ("LHM")					
- The major joint shareholder is LH, holding shares of both QH and LH Mall & Hotel Company Limited ("LHMH") at the ratio of 24.98% (as of Aug 25, 2020) and 100%, respectively. LHMH holds 99.98% of LHM. - Mrs. Suwanna Bhuddhaprasart is a joint director of QH and LHM.	Advance payment. - Other training receivable	0.03	0.01	0.01	The Audit Committee expressed that it was reasonable to enter into the aforementioned transactions at justifiable market price.
6) Quality Houses Leasehold Property Fund ("QHPF")					
- QH is the major shareholder of QHPF, holding 25.66% of total shares (as of Sep 9, 2020).	(A) Long-term leasehold right. QH gives the leasehold right for land and building, as well as other relevant equipment of Q.House Ploenchit Project for 30 years (Dec 8, 2006 - Dec 7, 2036), for which QH received the rental fee of Baht 819 million in full.				The Audit Committee expressed that the distribution and/or giving of the leasehold right for land, building and the related equipment of the 2 projects, namely, Q. House Ploenchit and Q. House Lumpini, to QHPF have been carried out in accordance with the resolution of the Board of Directors' Meeting No. 10/2006 convened on Oct 19, 2006. The transaction was carried out at fair market value whereby the Company has already made price comparison with that being offered by each prospective buyer and thus has selected the bidder who has offered the best proposals, as well as most attractive terms and conditions, including the highest return to the Company. The Audit Committee has taken into account the reports submitted at that time by 2 independent appraisers, as well.
	- Advance received from leasehold right	487.25	460.08	432.90	
	- Rental revenue	27.17	27.17	27.18	
	(B) QH and QHI (QH holding 100% shares) were hired to manage 3 office buildings for rent, including Q.House Lumpini, Q.House Ploenchit and Wave Place.				
	- Management fees	62.98	64.80	56.45	
	- Other receivables.	7.23	36.60	18.53	
	(C) QH rented office spaces from Q.House Lumpini Building				
	- Space rental fee	33.57	33.04	33.07	
	- Other payables	0.22	0.26	0.20	
	- Deposit for rental and service fees	7.20	7.20	7.55	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
6) Quality Houses Leasehold Property Fund ("QHPF") (cont.)					
	Notes : The estimated value of Q.House Ploenchit ("PJ") and the Q.House Lumpini ("LU") reported at that time by 2 independent appraisers were as follows: Unit: Million Baht PJ / LU / Total CBRE: 838 / 5,566 / 6,404 BKKAP: 800 / 5,240 / 6,040 - CB Richard Ellis (Thailand) Co., Ltd. ("CBRE"). - Bangkok Property Appraisal Co., Ltd. ("BKKAP")				Therefore, the Audit Committee has come to draw the conclusion that the aforementioned transaction was justifiable with the fair market value that also covered the rental fee rates and service fees payable to QHPF.
7) Quality Houses Hotel and Residence Freehold and Leasehold Property Fund ("QHHR")					
- QH had sold the assets used in the operation of the Centre Point Hotel Projects in Pratunam, Sukhumvit 10 and Chidlom ("assets"), and proceeded to enable QHHR to enter into the property lease agreement for Centre Point Hotel Chidlom. Accordingly, QH received payment in total of Baht 3,342 million as consideration. In addition, on Jul 18, 2012, the Company had made investment in QHHR for 31.33%, that is, 105.28 million units of QHHR at the unit price of Baht 10, amounting to Baht 1,053 million. As of Jun 2, 2020, the investment made in QHHR by the Company accounted for 31.33% of total units. - The Centre Point Hospitality Co., Ltd. ("CPH") (QH holding 99.99% shares) has leased the property from QHHR for its hotel business.	(A) Hotel leasing CPH has taken a lease and sublease of properties from QHHR for its hotel business, which included the Centre Point Hotel projects at Pratunam, Sukhumvit 10 and Chidlom. - Rental fees - Accrued rental fees (B) QH guaranteed the minimum rental income for QHHR from selling the assets to QHHR and CPH to make a lease agreement for such assets for the period of 3 years from the date on which QHHR invested in the asset at the amount not exceeding Baht 837 Million. On Jul 19, 2015, the aforementioned agreement of minimum guarantee for rental fees was terminated, and QH had completely paid such rental fees.				The Audit Committee expressed that the distribution of properties together with fixture and related equipment and/or providing for leasehold right and/or transferring of leasehold right over the properties to QHHR was implemented in accordance with the resolution of the Board of Directors' Meeting No.4/2012 dated Jun. 19, 2012, thus approving the Company and its subsidiary to distribute the real estate property, fixture and the related equipment and/or to give the leasehold right and/or to transfer the leasehold right of real estate property for the following (three) hotel operated by the Company: Centre Point Hotel Pratunam, Centre Point Hotel Sukhumvit 10 and Centre Point Hotel Chidlom.
	- Rental fees	295.85	299.88	168.00	
	- Accrued rental fees	71.26	74.21	15.96	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
7) Quality Houses Hotel and Residence Freehold and Leasehold Property Fund ("QHHR") (cont.)					
	Remark : The estimated value of the Centre Point Hotel Pratunam ("CP1"), the Centre Point Hotel Sukhumvit 10 ("CP2") and the Centre Point Hotel Chidlom ("CP3") reported at that time by the 2 independent appraisers were as follows: Unit: Million Baht CP1 / CP2 / CP3 / Total GAA: 1,144 / 1,549 / 725 / 3,418 TAP: 1,204 / 1,700 / 724 / 3,628 - Grand Asset Advisory CO., Ltd. ("GAA"). - TAP Valuation Co., Ltd. ("TAP")				In addition, these transactions were also collectively deemed reasonable and conducted within a fair price range due to the fact that QH had already taken into account the price comparison of quotations and the offers made by each and every one of the prospective buyers, and thus selected the bidder who offered the best proposals, terms and conditions, including the highest return to the Company. Furthermore, the appraisal reports produced at that time by 2 independent appraisers were also taken into account by QH. Consequently, the Audit Committee was of the opinion that, during such period, the transactions were deemed reasonable and conducted within a fair price range.

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
8) Land and Houses Freehold and Leasehold Property Fund ("LHPF")					
Joint major shareholders are LH, holding 24.98% of QH shares (as of Aug 25, 2020) and also invested as unitholder of LHPF in the equal amount of 26.96 % (as of Mar 9, 2021).	Below shown are the detailed accounts of lease agreements and building management contract produced by QH International Co., Ltd. ("QHI") ("QH" holding 100% shares):				The Audit Committee expressed that it was deemed justifiable to enter into the aforementioned transactions and thus beneficial to the commerce of residential buildings for rent of QH and/or its subsidiaries as in business as usual, whereby QH and its subsidiaries would benefit from revenues generated by their services in building (project) management and brokerage in regard to all of the aforementioned projects.
	(A) Centre Point Sukhumvit-Thonglor Service Apartment Project.				
	1. Property management (appointing of property management team).				
	- Building management income	8.60	7.67	2.28	
	- Building management fee	0.62	0.62	-	
	- Other receivables	2.20	1.96	0.42	
	- Other payables	0.02	0.02	-	
	2. Personnel fees				
	- Service revenue	2.03	2.19	2.01	
	3. Project management and administration contract				
	- Service revenue	1.92	1.92	1.92	
	- Advanced payment	0.17	0.17	0.01	
	(B) Centre Point Residence Promphong Residential Building for rent. QH and its subsidiaries were hired to manage the building, to provide accounting service and to serve as an agent in locating customers, as well as allowing LHPF to use the trademark "Centre Point Resident".				
	- Building management income	2.36	2.45	2.53	
	- Building management fees	0.36	0.36	-	
	- Personnel service revenue	1.03	1.11	1.03	
	- Service receivables	0.39	0.35	0.20	
	(C) L & H Villa Sathorn House for Rent Project QH and its subsidiaries were hired to manage the building, to provide accounting service and to serve as an agent in locating customers, as well as allowing LHPF to use the trademark "Centre Point Resident".				
	- Building management income	2.22	2.33	2.40	
	- Building management fees	0.14	0.14	-	
	- Personnel service revenue	0.95	1.02	0.95	
	- Service receivables	0.35	0.31	0.19	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
9) Harbour View Corporation ("HVC")					
- Q.H. International Co., Ltd. ("QHI") (QH holding 100% shares) holds 99% shares of Q. H. International (BVI) Co. Ltd. ("QHI (BVI)"), while QHI (BVI) holds 14.15% of HVC shares.	(A) Loan provision - Loans - Accrued interest (B) Loan guarantee. QH has served as the loan guarantor for HVC in proportion with shareholding in QHI (BVI) (21%), amounting to US$ 1.3 million from the year 1997 to present. However, due to an increment in capital by HVC for the benefits of its current shareholders whereas QHI (BVI) has not made purchase thereof, the proportion of shareholding has been decreased to the current proportion of 14.15% while burden of guarantee remains unchanged. Such burden is also subjected to fluctuation depending upon HVC's ability to make repayment of both principal and interest accordingly. (Details are as per Risk Factor section, topic 1 "Financial risk: Risk from Investment, lending and guarantees made to the related companies (HVC)). During 2017, HVC had already paid back both principal and interest owned to financial institutions and the Company withdrew such guarantees.	73.13 1.39	67.90 1.29	67.65 1.29	The Audit Committee expressed that the provision and guarantee of loans for HVC was justifiable in accordance with the proportion of shareholding.

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
10) The Mandarin Hotel Plc.					
- Ms. Piengchai Harnpanich is the major shareholder of The Mandarin Hotel Public Company Limited, holding 34.69% shares (as of May 29, 2020), as well as serving in the positions of Chairman of the Board, CEO and Managing Director - Ms. Piengchai Harnpanich is the mother of Mr. Anant Asavabhokhin, who is the major shareholder of LH. Whereas, LH is a major shareholder of QH.	Q.H. International Co., Ltd. ("QHI") (QH holding 100% shares) has entered into building management contract.				The Audit Committee expressed that it was deemed justifiable to enter into the aforementioned transactions and thus beneficial to the Company's operations in regard to the business as usual. The Company and its subsidiaries would benefit from income generated in light of the service charges obtained from the hotel customers. In addition, all these activities are most likely to be of use in terms of enhancing corporate brand awareness of "The Mandarin Hotel Public Company Limited".
	- Project management fee	6.05	6.27	1.99	
	- Other receivables	1.30	1.27	0.54	
11) Land and Houses Securities Public Company Limited.					
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74% and 21.88% of the total shares, respectively (as of May 28, 2020). In addition, LHFG is the shareholder of Land and Houses Securities Public Company Limited, holding 99.80% shares.	A) Renting the office space in Q. House Sathorn Building				The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
	- Revenue from rental and service fees	8.32	8.40	9..01	
	- Receivables from rental and service fees	0.18	0.17	0.18	
	- Deposit for rental and service fees	1.51	1.52	1.68	
	B) Renting the office space in Q House Convent Building				
	- Revenue from rental and service fees	3.12	1.31	-	
	- Receivables from rental and service fees	0.04	-	-	
	- Deposit for rental and service fees	0.69	-	-	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
12) LH Financial Group Public Company Limited					
- Both QH and LH is shareholders of LH Financial Group Public Company Limited, "LHFG", holding 13.74% and 21.88%, respectively (as of May 28, 2020)	LHFG was granted leasing right of Q. House Sathorn transferred from one company which was effective since Jan 1, 2020.				The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
	- Revenue from rental and service fees	-	-	7.65	
	- Deposit for rental and service fees	-	-	1.63	
13) Land and Houses Advisory Co., Ltd.					
- QH and LH are the shareholders of LH Financial Group Plc. ("LHFG"), holding 13.74% and 21.88% of the total shares, respectively (as of May 28, 2020). In addition, LHFG is the shareholder of Land and Houses Securities Public Company Limited, holding 99.80% shares whereas Land and Houses Securities Public Company Limited are currently holding 99.99% shares of Land and Houses Advisory Co., Ltd.	Renting the office space in Q. House Sathorn Building				The Audit Committee expressed that such rental and service fees of the aforementioned office building's rental space were deemed reasonable to do the transaction with fair market price, compared to its peers with similar size.
	- Revenue from rental and service fees	0.19	0.19	0.19	
	- Deposit for rental and service fees	0.05	0.05	0.05	
14) LH Mall & Hotel Co.,Ltd. (previously) ("Pacific Real Estate Co., Ltd.") ("LHMH")					
- The joint major shareholders are as follows: Land and Houses Plc. ("LH") holding shares of QH and LH Mall & Hotel Co., Ltd at 24.98% (as of Aug 25, 2020) and 100% respectively. - The joint directors and connected parties are Mr. Adisorn Thananan-narapool, Mr. Naporn Sunthornchitcharoen and Mrs. Suwanna Bhuddhaprasart	Q.H. International Co., Ltd. ("QHI") (QH holds 100% shares) was contracted to manage the commercial area (Q. House Lumpini				The Audit Committee expressed that such transaction was deemed reasonable with fair market price.
	- Retail space management fee	3.24	-	-	
	- Accrued expenses	-	-	-	

Relationship	Nature of Transaction	Value (Baht million)			Opinion of the Audit Committee
		31 Dec 18	31 Dec 19	31 Dec 20	
15) Land and Houses Public Company Limited ("LH")					
- Land and Houses Plc. ("LH") is the major shareholder of QH, holding 24.98% of the total shares (as of Aug 25, 2020). - The joint directors are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool and Mr. Achawin Asavabhokhin	Casa Ville Co., Ltd. ("CSV") (QH holds 100% shares) sold land to LH. Detail: Land with no building, Title deed no. 8064, Land no. 33, Survey page 231, Total area 1-1-50 Rai (550 Square wah) located at Bang Len Subdistrict, Bang Yai District (Talad Kwan), Nonthaburi Province				The Audit Committee expressed that such transaction was deemed reasonable with fair market price.
	- Value of land sale	-	11.00	-	
16) Siam Retail Development Company Limited					
- Ms. Piengchai Harnpanich and Mr. Anant Asavabhokhin are the major shareholders of Siam Retail Development Company Limtited, holding with total of 27.00% shares (as of Jan 13, 2021). Ms. Piengchai Harnpanich is also company's Director. - Ms. Piengchai Harnpanich is the mother of Mr. Anant Asavabhokhin, who is the major shareholder of LH. Whereas, LH is a major shareholder of QH.	Q.H. International Co., Ltd. ("QHI") (QH holds 100% shares) was contracted to be an advisor to Siam Retail Development Company Limited to manage Centre Point Terminal21 Korat for over 3 years, Jan 1, 2021 - Dec 31, 2023.				The Audit Committee expressed that such transaction was deemed reasonable with fair market price.
	- Building management fee	-	-	2.00	
	- Other incomes.	-	-	0.66	

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

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

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

2. Measures or Procedures for Approving the Connected Transactions

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

3. Policies and Possibilities of Future Connected Transactions

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

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

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

Quality Houses Public Company Limited has organized the structure of shareholding between the Company, its subsidiaries, associated companies and related companies to prevent any conflict of interest (between the Company, directors and executives of the Company). The Company shall not allow for the structure of shareholding or management of the group companies that include nominative-shares scheme. However, a party which might incur conflict of interest is Land and Houses Plc., the major shareholder of the Company holding 24.98% of the total shares (as of August 25, 2020) due to the following reasons:

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

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

1. The structure of shareholders of the Company includes the group of shareholders who are institutional investors and/or funds, all of which hold a total number of shares more than that being held by Land and Houses Public Company Limited; therefore, in case of any conflict of interest or potential conflict of interest which might cause any damages to the interest of shareholders, the aforementioned group of institutional investors and/or funds shall be able to cast their votes during the General Shareholders' Meeting in aims at preventing the incidents;

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

Explanation and Analysis of Financial Position and Performance

Analysis of Performance

(A) Overview of Past Performance

For the performance of 2020, the Company and its subsidiaries had total revenue from core businesses of Baht 9,138 million, a decrease of Baht 1,542 million or 14% from 2019. Meanwhile, total cost of sale was Baht 6,318 million, a decrease of Baht 766 million or 11% from 2019. Net profits for 2020 and 2019 were Baht 2,123 million and Baht 2,854 million with gross profit margin of 30.9% and 33.7% for 2020 and 2019, respectively.

(B) Performance by Business Group

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

(1) Revenue from Sales and Services

- **Real Estate for Sales Business**

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

  In 2020, the Company and its subsidiaries had a revenue from sales of real estate of Baht 8,503 million, a decrease of Baht 788 million or 8% from 2019. This was due to a decrease in revenue from housing projects by Baht 152 million or 2% decrease compared to 2019. Meanwhile, revenue from condominium projects also decreased by Baht 636 million or 43% decrease compared to 2019 since the COVID-19 pandemic has caused Thailand's economic slowdown, which resulted in a decrease in demand for real estate.

  In 2020, the Company and its subsidiaries launched 4 new housing projects with total project value of Baht 5,012 million and closed 6 sold-out housing projects.

- **Hotel Business**

  In 2020, revenue from hotel business decreased by Baht 722 million or 69% increase compared to 2019. This was mainly due to impacts of the COVID-19 pandemic.

- **Office Building for Rent Business**

  In 2020, revenue from rental office building business decreased by Baht 32 million or 9% decrease compared to 2019.

(2) Sharing of Profit from Investment in Associates

The Company's share of profit from investments in associates under equity method decreased by Baht 397 million or 21% compared to 2019 with details as follows:

Unit: Baht million

Company / Fund	2019	2020	Increase
Home Products Center Public Company Limited	1,232	1,020	(212)
LH Financial Group Public Company Limited	442	311	(131)
Quality Houses Leasehold Property Fund	192	167	(25)
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	61	32	(29)
Total	**1,927**	**1,530**	**(397)**

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

A Cost of Sales

Total cost of sales in 2020 decreased from the same period of 2019 by Baht 765 million or 11%, which varied with a decrease in revenue in each business segment. Details of cost of sales proportion by business segment are as follows:

Unit: %

Cost of sales proportion by business segment	2018	2019	2020
Real estate for sales business	92	87	91
Hotel Business	6	11	7
Office Building for Rent Business	2	2	2

B Selling Expenses

In 2020, selling expenses decreased by Baht 159 million or 27% decrease compared to the same period of 2019. This was mainly due to a decrease in advertising and public relations expenses as well as a decrease in specific business tax and transfer fees which varied with a decrease in transfer of real estate compared to the same period of 2019.

C Administrative Expenses

In 2020, administrative expenses decreased by Baht 306 million or 18% decrease compared to the same period of 2019. This was mainly due to an increase in employee benefit provision of Baht 46 million in 2019, based on the Labor Protection Act (Issue 7) B.E. 2562 with an increase in rate of severance pay. In addition, after-sales service expenses in 2020 also decreased since the Company continued to focus on costs control.

D Finance Cost

In 2020, finance cost increased by Baht 2 million or 0.5% increase compared to the same period of 2019.

E Income Tax Expenses

In 2020, income tax expenses for the year ended 2020 decreased by Baht 10 million or 3% decrease compared to the same period of 2019. These expenses varied with a decrease in the Company's operating profit (excluding share of profit from investments in associates).

(4) Gross Profit Margin

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

Unit: %

Gross Profit Margin	2018	2019	2020
Real estate for sales business	34.8	33.5	32.1
Hotel Business	29.5	27.6	(29.8)
Office Building for Rent Business	53.5	57.8	62.3

(5) Operating Results

In 2020, the Company and its subsidiaries recorded a net profit of Baht 2,123 million, decreasing by Baht 731 million or 26% compared to the same period of 2019. This was mainly due to a decrease in gross profit from sales of real estate by Baht 383 million, a decrease in gross profit from hotel operations by Baht 389 million and a decrease in share of profit from investments in associates by Baht 397 million. Meanwhile, selling expenses decreased by Baht 159 million. Administrative expenses decreased by Baht 306 million and income tax expenses decreased by Baht 10 million.

(6) Return on Equity

The Annual General Meeting of Shareholders No.1/2018 held on April 18, 2018 approved a dividend payment from the operations in 2017 as cash dividend at the rate of Baht 0.13 per share, totaling Baht 1,393 million. On August 10, 2018, the Board of Directors approved an interim dividend from the operation result of first six months ending June 30, 2018 and/or retained earnings of Baht 0.08 per share, totaling Baht 857 million.

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

The Board of Directors' Meeting held on April 20, 2020 approved an interim dividend payment from the operation result of last six months of 2019 as cash dividend at the rate of Baht 0.13 per share, totaling Baht 1,393 million.

The 2020 Annual General Meeting of Shareholders held on June 29, 2020 resolved to omit the dividend payment for the operating result of 2019 and acknowledge the interim dividend payment for the operating result of 2019.

In addition, The Board of Directors' Meeting held on August 10, 2020 approved an dividend payment from the operation result of six months ended June 30, 2020 at the rate of Baht 0.04 per share, totaling Baht 429 million.

Financial Position

(1) Assets

As of December 31, 2019 and 2020, the Company and its subsidiaries had total assets of Baht 50,902 million and Baht 47,667 million, respectively. As of the end of 2020, the Company and its subsidiaries' total assets decreased by Baht 3,235 million or 6% from 2019. Details of important assets are as follow:

- **Cash and Cash Equivalent**

  The Company and its subsidiaries have a policy to hold cash as needed. As of the end of 2019 and 2020, the Company and its subsidiaries had cash and cash equivalent of Baht 2,212 million and Baht 2,510 million, respectively. As of the end of 2020, the Company and its subsidiaries' cash and cash equivalent decreased by Baht 298 million or 14% from 2019.

- **Trade Account Receivables and Other Receivables**

  As of the end of 2019 and 2020, the Company and its subsidiaries had trade account receivables and other receivables of Baht 98 million and Baht 37 million respectively, decreasing by Baht 61 million or 63%.

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

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

  Land and construction in progress/land and project development costs as of the end of 2019 and 2020 were Baht 33,641 million and Baht 29,706 million, respectively. As of the end of 2020, land and construction in progress/land and project development costs decreased by Baht 3,935 million or 12% compared to 2019. Land and construction in progress/land and project development costs accounted for 66% and 62% of total assets in 2019 and 2020, respectively.

As of the end of 2019 and 2020, the Company and its subsidiaries had land and construction in progress accounted for current assets of Baht 25,040 million and Baht 22,545 million, respectively. Land and construction in progress is able to generate revenue for the Company and its subsidiaries in a period of 1 to 3 years, depending on the type and size of the project. Land and construction in progress accounted for 91% and 89% of current assets in 2019 and 2020, respectively.

As of the end of 2019 and 2020, the Company and its subsidiaries had land and project development cost accounted as non-current assets of Baht 8,601 million and Baht 7,161 million, respectively. Most of them were projects under development for sales and the rest were vacant land awaiting for development. Therefore, they were not the revenue generating assets under this entry. These assets would take 1 to 2 years of development prior to generating revenue depending on time taken for required land allocation and construction permits, type and size of the project.

- **Investment in Associate Companies**

As of the end of 2019 and 2020, investment in associate companies under the cost method was unchanged at Baht 6,680 million. Meanwhile, under equity method, the investments were Baht 11,647 million and Baht 11,425 million in 2019 and 2020, respectively. Details are as follow:

Unit: Baht million

Investment in Associate Companies	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Cost Method	Equity Method	Cost Method	Equity Method	Cost Method	Equity Method
Home Product Center Public Company Limited	760	4,421	760	4,501	-	80
LH Financial Group Public Company Limited	2,850	5,655	2,850	5,374	-	(281)
Quality Houses Leasehold Property Fund	2,017	1,225	2,017	1,202	-	(23)
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	1,053	346	1,053	348	-	2
Total	**6,680**	**11,647**	**6,680**	**11,425**	**-**	**(222)**

- **Investment in Subsidiaries**

Investment in Subsidiaries for the Company's separate financial statements under cost method as of the end of 2019 and 2020 was unchanged at Baht 3,124 million. Meanwhile, under equity method, the investments were Baht 8,003 million and Baht 7,953 million in 2019 and 2020, respectively.

- **Other Long Term Investments**

Q. H. International (BVI) Co., Ltd., a subsidiary of the Company, invested in Harbour View Corporation in the proportion of 14.15% (more details in Risk Factor section, topic 3.1 Financial risk -- risk from investment, lending and guarantees made to the related companies Harbour View Corporation).

- **Real Estate for Investment**

The Company records real estate for investment net of accumulated depreciation and impairment allowance. As of the end of 2019 and 2020, real estate for investment were Baht 458 million and Baht 586 million, respectively. As of the end of 2020, real estate for investment increased by Baht 128 million or 28%. Details are as follow :

Unit: Thousand Baht

	Consolidated and Separatef inancial statements	
	2019	2020
Net book value at beginning of year	466,250	457,935
Adjustments of right-of-use assets due to TFRS 16 adoption	-	36,306
Transfer from leasehold rights	-	144,243
Transfer from deposit for lease of land and building	-	5,715
Disposals during the period - net book value at disposal date	-	(3)
Depreciation charged	(8,315)	(58,371)
Net book value at end of year	**457,935**	**585,825**

- **Land, Building and Equipment**

Land, building and equipment at the end of 2019 and 2020 were at Baht 1,610 million and Baht 1,645 million, respectively. At the end of 2020, land, building and equipment increased by Baht 34 million or 2% compared to 2019. This was mainly due to additional purchase during the year by Baht 78 million and transfer of leasehold rights by Baht 92 million as well as depreciatation write-off during the year by Baht 136 million.

- **Leasehold Rights**

At the end of 2020, leasehold rights decreased by Baht 302 million or 100% decrease compared to 2019. Details are as follows:

Unit: Thousand Baht

	Consolidated and separate financial statements
Net book value as at 31 December 2019	302,190
Transfer to investment property	(144,243)
Transfer to property, plant and equipment	(92,515)
Transfer to right-of-use assets	(65,432)
Net book value as at 31 December 2020	**-**

- **Right-of-use assets**

  At the end of 2020, right-of-use assets increased by Baht 815 million or 100% increase compared to 2019 due to TFRS 16 adoption for the first time. Details are as follows:

Unit: Thousand Baht

	Consolidated financial statements		
	Land and land improvement	Buildings and building improvement	Total
Net book value as at 31 December 2019	-	-	-
Adjustments of right-of-use assets due to TFRS 16 adoption	679,656	190,853	870,509
Transfer from leasehold rights	65,432	-	65,432
Adjustments of right-of-use assets due to amending contract	(2,821)	77,618	74,797
Depreciation for the year	(167,492)	(28,138)	(195,630)
Net book value as at 31 December 2020	**574,775**	**240,333**	**815,108**

As of the end of 2019 and 2020, the total value of land and construction in progress/land and project development costs/land, building and equipment/leasehold rights were Baht 36,011 million and Baht 32,752 million, respectively, which accounted for 71% and 69% of total assets of the Company and its subsidiaries in 2019 and 2020, respectively. They are short-term and long-term revenue generating assets of the Company and its subsidiaries and are recognized as net cost after being deducted by the provision for loss from project revaluation amounting to Baht 878 million and Baht 810 million, respectively.

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

(2) Liquidity

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

Unit: Baht million

Cash flows	2018	2019	2020
Net cash flows from (used in) operating activities	2,363	2,149	5,180
Net cash flows from (used in) investing activities	1,045	1,497	1,092
Net cash flows from (used in) financing activities	(3,396)	(5,255)	(5,973)

In 2019, the Company and its subsidiaries had net cash flows from operting activities of Baht 2,149 million since the Company and its subsidiaries had less profit from operation and delayed investment in land purchase. In 2018, the Company and its subsidiaries had net cash flows from operting activities of Baht 2,363 million since the Company and its subsidiaries started to invest in land after a continuous delay in land acquisition since 2016.

In 2019, the Company and its subsidiaries had net cash flows from investing activities of Baht 1,497 million, mainly due to dividend received from associates of Baht 1,452 million, a decrease in restricted deposits at financial institutions by Baht 108 million and interest income of Baht 15 million. Moreover, the Company and its subsidiaries had an investment in property, plant and equipment with an increase of Baht 78 million from previous year. In 2018, the Company and its subsidiaries had net cash flows from investing activities of Baht 1,045 million, mainly due to dividend received from associates of Baht 1,293 million and interest income of Baht 15 million. In addition, the Company and its subsidiaries increased investment in property, plant and equipment by Baht 262 million.

In 2019, the Company and its subsidiaries had net cash flows used in financing activities of Baht 5,255 million since the Company and its subsidiaries issued Baht 7,500 million of debentures and redeemed matured debentures of Baht 9,100 million. Meanwhile, short-term loans decreased by Baht 800 million, paying total dividend of Baht 2,250 million, paying interest of Baht 596 million and paying financial fees of Baht 9 million. In 2018, the Company and its subsidiaries had net cash flows used in financing activities of Baht 3,396 million since the Company and its subsidiaries issued Baht 6,500 million of debentures and redeemed matured debentures of Baht 8,300 million. Meanwhile, short-term loans increased by Baht 1,300 million, paying total dividend of Baht 2,250 million, paying interest of Baht 640 million and paying financial fees of Baht 6 million.

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

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

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

(3) Source of Funds

Suitability of Capital Structure

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

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

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

As of the end of 2018, 2019 and 2020, the Company and its subsidiaries had proportion of short-term to long-term loans and that of short-term to long-term liabilities as follows:

Unit: %

Proportion of Loans	December 31, 2018	December 31, 2019	December 31, 2020
Short-term loans	45	41	38
Long-term loans	55	59	62
Total	**100**	**100**	**100**

Unit: %

Proportion of Liabilities	December 31, 2018	December 31, 2019	December 31, 2020
Short-term liabilities	51	45	41
Long-term liabilities	49	55	59
Total	**100**	**100**	**100**

As of the end of 2018, 2019 and 2020, the Company and its subsidiaries had total liabilities to shareholders' equity ratio of 1.06x, 0.89x and 0.79x, respectively. The ratio decreased since the Company and its subsidiaries had less borrowing.

According to the terms and conditions of debenture issuance, the Company must maintain the ratio of liabilities to shareholders' equity in the consolidated financial statements of the Company not more than 2:1 as of the end of the accounting period of each quarter. In this regard, liabilities do not include the advanced receipt, rental income received in advance, deposit from customers, and liabilities guarantees by the Company with third parties and its subsidiaries, of which the liabilities are presented in their financial statements. Therefore, as of the end of 2018, 2019 and 2020, the Company and its subsidiaries had total liabilities to shareholders' equity in accordance with the terms and conditions of debenture issuance at 0.87x, 0.79x and 0.68x, respectively.

(4) Liabilities

As of the end 2018, 2019 and 2020, the Company and its subsidiaries had total debts mostly consisting of short-term loans from financial institutions / short-term loans / long-term loans and unsecured debentures at total amount of Baht 22,987 million, Baht 20,588 million, Baht 17,037 million, respectively accounting for 82%, 86% and 81% of total liabilities. Details are as follows:

Unit: Baht million

Loans	December 31, 2018	Increase in Loans	Repayment	December 31, 2019	Increase in Loans	Repayment	December 31, 2020
Short-term loans from financial institutions/ short-term loans	1,297	10,000	(10,797)	500	3,200	(2,702)	998
Long-term loans	-	-	-	-	4,000	(56)	3,944
Unsecured debentures	21,690	7,500	(9,102)	20,088	-	(7,993)	12,095
Total	**22,987**	**17,500**	**(19,899)**	**20,588**	**7,200**	**(10,751)**	**17,037**

The Company has pledged the land and buildings with net book value of Baht 2,872 million as of December 31, 2020 (2018 and 2019: none) to secure the loans received from financial institutions.

As of the end of 2018, 2019 and 2020, the Company and its subsidiaries had total liabilities of Baht 27,878 million, Baht 24,039 million and Baht 21,099 million, respectively. In particular, at the end of 2020, current liabilities and non-current liabilities were at Baht 8,663 million and Baht 12,436 million.

(5) Shareholders' Equity

As of December 31, 2020, total shareholders' equity of the Company decreased by Baht 295 million or 1% decrease from the end of 2019 (as of December 31, 2019). This was due to changes in accounting policies of associates which resulted in a decrease in the shareholders' equity by Baht 109 million. In addition, other comprehensive income decreased by Baht 488 million mainly due to a loss from share of other comprehensive income of associates-net of income tax. Meanwhile, the Company recorded a net profit of Baht 2,123 million for the year 2020 and paid an interim dividend of Baht 1,392 million in May 2020 in accordance with the resolution of the Board of Directors' Meeting No.4/2020 dated 20 April 2020. In addition, in September 2020 the Company paid an interim dividend of Baht 429 million in accordance with the resolution of the Board of Directors' Meeting No.7/2020 dated 10 August 2020.

(6) Commitments

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities as detailed below:

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

Unit: Baht million

Item	December 31, 2018	December 31, 2019	December 31, 2020
Contracts for construction projects	1,384	741	566
Contracts to purchase land for future projects	461	48	-

As of December 31, 2020, the Company has entered into a car rental agreement (2019: Rent of land, buildings, cars and equipment) with a contract from 1 year to 2 years (2019: 1 year to 30 years).

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company and its subsidiaries had a required minimum lease payment in the future under the operating lease contracts as detailed below:

Unit: Baht million

Payable (within)	December 31, 2018	December 31, 2019	December 31, 2020
Within 1 year	15	25	12
Over 1 and up to 5 years	39	28	-

As of December 31, 2020, the Company had no operating lease obligations in connection with the lease of land and buildings after TFRS 16 adoption on Januaury 1, 2020. The Company recognizes the liability under land and building lease agreements previously classified as operating leases at their present value of the remaining lease payments discounted by additional borrowing interest rates of the Company.

One of the subsidiary had entered into lease and sublease agreements to lease assets from Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (an associated company) with a lease term of 3 years with the right to renew for another 3 years per time. afterwards the lease is extendable every 3 years from lease expiry date. While fix rental rate and variable rental will be in accordance with the conditions of the agreement

As of December 31, 2018, December 31, 2019 and December 31, 2020, the subsidiaries had a required minimum lease payment in the future under the aforementioned lease contracts as detailed below;

Unit: Baht million

Payable (within)	December 31, 2018	December 31, 2019	December 31, 2020
Within 1 year	168	168	-
Over 1 and up to 3 years	260	92	-

As of December 31, 2020, the subsidiaries had no obligation under the lease and sublease agreements of such assets after TFRS 16 adoption on Januaury 1, 2020. The subsidiaries recognize the lease liability that was previously classified as an operating lease at their present value of the remaining lease payments discounted by additional borrowing interest rates of the Company.

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company and its subsidiaries had commitments in respect of various service agreements in the amount of Baht 48 million, Baht 45 million and Baht 20 million, respectively.

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company and its subsidiaries had servitude land in total amount of 50 rais, 53 rais and 50 rais, respectively. The mentioned amount of land in projects with servitude land was already included in project costs.

Major Factors and Influences on Future Financial Position or Performance

None

Independent Auditor's Report

To the Shareholders of Quality Houses Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Quality Houses Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Quality Houses Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quality Houses Public Company Limited and its subsidiaries and of Quality Houses Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Recognition of revenue from sales of real estate

The Group has disclosed its accounting policy relating to recognition of revenue from sales of real estate in Note 5.1 to the financial statements. Revenue from sales of real estate is the most significant account in the statements of comprehensive income and it is a key performance indicator to which the management and the users of the financial statements pay particular attention. In addition, the Group has a number of property development projects for sale and a large number of property sales agreements. I therefore addressed the occurrence of revenue and relevance to the business of revenue recognition as a key audit matter.

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

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

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

The Group presented details of land and construction in progress, land and project development costs and provision for loss on diminution in value of projects in Notes 10 and 20 to the financial statements. In determining the loss on diminution in value of land and construction in progress and land and project development costs, management had to exercise judgement with respect to the nature of the project, the economic situation and the competitive environment in the market. There is thus a risk with respect to the amount of provision for land and construction in progress and land and project development costs.

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

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

- Comparing cash receipts from sales transactions after the date of the financial statements with the cost of land and construction in progress and land and project development costs.
- Comparing the net book value of land and construction in progress and land and project development costs with the expected net realisable values from sales of units in the projects.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Pimjai Manitkajohnkit
Certified Public Accountant (Thailand) No. 4521
EY Office Limited
Bangkok: 24 February 2021

Statement of financial position

Quality Houses Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	*7, 8*	2,509,511,465	2,211,512,016	983,487,601	921,853,336
Trade and other receivables	*7, 9*	36,518,480	97,941,711	9,117,370	34,873,584
Land and construction in progress	*10*	22,545,488,013	25,040,436,655	12,752,798,719	13,144,046,932
Advance for construction work		2,530,565	5,231,996	1,530,565	4,231,996
Advance for construction material		60,775,685	68,791,615	50,779,950	54,007,482
Cost to obtain contracts with customers	*11*	11,517,132	12,414,328	11,517,132	12,414,328
Other current assets		60,899,891	70,358,888	6,164,727	7,603,532
Total current assets		25,227,241,231	27,506,687,209	13,815,396,064	14,179,031,190
Non-current assets					
Restricted deposits at financial institutions	*12*	5,020,516	4,970,332	-	-
Other non-current financial assets	*13*	1,998	1,998	1,998	1,998
Investments in subsidiaries	*14*	-	-	7,952,667,631	8,003,163,655
Investments in associates	*15*	11,424,592,582	11,646,857,970	11,424,592,582	11,646,857,970
Long-term loans to and interest receivables					
- related parties	*7*	-	-	8,225,813,995	9,931,881,618
Investment properties	*16*	585,825,087	457,934,726	585,825,087	457,934,726
Property, plant and equipment	*17*	1,644,591,868	1,610,159,227	262,738,481	200,557,863
Leasehold rights	*18*	-	302,189,920	-	302,189,920
Right-of-use assets	*19*	815,108,395	-	287,323,466	-
Land and project development costs	*20*	7,160,901,854	8,601,353,946	2,953,258,059	4,424,164,891
Deposits for lease of land and building		20,400,000	32,914,819	20,400,000	32,914,819
Deposits for purchase of land		-	5,000,000	-	-
Deferred tax assets	*31*	721,427,185	665,951,051	189,557,080	170,353,129
Other non-current assets	*7*	62,016,057	67,893,336	10,408,566	12,066,981
Total non-current assets		22,439,885,542	23,395,227,325	31,912,586,945	35,182,087,570
Total assets		47,667,126,773	50,901,914,534	45,727,983,009	49,361,118,760

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

Statement of financial position (continued)

Quality Houses Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	*21*	998,241,619	500,000,000	998,241,619	500,000,000
Trade and other payables	*7, 22*	502,343,746	630,486,665	350,657,565	428,504,581
Current portion of long-term loan	*23*	800,000,000	-	800,000,000	-
Current portion of unsecured debentures	*24*	4,600,000,000	8,000,000,000	4,600,000,000	8,000,000,000
Current portion of lease liabilities	*7, 19*	259,896,655	-	31,602,048	-
Income tax payable		111,842,610	81,167,974	98,101,725	48,857,496
Short-term provisions	*26*	615,680,679	608,267,079	282,167,314	238,827,682
Advance received from customers		88,502,309	85,362,747	68,893,147	58,078,758
Deposits for rental and service	*7*	71,422,042	73,670,603	64,051,016	63,661,635
Retention guarantees		328,055,838	412,970,500	195,499,851	256,110,360
Current portion of rental income received in advance	*7*	27,224,000	27,224,000	27,224,000	27,224,000
Other current liabilities	*7*	259,430,242	441,171,084	144,571,849	190,973,832
Total current liabilities		8,662,639,740	10,860,320,652	7,661,010,134	9,812,238,344
Non-current liabilities					
Long-term loan, net of current portion	*23*	3,144,141,340	-	3,144,141,340	-
Unsecured debentures, net of current portion	*24*	7,494,700,834	12,088,105,440	7,494,700,834	12,088,105,440
Lease liabilites, net of current portion	*7, 19*	677,489,977	-	242,239,901	-
Provision for long-term employee benefits	*25*	248,640,880	225,131,915	162,050,453	147,956,826
Long-term provisions	*26*	424,261,798	431,787,242	8,871,069	16,544,591
Rental income received in advance, net of current portion	*7*	405,680,442	432,856,645	405,680,442	432,856,645
Deferred tax liabilities	*31*	282,926	295,726	-	-
Deferred compensatory damage income	*38*	40,850,000	-	40,850,000	-
Total non-current liabilities		12,436,048,197	13,178,176,968	11,498,534,039	12,685,463,502
Total liabilities		21,098,687,937	24,038,497,620	19,159,544,173	22,497,701,846

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

Statement of financial position (continued)

Quality Houses Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
10,714,426,091 ordinary shares of Baht 1 each		10,714,426,091	10,714,426,091	10,714,426,091	10,714,426,091
Issued and fully paid-up					
10,714,381,645 ordinary shares of Baht 1 each		10,714,381,645	10,714,381,645	10,714,381,645	10,714,381,645
Share premium		379,246,114	379,246,114	379,246,114	379,246,114
Retained earnings					
Appropriated - statutory reserve	*27*	1,071,442,609	1,071,442,609	1,071,442,609	1,071,442,609
Unappropriated		14,959,724,661	14,784,995,905	14,959,724,661	14,784,995,905
Other components of shareholders' equity		(556,356,193)	(86,649,359)	(556,356,193)	(86,649,359)
Total shareholders' equity		26,568,438,836	26,863,416,914	26,568,438,836	26,863,416,914
Total liabilities and shareholders' equity		47,667,126,773	50,901,914,534	45,727,983,009	49,361,118,760

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

Statement of comprehensive income

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from sales of real estate	*7, 28*	8,503,054,775	9,291,237,562	5,024,334,429	4,830,446,446
Revenue from hotel operations	*28*	329,514,174	1,051,823,302	69,975,147	215,182,147
Revenue from office rental operations	*7, 28*	305,020,791	336,582,771	305,020,790	336,582,771
Other income					
Income from forfeiture of booking and down payments		2,104,651	6,970,030	891,660	2,298,971
Others	*7*	230,014,699	247,131,795	89,847,619	79,446,917
Total revenues		9,369,709,090	10,933,745,460	5,490,069,645	5,463,957,252
Expenses					
Cost of real estate sold	*7*	5,775,071,309	6,180,045,812	3,287,853,607	3,137,033,460
Cost of hotel operations	*7*	427,613,281	761,017,118	78,377,406	117,761,018
Cost of office rental operations	*7*	115,032,327	142,155,334	115,032,327	142,155,334
Selling expenses		425,859,581	584,675,468	242,940,340	288,748,735
Administrative expenses	*7*	1,364,402,541	1,670,736,265	755,989,718	927,222,600
Total expenses		8,107,979,039	9,338,629,997	4,480,193,398	4,612,921,147
Profit from operating activities		1,261,730,051	1,595,115,463	1,009,876,247	851,036,105
Share of profit (loss) from investments in subsidiaries	*14*	-	-	(47,673,543)	380,304,950
Share of profit from investments in associates	*15*	1,530,298,289	1,927,276,325	1,530,298,289	1,927,276,325
Interest income	*7*	7,052,776	15,413,858	248,662,703	315,814,037
Finance cost	*7, 29*	(391,911,430)	(390,040,893)	(394,333,957)	(451,994,165)
Profit before income tax expenses		2,407,169,686	3,147,764,753	2,346,829,739	3,022,437,252
Income tax expenses	*31*	(283,749,888)	(293,903,958)	(223,409,941)	(168,576,457)
Profit for the year		2,123,419,798	2,853,860,795	2,123,419,798	2,853,860,795
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of associates - net of income tax	*15, 31*	109,265,133	(26,426,338)	109,265,133	(26,426,338)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		109,265,133	(26,426,338)	109,265,133	(26,426,338)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of associates - net of income tax	*15, 31*	(590,780,588)	-	(590,780,588)	-
Actuarial losses - net of income tax	*25, 31*	(6,831,062)	-	(4,008,581)	-
Share of other comprehensive income of associates - net of income tax	*14, 31*	-	-	(2,822,481)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(597,611,650)	-	(597,611,650)	-
Other comprehensive income for the year		(488,346,517)	(26,426,338)	(488,346,517)	(26,426,338)
Total comprehensive income for the year		1,635,073,281	2,827,434,457	1,635,073,281	2,827,434,457
Earnings per share:	*32*				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.20	0.27	0.20	0.27

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

Statement of changes in shareholders' equity

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit : Baht)

		Consolidated financial statements							
						Other components of equity			
						Other comprehensive income			
	Note	Issued and paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Retained earnings Unappropriated	Surplus on changes in value of financial assets	Share of other comprehensive income of associates	Total other components of shareholders' equity	Total
Balance as at 1 January 2019		10,714,381,645	379,246,114	1,071,442,609	14,181,143,277	1,294	(60,224,315)	(60,223,021)	26,285,990,624
Profit for the year		-	-	-	2,853,860,795	-	-	-	2,853,860,795
Other comprehensive income for the year		-	-	-	-	-	(26,426,338)	(26,426,338)	(26,426,338)
Total comprehensive income for the year		-	-	-	2,853,860,795	-	(26,426,338)	(26,426,338)	2,827,434,457
Dividend paid	*35*	-	-	-	(2,250,008,167)	-	-	-	(2,250,008,167)
Balance as at 31 December 2019		10,714,381,645	379,246,114	1,071,442,609	14,784,995,905	1,294	(86,650,653)	(86,649,359)	26,863,416,914
Balance as at 31 December 2019 - as previously reported		10,714,381,645	379,246,114	1,071,442,609	14,784,995,905	1,294	(86,650,653)	(86,649,359)	26,863,416,914
Cumulative effect of change in accounting policies due to the adoption of new financial reporting standard	*4*	-	-	-	(132,908,835)	-	24,221,833	24,221,833	(108,687,002)
Balance as at 1 January 2020 - as restated		10,714,381,645	379,246,114	1,071,442,609	14,652,087,070	1,294	(62,428,820)	(62,427,526)	26,754,729,912
Investment in equity instruments derecognised of associate during the year		-	-	-	12,413,212	-	(12,413,212)	(12,413,212)	-
Profit for the year		-	-	-	2,123,419,798	-	-	-	2,123,419,798
Other comprehensive income for the year		-	-	-	(6,831,062)	-	(481,515,455)	(481,515,455)	(488,346,517)
Total comprehensive income for the year		-	-	-	2,116,588,736	-	(481,515,455)	(481,515,455)	1,635,073,281
Dividend paid	*35*	-	-	-	(1,821,364,357)	-	-	-	(1,821,364,357)
Balance as at 31 December 2020		10,714,381,645	379,246,114	1,071,442,609	14,959,724,661	1,294	(556,357,487)	(556,356,193)	26,568,438,836

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

Statement of changes in shareholders' equity (continued)

Quality Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit : Baht)

		Separate financial statements							
						Other components of equity			
						Other comprehensive income			
				Retained earnings					
	Note	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of financial assets	Share of other comprehensive income of associates	Total other components of shareholders' equity	Total
Balance as at 1 January 2019		10,714,381,645	379,246,114	1,071,442,609	14,181,143,277	1,294	(60,224,315)	(60,223,021)	26,285,990,624
Profit for the year		-	-	-	2,853,860,795	-	-	-	2,853,860,795
Other comprehensive income for the year		-	-	-	-	-	(26,426,338)	(26,426,338)	(26,426,338)
Total comprehensive income for the year		-	-	-	2,853,860,795	-	(26,426,338)	(26,426,338)	2,827,434,457
Dividend paid	*35*	-	-	-	(2,250,008,167)	-	-	-	(2,250,008,167)
Balance as at 31 December 2019		10,714,381,645	379,246,114	1,071,442,609	14,784,995,905	1,294	(86,650,653)	(86,649,359)	26,863,416,914
Balance as at 31 December 2019 - as previously reported		10,714,381,645	379,246,114	1,071,442,609	14,784,995,905	1,294	(86,650,653)	(86,649,359)	26,863,416,914
Cumulative effect of change in accounting policies due to the adoption of new financial reporting standard	*4*	-	-	-	(132,908,835)	-	24,221,833	24,221,833	(108,687,002)
Balance as at 1 January 2020 - as restated		10,714,381,645	379,246,114	1,071,442,609	14,652,087,070	1,294	(62,428,820)	(62,427,526)	26,754,729,912
Investment in equity instruments derecognised of associate during the year		-	-	-	12,413,212	-	(12,413,212)	(12,413,212)	-
Profit for the year		-	-	-	2,123,419,798	-	-	-	2,123,419,798
Other comprehensive income for the year		-	-	-	(6,831,062)	-	(481,515,455)	(481,515,455)	(488,346,517)
Total comprehensive income for the year		-	-	-	2,116,588,736	-	(481,515,455)	(481,515,455)	1,635,073,281
Dividend paid	*35*	-	-	-	(1,821,364,357)	-	-	-	(1,821,364,357)
Balance as at 31 December 2020		10,714,381,645	379,246,114	1,071,442,609	14,959,724,661	1,294	(556,357,487)	(556,356,193)	26,568,438,836

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

Statement of cash flows

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	2,407,169,686	3,147,764,753	2,346,829,739	3,022,437,252
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Decrease in land and construction in progress as a result of transfer to cost of sales	5,687,444,300	6,096,526,920	3,187,983,587	3,032,715,671
Depreciation	194,335,398	128,211,999	95,759,070	22,355,193
Amortisation of leasehold rights	-	94,475,798	-	94,475,798
Depreciation of right-of-use assets	195,630,506	-	46,580,132	-
Amortisation - others	-	8,759,367	-	8,759,367
Unrealised exchange losses	474,127	6,211,828	-	-
Share of (profit) loss from investments in subsidiaries	-	-	47,673,543	(380,304,950)
Share of profit from investments in associates	(1,530,298,289)	(1,927,276,325)	(1,530,298,289)	(1,927,276,325)
Income from forfeiture of booking and down payments	(2,104,651)	(6,970,030)	(891,660)	(2,298,971)
Interest income	(7,052,776)	(15,413,858)	(248,662,703)	(315,814,037)
Gain on sales of equipment	(117,374)	(1,002,855)	(17,162)	(654,420)
Provision for loss arising from litigation	57,482,693	43,709,002	5,795,588	28,128,376
Reversal of provision for loss arising from litigation	(62,521,218)	(29,636,850)	(10,982,192)	-
Reversal of provision for loss on diminution in value of projects	(62,121,645)	(82,694,021)	(8,777,734)	(15,996,649)
Provision for housing maintenance	68,931,721	83,192,564	40,849,608	38,999,266
Provision for long-term employee benefits	25,323,705	70,179,971	16,595,567	45,930,332
Transfer deferred financial fees to finance cost	6,595,394	7,100,531	6,595,394	7,100,531
Interest expenses	333,263,415	366,443,168	366,445,765	431,758,359
Interest expenses from lease liabilities	38,429,868	-	9,720,488	-
Profit from operating activities before changes in operating assets and liabilities	7,350,864,860	7,989,581,962	4,371,198,741	4,090,314,793
Decrease (increase) in operating assets				
Trade and other receivables	60,949,104	(46,607,791)	25,756,214	(14,459,907)
Land and construction in progress	(1,272,039,345)	(2,650,465,968)	(962,825,664)	(1,607,296,706)
Advance for construction work	2,701,431	19,251,078	2,701,431	16,319,100
Advance for construction material	8,015,930	(7,935,515)	3,227,532	(10,125,293)
Other current assets	20,459,238	26,434,165	2,335,998	9,940,294
Land and project development costs	(253,857,072)	(1,238,179,009)	(223,402,333)	(1,059,432,867)
Deposits for lease of land and building	6,800,000	-	6,800,000	-
Deposits for purchase of land	5,000,000	(5,000,000)	-	-
Other non-current assets	5,877,280	(24,446,867)	1,658,416	(1,435)

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

Statement of cash flows (continued)

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Increase (decrease) in operating liabilities				
Trade and other payables	(99,836,204)	(518,409,473)	(49,540,300)	(401,480,890)
Advance received from customers	(21,931,990)	(487,263,790)	(15,470,154)	(483,858,175)
Deposits for rental and service	(2,248,561)	(17,248,595)	389,381	(16,136,893)
Retention guarantees	(84,914,662)	(40,690,737)	(60,610,509)	(9,852,296)
Other current liabilities	(257,141,003)	(243,009,982)	(43,911,959)	(94,472,621)
Cash paid for litigation compensation	(2,486,919)	(28,595,867)	(2,486,919)	(28,376,351)
Paid for long-term employee benefits	(10,353,567)	(3,992,925)	(7,512,667)	(3,248,925)
Deferred compensatory damage income	40,850,000	-	40,850,000	-
Cash flows from operating activities	5,496,708,520	2,723,420,686	3,089,157,208	387,831,828
Cash paid for income tax	(317,077,427)	(574,554,415)	(192,367,517)	(262,198,392)
Net cash flows from operating activities	5,179,631,093	2,148,866,271	2,896,789,691	125,633,436
Cash flows from investing activities				
Decrease (increase) in restricted deposits at financial institutions	(50,184)	107,807,490	-	107,858,625
Dividends received from associates	1,162,361,220	1,452,087,424	1,162,361,220	1,452,087,424
Decrease in long-term loans to related parties	-	-	1,702,500,000	2,404,000,000
Interest income	7,052,776	15,413,858	252,230,326	314,910,772
Increase in leasehold rights - net of disposals	-	(603,803)	-	(603,803)
Increase in property, plant and equipment - net of disposals	(77,762,445)	(77,958,576)	(7,034,307)	(8,282,216)
Net cash flows from investing activities	1,091,601,367	1,496,746,393	3,110,057,239	4,269,970,802
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	500,000,000	(800,000,000)	500,000,000	(800,000,000)
Decrease in short-term loans from related party	-	-	-	(10,500,000)
Cash received from drawdown loan	4,000,000,000	-	4,000,000,000	-
Repayment of long-term loan	(55,858,660)	-	(55,858,660)	-
Cash received from issuance of debentures	-	7,500,000,000	-	7,500,000,000
Cash paid for redemption of debentures	(8,000,000,000)	(9,100,000,000)	(8,000,000,000)	(9,100,000,000)
Dividend paid	(1,821,364,357)	(2,250,008,167)	(1,821,364,357)	(2,250,008,167)
Cash paid for financial fees	-	(9,121,750)	-	(9,121,750)
Cash paid for interest expenses	(527,354,016)	(595,848,153)	(527,333,670)	(595,944,705)
Cash paid for lease liabilities	(68,655,978)	-	(40,655,978)	-
Net cash flows used in financing activities	(5,973,233,011)	(5,254,978,070)	(5,945,212,665)	(5,265,574,622)
Net increase (decrease) in cash and cash equivalents	297,999,449	(1,609,365,406)	61,634,265	(869,970,384)
Cash and cash equivalents at beginning of year	2,211,512,016	3,820,877,422	921,853,336	1,791,823,720
Cash and cash equivalents at end of year (Note 8)	2,509,511,465	2,211,512,016	983,487,601	921,853,336

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

Statement of cash flows (continued)

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flows information				
Non-cash transactions				
Transfer of land and project development costs to land and construction in progress	1,709,390,206	2,426,605,897	1,709,390,206	1,722,744,534
Transfer of deposit for purchase of land to land and project development costs	-	115,214,660	-	115,214,660
Interest expenses recorded as cost of projects	164,025,504	201,823,792	130,822,808	136,603,138
Decrease in change of brought forward of investments in associated	(108,687,002)	-	(108,687,002)	-
Actuarial losses - net of income tax	(6,831,061)	-	(6,831,061)	-
Decrease in share of other comprehensive income of associates - net of income tax	(481,515,455)	(26,426,338)	(481,515,455)	(26,426,338)

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

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

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
Casa Ville Co., Ltd.	Real estate development	Thailand	100	100
Q.H. International Co., Ltd.	Managing of serviced apartment	Thailand	100	100
Property Host Co., Ltd.	Lease of land	Thailand	100	100
Centre Point Hospitality Co., Ltd.	Hotel operations	Thailand	100	100
The Confidence Co., Ltd.*	Real estate development	Thailand	-	-
Q.H. Management Co., Ltd. (19% held through The Confidence Co., Ltd.)	Managing of public utilities of real estate business and land owner	Thailand	81	81
Q.H. International (BVI) Co., Ltd.**	Holding company	British Virgin Island	-	-
Casa Ville (Rayong 2553) Co., Ltd.*	Real estate development	Thailand	-	-
Casa Ville (Petchburi 2553) Co., Ltd.*	Real estate development	Thailand	-	-
Q. House Precast Co., Ltd.*	Manufacture and distribution of precast concrete	Thailand	-	-
Gusto Village Co., Ltd.*	Real estate development	Thailand	-	-
Casa Ville (Chonburi 2554) Co., Ltd.*	Real estate development and hotel operations	Thailand	-	-
Casa Ville (Prachuapkhirikhan 2554) Co., Ltd.*	Real estate development	Thailand	-	-

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

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

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.

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

3. New financial reporting standards

(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 periods beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

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

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

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through profit or loss or through other comprehensive income.

- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, and it is no longer necessary for a credit-impaired event to have occurred.

- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

TFRS 16 Leases

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

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

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets and reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets, provisions and contingent liabilities. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

(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.

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

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

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

(Unit : Thousand Baht)

	Consolidated financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Non-current assets				
Investment in associates	11,646,858	21,765	(130,452)	11,538,171
Investment properties	457,935	-	186,264	644,199
Property, plant and equipment	1,610,159	-	92,515	1,702,674
Leasehold rights	302,190	-	(302,190)	-
Right-of-use assets	-	-	935,941	935,941
Deposits for lease of land and building	32,915	-	(5,715)	27,200

(Unit : Thousand Baht)

	Consolidated financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	130,041	130,041
Non-current liabilities				
Lease liabilities - net of current portion	-	-	776,774	776,774
Shareholders' equity				
Retained earnings - unappropriated	14,784,996	(2,457)	(130,452)	14,652,087
Other components of shareholders' equity	(86,650)	24,222	-	(62,428)

(Unit : Thousand Baht)

	Separate financial statements			
		The impacts of		
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Non-current assets				
Investment in associates	11,646,858	21,765	(130,452)	11,538,171
Investment properties	457,935	-	186,264	644,199
Property, plant and equipment	200,558	-	92,515	293,073
Leasehold rights	302,190	-	(302,190)	-
Right-of-use assets	-	-	256,285	256,285
Deposits for lease of land and building	32,915	-	(5,715)	27,200
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	31,769	31,769
Non-current liabilities				
Lease liabilities - net of current portion	-	-	195,390	195,390
Shareholders' equity				
Retained earnings - unappropriated	14,784,996	(2,457)	(130,452)	14,652,087
Other components of shareholders' equity	(86,650)	24,222	-	(62,428)

4.1 Financial instruments

Details of the impact on shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements
Associate	
Recognition of derivatives at fair value through profit or loss	9,484
Cumulative effects of reclassification from investments to other components of shareholders' equity	(11,941)
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(2,457)

(Unit : Thousand Baht)

	Consolidated and separate financial statements
Associate	
Recognition of deficit on available-for-sale investment	6,064
Recognition of surplus on fair value measurement of investments through other comprehensive income	6,217
Cumulative effects of reclassification from investments to other components of shareholders' equity	11,941
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	24,222

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	2,211,512	-	2,211,512	2,211,512
Trade and other receivables	97,942	-	97,942	97,942
Restricted deposits at financial institutions	4,970	-	4,970	4,970
Other long-term investments	2	2	-	2
Deposits for lease of land and building	27,200	-	27,200	27,200
Total financial assets	2,341,626	2	2,341,624	2,341,626

(Unit : Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	921,853	-	921,853	921,853
Trade and other receivables	34,874	-	34,874	34,874
Other long-term investments	2	2	-	2
Long-term loans to and interest receivables - related parties	9,931,882	-	9,931,882	9,931,882
Deposits for lease of land and building	27,200	-	27,200	27,200
Total financial assets	10,915,811	2	10,915,809	10,915,811

4.2 Leases

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

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	358,585	64,514
Less: Short-term leases and leases of low-value assets	(6,651)	(2,864)
Add: Option to extend lease term	695,726	199,660
Less: Contracts reassessed as service agreements	(31,680)	(1,330)
Less: Deferred interest expenses	(109,165)	(32,821)
Increase in lease liabilities due to TFRS 16 adoption	906,815	227,159
Liabilities under finance lease agreements as at 31 December 2019	-	-
Lease liabilities as at 1 January 2020	906,815	227,159
Weighted average incremental borrowing rate (percent per annum)	4.27	4.33
Comprise of:		
Current lease liabilities	130,041	31,769
Non-current lease liabilities	776,774	195,390
	906,815	227,159

5. Significant accounting policies

5.1 Revenue and expense recognition

(a) Revenue from sales of real estate

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

(b) Revenue from hotel operations

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

(c) Revenue from office rental

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

(d) Interest income

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

(e) Finance cost

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

(f) Dividends

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

5.2 Cost of real estate sold

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

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

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

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

5.3 Cash and cash equivalents

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

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

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

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

5.5 Cost to obtain a contract

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

5.6 Investments in subsidiaries and associates

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

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

5.7 Investment properties

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

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

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

5.8 Property, plant and equipment and depreciation

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

5.9 Leases

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

5.9.1 The Group as a lessee

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

a) Right-of-use assets

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

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

Land	30 years
Buildings and building improvement	3 - 30 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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

b) Lease liabilities

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

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

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

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

5.9.2 The Group as a lessor

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

5.10 Borrowing costs

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

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

5.11 Deferred financial fees

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

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

5.12 Related party transactions

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

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

5.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.14 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

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

5.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

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

5.16 Provisions

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

5.17 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.18 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

b) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

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

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

5.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

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

The Group records provision for diminution in value of land and construction in progress and land and project development costs when there have been significant or prolonged declines in the fair value below their cost. The management determines the devaluation of land and construction in progress and land and project development costs based on their net realisable value. The determination of such devaluation requires management to make subjective judgements and estimates.

Litigation

The Group has contingent liabilities as a result of litigation. The management has exercised judgement to assess of the results of the litigation and recorded certain provision as at the end of reporting period. However, actual results could differ from the estimates.

Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

7. Related party transactions

7.1 During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2020	2019	2020	2019	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Interest income	-	-	245	307	2.50% to 3.03% per annum (2019: 2.50% to 3.35% per annum)
Material cost	-	-	24	75	Market price
Land easement share	-	-	-	33	Contract value
Transactions with associates					
Material cost	8	2	3	1	Market price
Rental expenses	201	333	33	33	Contract value
Building management income	56	65	19	26	Contract value
Office rental income	67	57	67	57	Contract value
Interest income	6	14	3	8	0.15% to 1.25% per annum (2019: 0.25% to 1.30% per annum)

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2020	2019	2020	2019	
Dividend income	1,162	1,452	1,162	1,452	As declared
Bank charges	1	1	1	1	Market price
Transactions with related companies					
Material cost	15	43	14	26	Market price
Office rental income	19	19	19	19	Contract value
Building management income	13	22	2	2	Contract value
Other service income	5	4	1	-	Contract value
Revenue from sales of real estate	-	11	-	-	Compare to trading price in the vicinity

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

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deposits at financial institution (shown under cash and cash equivalents)				
Associate				
Land and Houses Bank Plc.	1,918,168	1,749,672	656,602	824,249
Trade and other receivables - related parties				
Trade accounts receivable - related parties				
Associates	493	456	493	456
Related companies (Common directors or common shareholders)	343	495	343	495
Total trade accounts receivable - related parties	836	951	836	951
Other receivables - related parties				
Subsidiaries	-	-	245	1,502
Associates	23,811	36,596	3,778	16,139
Related companies (Common directors or common shareholders)	1,366	3,895	-	-
Total other receivables - related parties	25,177	40,491	4,023	17,641
Total	26,013	41,442	4,859	18,592
Deposits for rental and service - related parties (shown under other non-current assets)				
Associate	7,552	7,204	7,552	7,204

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other payables - related parties				
Trade accounts payable - related parties				
Subsidiaries	-	-	10,517	6,336
Associates	-	938	-	521
Related companies (Common directors or common shareholders)	4,200	3,486	3,882	2,253
Total trade accounts payables - related parties	4,200	4,424	14,399	9,110
Other payables - related parties				
Subsidiaries	-	-	83	348
Associates	1,103	258	650	258
Related companies (Common directors or common shareholders)	-	16	-	-
Total other payables - related parties	1,103	274	733	606
Total	5,303	4,698	15,132	9,716
Deposits for rental and service - related parties				
Associates	8,326	6,036	8,326	6,036
Related companies (Common directors or common shareholders)	3,573	3,404	3,573	3,404
Total	11,899	9,440	11,899	9,440
Accrued expenses - related parties (shown under other current liabilities)				
Subsidiaries	-	-	13	937
Associates	15,960	74,216	-	-
Total	15,960	74,216	13	937
Rental income received in advance - related party				
Associate (Note 7.3)				
Current portion	27,224	27,224	27,224	27,224
Non-current portion	405,680	432,857	405,680	432,857
Total	432,904	460,081	432,904	460,081
Lease liabilities - related parties				
Associate				
Lease liabilities	1,007,377	-	293,378	-
Less: Deferred interested	(96,721)	-	(46,266)	-
Total	910,656	-	247,112	-
Less: Current portion	(249,905)	-	(21,610)	-
Lease liabilities - net of current portion	660,751	-	225,502	-

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements		Interest policy
	2020	2019	2020	2019	(% p.a.)
Long-term loans to and interest receivables - related parties					
Subsidiary					
Casa Ville Co., Ltd.	-	-	8,225,814	9,931,882	2.50% - 2.74% (2019: 2.50% - 3.03%)
Related party					
Harbour View Corporation	68,940	69,192	-	-	LIBOR+3.00%, 4.00% and 8.00% (2019: LIBOR+3.00%, 4.00% and 8.00%)
Total	68,940	69,192	8,225,814	9,931,882	
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(68,940)	(69,192)	-	-	
Net	-	-	8,225,814	9,931,882	

Loans to related parties and loans from related parties

As at 31 December 2020 and 2019, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			
	1 January 2020	Increase	Decrease	31 December 2020
Long-term loan to and interest receivables - related party				
Related party				
Harbour View Corporation	69,192	-	(252)	68,940
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(69,192)	-	252	(68,940)
Net	-	-	-	-

(Unit : Thousand Baht)

	Separate financial statements			
	1 January 2020	Increase	Decrease	31 December 2020
Long-term loan to and interest receivables - related party				
Subsidiary				
Casa Ville Co., Ltd.	9,931,882	1,954,714	(3,660,782)	8,225,814

Directors and management's benefits

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

(Unit : Million Baht)

	Consolidated and separate financial statements	
	2020	2019
Short-term employee benefits	63	60
Post-employment benefits	4	3
Total	67	63

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

(Unit : Million Baht)

		Contract amount	
	Counterparty	2020	2019
a) Agreement to lease immovable properties - Q. House Ploenchit Project	Quality Houses Leasehold Property Fund	819	819
b) Agreement relating to the lease and sublease of building and assets - Centre Point Hotel Pratunam, Sukhumvit 10 and Chidlom	Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	504*	504*

* Contract amount is not included variable rental fee.

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

8. Cash and cash equivalents

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	3,309	3,776	1,454	1,491
Bank deposits	2,506,202	2,207,736	982,034	920,362
Total	2,509,511	2,211,512	983,488	921,853

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

9. Trade and other receivables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable - related parties (Note 7)				
Aged of receivables				
Up to 3 months	836	951	836	951
Total trade accounts receivable - related parties	836	951	836	951
Trade accounts receivable - unrelated parties				
Aged of receivables				
Up to 3 months	5,459	37,760	2,804	9,467
3 - 6 months	55	1,070	-	8
6 - 12 months	2,000	190	249	-
Over 12 months	1,366	-	-	-
Total trade accounts receivable - unrelated parties, net	8,880	39,020	3,053	9,475
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful account)	(245)	-	-	-
Total trade accounts receivable - net	9,471	39,971	3,889	10,426
Other receivables				
Other receivables - related parties (Note 7)	25,177	40,491	4,023	17,641
Other receivables - unrelated parties	1,870	17,480	1,205	6,807
Total other receivables	27,047	57,971	5,228	24,448
Total trade and other receivables - net	36,518	97,942	9,117	34,874

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

(Unit: Thousand Baht)

	Consolidated financial statements	separate financial statements
Balance at beginning of year	-	-
Add: Provision	(245)	-
Balance at end of year	(245)	-

10. Land and construction in progress

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Construction material	16,778	17,719	-	-
Land	9,686,113	10,139,675	6,390,430	6,084,433
Interest cost	1,307,868	1,425,723	567,892	571,092
Construction under development	12,043,820	14,028,532	5,840,510	6,543,333
Total	23,054,579	25,611,649	12,798,832	13,198,858
Less: Provision for loss on diminution in value of projects	(509,091)	(571,212)	(46,033)	(54,811)
Land and construction in progress - net	22,545,488	25,040,437	12,752,799	13,144,047

During the current year, the Group included borrowing costs of Baht 149 million as cost of "Land and construction in progress" (the Company only: Baht 116 million) (2019: Baht 172 million, the Company only: Baht 107 million). These were determined by applying a capitalisation rate of 0.9% (the Company only: 0.7%) (2019: 0.9%, the Company only: 0.6%).

The Company mortgaged certain plots of land and construction in progress of subsidiaries with net book values as at 31 December 2020 amounting to Baht 1,379 million (the Company only: Nil) (2019: Nil, the Company only: Nil) as collateral under the long-term loan agreement.

Movements in the provision for loss on diminution in value of projects during the years ended 31 December 2020 and 2019 are summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance at beginning of year	571,212	653,906	54,811	70,808
Provision reversal according to revenue recognition during the year	(62,121)	(82,694)	(8,778)	(15,997)
Balance at end of year	509,091	571,212	46,033	54,811

Additional information of the Group's projects.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Total estimated sales value of projects on hand of which contracts have been signed	116,885	118,051	56,995	52,378
Total value of contracts signed according to the letters reserving plots of land and structures thereon	73,831	70,992	30,118	25,521
Percentage of total estimated sales value of projects	63%	60%	53%	49%
Total value of contracts signed according to the letters reserving plots of land and structures thereon not yet recognised as income	500	469	437	328

11. Cost to obtain contracts with customers

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2020	2019
Balance at beginning of year	12,414	20,625
Amortise	(897)	(8,211)
Balance at end of year	11,517	12,414

12. Restricted deposits at financial institutions

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

13. Other non-current financial assets

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Investments in marketable equity securities	2	2	2	2
Investment in other company				
(Held by Q.H. International (BVI) Co., Ltd.)	-	32,599	-	-
Harbour View Corporation (Registered in Vietnam)				
Less: Allowance for impairment of investment	-	(32,599)	-	-
Investment in other company - adjusted book value approach				
(2019: At cost less of allowance for impairment loss)	-	-	-	-
Total	2	2	2	2

14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in separate financial statements are as follows.

(Unit : Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding		Cost		Carrying amounts based on equity method	
	2020	2019	2020	2019	2020	2019	2020	2019
			(%)	(%)				
Casa Ville Co., Ltd.	3,000,000	3,000,000	100	100	2,999,999	2,999,999	7,803,852	7,705,596
Q.H. International Co., Ltd.	25,000	25,000	100	100	25,000	25,000	237,520	220,792
Property Host Co., Ltd.	5,000	5,000	100	100	5,000	5,000	4,549	4,541
Centre Point Hospitality Co., Ltd.	5,000	5,000	100	100	4,999	4,999	(122,026)	44,656
The Confidence Co., Ltd.*	1,000,000	1,000,000	-	-	-	-	-	-
Q.H. Management Co., Ltd. (and 19% held through The Confidence Co., Ltd.)	110,000	110,000	81	81	88,635	88,635	28,773	27,579
Q.H. International (BVI) Co., Ltd.**	30,796	30,796	-	-	-	-	-	-
Casa Ville (Rayong 2553) Co. Ltd.*	5,000	5,000	-	-	-	-	-	-
Casa Ville (Petchburi 2553) Co. Ltd.*	5,000	5,000	-	-	-	-	-	-
Q.House Precast Co., Ltd.*	5,000	5,000	-	-	-	-	-	-
Gusto Village Co., Ltd.*	500,000	500,000	-	-	-	-	-	-
Casa Ville (Chonburi 2554) Co., Ltd.*	5,000	5,000	-	-	-	-	-	-
Casa Ville (Prachuapkhirikhan 2554) Co., Ltd.*	5,000	5,000	-	-	-	-	-	-
Total					3,123,633	3,123,633	7,952,668	8,003,164

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

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

14.2 Share of comprehensive income

During the year, the Company has summarised its share of profit (loss) from investments in subsidiaries in separate financial statement as follows.

(Unit : Thousand Baht)

Company's name	Separate financial statements			
	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income of subsidiaries	
	2020	2019	2020	2019
Casa Ville Co., Ltd.	101,565	323,552	(3,309)	-
Q.H. International Co., Ltd.	17,420	46,867	(692)	-
Property Host Co., Ltd.	8	(121)	-	-
Centre Point Hospitality Co., Ltd.	(167,861)	10,989	1,179	-
Q.H. Management Co., Ltd.	1,194	(982)	-	-
Total	(47,674)	380,305	(2,822)	-

15. Investments in associates

15.1 Details of associates

(Unit : Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated and separate financial statements					
			Shareholdings		Cost		Carrying amounts based on equity method	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Quality Houses Leasehold Property Fund [1]	Investment in immovable properties	Thailand	26	26	2,017,695	2,017,695	1,201,820	1,224,654
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund [2]	Investment in immovable properties	Thailand	31	31	1,052,800	1,052,800	347,565	346,498
Home Product Center Plc.	Trading	Thailand	20	20	759,959	759,959	4,501,069	4,420,788
LH Financial Group Plc. (held 100% in Land and Houses Bank Plc.)	Holding company	Thailand	14*	14*	2,849,800	2,849,800	5,374,139	5,654,918
Total					6,680,254	6,680,254	11,424,593	11,646,858

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

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

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

15.2 Share of comprehensive income and dividend received

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

(Unit : Thousand Baht)

Company's name	Consolidated and separate financial statements			
	Share of profit from investments in associates		Share of other comprehensive income of associates	
	2020	2019	2020	2019
Quality Houses Leasehold Property Fund	167,158	192,400	-	-
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	32,440	60,976	-	-
Home Product Center Plc.	1,019,794	1,232,280	976	(17,330)
LH Financial Group Plc.	310,906	441,620	(482,491)	(9,096)
Total	1,530,298	1,927,276	(481,515)	(26,426)

During the year, the Company received dividends from associates as follows.

(Unit : Thousand Baht)

Company's name	Dividend received during the years	
	2020	2019
Quality Houses Leasehold Property Fund	189,992	188,969
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	31,373	63,484
Home Product Center Plc.	810,037	966,818
LH Financial Group Plc.	130,959	232,816
Total	1,162,361	1,452,087

15.3 Fair value of investments in listed associates

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

(Unit : Million Baht)

Company's name	Fair values as at 31 December	
	2020	2019
Quality Houses Leasehold Property Fund	1,994	2,741
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	631	995
Home Product Center Plc.	35,537	41,808
LH Financial Group Plc.	3,056	3,958
Total	41,218	49,502

15.4 Summarised significant financial information of associates

Summarised information about financial position

(Unit : Million Baht)

	Quality Houses Leasehold Property Fund		Quality Houses Hotel and Residence Freehold and Leasehold Property Fund		Home Product Center Plc.		LH Financial Group Plc.	
	2020	2019	2020	2019	2020	2019	2020	2019
Total assets	10,438	9,807	4,808	4,780	56,091	52,072	249,312	240,731
Total liabilities	1,016	394	30	5	34,526	30,911	210,681	199,569
Net assets	9,422	9,413	4,778	4,775	21,565	21,161	38,631	41,162
Shareholding percentage (%)	26	26	31	31	20	20	14	14
Share of net assets	2,418	2,415	1,497	1,496	4,285	4,205	5,374	5,655
Unrealised gains on revaluation of investments	(209)	(231)	(381)	(395)	-	-	-	-
Unrecognised gains on sales of assets	(523)	(523)	(601)	(601)	-	-	-	-
Record depreciation and amortisation of assets	(484)	(436)	(167)	(154)	-	-	-	-
Goodwill	-	-	-	-	216	216	-	-
Carrying amounts of associates based on equity method	1,202	1,225	348	346	4,501	4,421	5,374	5,655

Summarised information about comprehensive income

(Unit : Million Baht)

	For the year ended 31 December							
	Quality Houses Leasehold Property Fund		Quality Houses Hotel and Residence Freehold and Leasehold Property Fund		Home Product Center Plc.		LH Financial Group Plc.	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	1,181	1,251	169	302	61,765	67,424	11,061	12,272
Profit	835	897	103	292	5,155	6,200	2,057	3,214
Other comprehensive income	-	-	-	-	5	(87)	(3,468)	(66)
Total comprehensive income	-	-	-	-	5,160	6,113	(1,411)	3,148

Quality Houses Leasehold Property Fund

On 23 February 2021, the meeting of the Investment Committee of Quality Houses Leasehold Property Fund approved the payment of a dividend of Baht 0.1640 per unit to its unitholders from the operating results for the period as from 1 November 2020 to 31 December 2020, a total of Baht 131 million, which is to be paid on 19 March 2021.

Home Product Center Public Company Limited

On 23 February 2021, the meeting of the Board of Directors of Home Product Center Plc. passed the resolution to propose to Annual General Meeting of the shareholders for approval of dividend payment from operating results from July 2020 to December 2020. The dividend will be paid by cash at the rate of Baht 0.20 per share or in the total amount not exceeding Baht 2,630.24 million. The payment of cash dividend shall be made within 6 May 2021. As the meeting of the Board of Directors of Home Product Center Plc. held on 25 August 2020 has the resolution to approve interim dividend payment to the shareholders as cash dividend of Baht 0.10 per share. The interim dividend was paid on 23 September 2020. As a result, total dividend per share for the year 2020 is Baht 0.30 per share.

16. Investment properties

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

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2020	2019
Office building for rent		
Cost	2,065,758	888,957
Less: Accumulated depreciation	(1,428,261)	(373,271)
Less: Allowance for diminution in value	(51,672)	(57,751)
Net book value - net	585,825	457,935

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

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2020	2019
Net book value at beginning of year	457,935	466,250
Adjustments of right-of-use assets due to TFRS 16 adoption	36,306	-
Transfer from leasehold rights	144,243	-
Transfer from deposit for lease of land and building	5,715	-
Disposals during the period - net book value at disposal date	(3)	-
Depreciation charged	(58,371)	(8,315)
Net book value at end of year	585,825	457,935

As at 31 December 2020, the net book value of rental income received in advance from lessee is Baht 433 million (2019: Baht 460 million), and the fair value of the investment properties has been determined based on valuations performed by an accredited independent valuer was Baht 1,152 million (2019: Baht 857 million). The fair value has been determined using the income approach. Key assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in rental rates which has been determined based on rental information of tenants of building.

17. Property, plant and equipment

(Unit : Thousand Baht)

	Consolidated financial statements						
	Land and land improvement	Leasehold improvement	Buildings and building improvement	Equipment and operating equipment	Motor vehicles	Assets under installation	Total
Cost							
1 January 2019	465,149	306,862	598,735	845,476	65,464	-	2,281,686
Additions	-	6,350	71	15,617	4,816	54,016	80,870
Transfer in (out)	-	10,210	29,277	13,966	-	(53,453)	-
Disposals/write-off	-	-	-	(27,997)	(12,425)	-	(40,422)
31 December 2019	465,149	323,422	628,083	847,062	57,855	563	2,322,134
Additions	53,000	49	-	12,853	5,758	6,631	78,291
Transfers in (out)	-	252,363	242,608	(650)	-	(993)	493,328
Disposals/write-off	-	-	-	(9,844)	(11)	-	(9,855)
31 December 2020	518,149	575,834	870,691	849,421	63,602	6,201	2,883,898
Accumulated depreciation							
1 January 2019	5,384	41,179	11,190	432,556	58,409	-	548,718
Depreciation for the year	852	19,288	17,011	79,423	3,323	-	119,897
Depreciation on disposals/write-off	-	-	-	(26,772)	(11,741)	-	(38,513)
31 December 2019	6,236	60,467	28,201	485,207	49,991	-	630,102
Depreciation for the year	-	44,440	18,105	70,178	3,242	-	135,965
Depreciation for transfer in (out)	-	365,153	35,879	(219)	-	-	400,813
Depreciation on disposals write-off	-	-	-	(9,438)	(9)	-	(9,447)
31 December 2020	6,236	470,060	82,185	545,728	53,224	-	1,157,433
Allowance for impairment loss							
1 January 2019	81,873	-	-	-	-	-	81,873
31 December 2019	81,873	-	-	-	-	-	81,873
31 December 2020	81,873	-	-	-	-	-	81,873
Net book value							
31 December 2019	377,040	262,955	599,882	361,855	7,864	563	1,610,159
31 December 2020	430,040	105,774	788,506	303,693	10,378	6,201	1,644,592

Depreciation for the year	
2019 (Baht 84 million included in cost of operations, and the balance in administrative expenses)	119,897
2020 (Baht 108 million included in cost of operations, and the balance in administrative expenses)	135,965

(Unit : Thousand Baht)

	Separate financial statements						
	Land and land improvement	Leasehold improvement	Buildings and building improvement	Equipment and operating equipment	Motor vehicles	Assets under installation	Total
Cost							
1 January 2019	255,664	10,146	16,564	302,127	26,513	-	611,014
Additions	-	-	-	6,373	3,370	-	9,743
Disposals/write-off	-	-	-	(18,266)	(7,080)	-	(25,346)
31 December 2019	255,664	10,146	16,564	290,234	22,803	-	595,411
Additions	-	-	-	2,656	4,421	-	7,077
Transfer in (out)	-	483,182	11,081	(935)	-	-	493,328
Disposals/write-off	-	-	-	(3,509)	(7)	-	(3,516)
31 December 2020	255,664	493,328	27,645	288,446	27,217	-	1,092,300
Accumulated depreciation							
1 January 2019	4,557	10,139	9,191	275,304	24,289	-	323,480
Depreciation for the year	-	1	828	11,823	1,388	-	14,040
Depreciation on disposals/write-off	-	-	-	(17,999)	(6,541)	-	(24,540)
31 December 2019	4,557	10,140	10,019	269,128	19,136	-	312,980
Depreciation for the year	-	26,075	828	8,842	1,643	-	37,388
Depreciation for transfer in (out)	-	390,672	10,360	(219)	-	-	400,813
Depreciation on disposals/write-off	-	-	-	(3,486)	(6)	-	(3,492)
31 December 2020	4,557	426,887	21,207	274,265	20,773	-	747,689
Allowance for impairment loss							
1 January 2019	81,873	-	-	-	-	-	81,873
31 December 2019	81,873	-	-	-	-	-	81,873
31 December 2020	81,873	-	-	-	-	-	81,873
Net book value							
31 December 2019	169,234	6	6,545	21,106	3,667	-	200,558
31 December 2020	169,234	66,441	6,438	14,181	6,444	-	262,738

Depreciation for the year	
2019 (Baht 4 million included in cost of operations, and the balance in administrative expenses)	14,040
2020 (Baht 29 million included in cost of operations, and the balance in administrative expenses)	37,388

As at 31 December 2020, certain plant and equipment items of the Group were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 449 million (the Company only: Baht 286 million) (2019: Baht 389 million, the Company only: Baht 269 million).

18. Leasehold rights

(Unit : Thousand Baht)

Projects	Consolidated and separate financial statements	
	2020	2019
Q. House Sathorn	-	507,231
Q. House Asoke	-	629,518
Centre Point Hotel Silom	-	1,037,602
Total	-	2,174,351
Less: Accumulated amortisation	-	(1,872,161)
Leasehold rights - net	-	302,190

Movements of leasehold rights account during the year ended 31 December 2020 and 2019 are summarised below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements
Net book value as at 1 January 2019	396,062
Acquisitions during the year - at cost	653
Disposals during the year - net book value at disposal rate	(49)
Amortisation for the year (included in cost of office rental operations)	(94,476)
Net book value as at 31 December 2019	302,190
Transfer to investment property	(144,243)
Transfer to property, plant and equipment	(92,515)
Transfer to right-of-use assets	(65,432)
Net book value as at 31 December 2020	-

19. Lease

The Group as a lessee

The Group has lease contracts for various items of land, buildings, motor vehicles and equipment used in its operations. Land and buildings leases have lease terms of approximately 30 years, while motor vehicles and equipment leases have lease terms of generally between 1 and 3 years.

19.1 Right-of-use assets

Movements of right-of-use assets account during the year ended 31 December 2020 are summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land and land improvement	Buildings and building improvement	Total	Land and land improvement	Buildings and building improvement	Total
Net book value as at 31 December 2019	-	-	-	-	-	-
Adjustments of right-of-use assets due to TFRS 16 adoption	679,656	190,853	870,509	-	190,853	190,853
Transfer from leasehold rights	65,432	-	65,432	65,432	-	65,432
Adjustments of right-of-use assets due to amending contract	(2,821)	77,618	74,797	-	77,618	77,618
Depreciation for the year	(167,492)	(28,138)	(195,630)	(18,442)	(28,138)	(46,580)
Net book value as at 31 December 2020	574,775	240,333	815,108	46,990	240,333	287,323

19.2 Lease liabilities

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease liabilities	1,035,642	-	321,642	-
Less: Deferred interests	(98,255)	-	(47,800)	-
	937,387	-	273,842	-
Less: Current portion	(259,897)	-	(31,602)	-
Lease liabilities - net of current portion	677,490	-	242,240	-

19.3 Expenses relating to leases that are recognised in profit or loss

(Unit : Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	195,630	46,580
Interest expense on lease liabilities	38,430	9,720
Expense relating to short-term leases	18,012	7,370
Expense relating to leases of low-value assets	439	62

19.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 89 million (the Company only: Baht 49 million), including the cash outflow related to short-term lease, leases of low-value assets.

20. Land and project development costs

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land	6,540,226	7,828,513	2,516,195	3,835,355
Interest cost	214,133	217,137	199,481	202,485
Construction under development	574,159	723,320	382,963	531,706
Total	7,328,518	8,768,970	3,098,639	4,569,546
Less: Provision for loss on diminution in value of projects	(167,616)	(167,616)	(145,381)	(145,381)
Land and project development costs - net	7,160,902	8,601,354	2,953,258	4,424,165

During the current year, the Group included borrowing costs of Baht 15 million as cost of "Land and project development costs" (the Company only: Baht 15 million) (2019: Baht 30 million, the Company only: Baht 30 million). These were determined by applying a capitalisation rate of 0.9% (the Company only: 0.7%) (2019: 0.9%, the Company only: 0.6%).

The Company mortgaged certain plots of land and project development costs of subsidiaries with net book values as at 31 December 2020 amounting to Baht 1,493 million (the Company only: Nil) (2019: Nil, the Company only: Nil) as collateral under the long-term loan agreement.

21. Short-term loans from financial institutions

(Unit : Thousand Baht)

	Interest rate		Consolidated and Separate financial statements	
	2020	2019	2020	2019
	(% p.a.)	(% p.a.)		
Promissory note	-	1.55	-	500,000
Bill of exchange	1.40	-	1,000,000	-
Less: Deferred interest			(1,758)	-
Bill of exchange - net			998,242	-
Total short-term loans from financial institutions			998,242	500,000

22. Trade and other payables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payable - related parties (Note 7)	4,200	4,424	14,399	9,110
Trade accounts payable - unrelated parties	395,064	499,303	271,510	325,805
Other payables - related parties (Note 7)	1,103	274	733	606
Other payables - unrelated parties	53,847	50,049	15,885	16,547
Accrued interest	48,130	76,437	48,130	76,437
Total trade and other payables	502,344	630,487	350,657	428,505

23. Long-term loan

(Unit : Thousand Baht)

		Consolidated and separate financial statements	
Interest rate (%)	Repayment schedule	2020	2019
MLR - 2.25	Repayment quarterly installments as from March 2021 to November 2023[(a)]	3,944,141	-
Less: Current portion		(800,000)	-
Long-term loan - net of current portion		3,144,141	-

MLR : Minimum Lending Rate

(a) : Also subject to mandatory prepayment in inverse order of maturity upon the ownership transfer of property sales units.

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

(Unit : Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2020	-
Add: Additional borrowing	4,000,000
Less: Repayment	(55,859)
Balance as at 31 December 2020	3,944,141

The Group has pledged part of the Land and construction in progress and Land and project development costs as collateral for long-term loan as discussed in Notes 10 and 20.

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

24. Unsecured debentures

				Consolidated and separate financial statements			
				Number of debenture (Unit)		Amount (Thousand Baht)	
Type of debenture	Interest rate	Age	Maturity date	2020	2019	2020	2019
Unsubordinated and unsecured debentures							
- No. 1/2016							
- Tranche II	Fixed rate of 2.22% p.a.	5 years	25 April 2021	600,000	600,000	600,000	600,000
- No. 1/2017	Fixed rate of 2.69% p.a.	3 years	11 May 2020	-	4,000,000	-	4,000,000
- No. 2/2017	Fixed rate of 2.20% p.a.	3 years	21 November 2020	-	1,500,000	-	1,500,000
- No. 1/2018	Fixed rate of 2.16% p.a.	3 years	5 March 2021	3,000,000	3,000,000	3,000,000	3,000,000
- No. 2/2018	Fixed rate of 2.46% p.a.	3 years	25 June 2021	1,000,000	1,000,000	1,000,000	1,000,000
- No. 3/2018	Fixed rate of 2.97% p.a.	2 years	12 November 2020	-	2,500,000	-	2,500,000
- No. 1/2019	Fixed rate of 2.85% p.a.	3 years	8 May 2022	3,500,000	3,500,000	3,500,000	3,500,000
- No. 2/2019	Fixed rate of 2.30% p.a.	3 years	27 November 2022	4,000,000	4,000,000	4,000,000	4,000,000
Total debentures - at face value				12,100,000	20,100,000	12,100,000	20,100,000
Less: Unamortised portion of deferred transaction costs						(5,299)	(11,895)
Debentures - net						12,094,701	20,088,105
Less: Current portion of debentures						(4,600,000)	(8,000,000)
Debentures - net of current portion						7,494,701	12,088,105

Movements in debentures accounts during the years ended 31 December 2020 and 2019 are summarised below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	2020	2019
Balance at beginning of year	20,100,000	21,700,000
Add: Issuance of debentures during the year	-	7,500,000
Less: Redemption of debentures during the year	(8,000,000)	(9,100,000)
Balance at end of year	12,100,000	20,100,000

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

25. Provision for long-term employee benefits

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

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	225,132	158,945	147,957	105,275
Included in profit or loss:				
Current service cost	19,360	18,834	12,716	12,132
Interest cost	5,964	5,566	3,880	3,685
Past service cost	-	45,780	-	30,114
Included in other comprehensive income:				
Actuarial (profit) losses arising from				
Financial assumptions changes	9,209	-	5,764	-
Experience adjustments	(670)	-	(754)	-
Benefits paid/transfer-out during the year	(10,354)	(3,993)	(7,513)	(3,249)
Provision for long-term employee benefits at end of year	248,641	225,132	162,050	147,957

As at 31 December 2020, the Group expected to pay Baht 6 million of long-term employee benefits during the next year (the Company only: Baht 3 million) (2019: Baht 10 million, the Company only: Baht 8 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit was 12 years (the Company only: 12 years) (2019: 12 years, the Company only: 12 years).

Significant actuarial assumptions are summarised below.

	Consolidated and separate financial statements	
	2020	2019
	(% p.a.)	(% p.a.)
Discount rate	1.5	2.8
Salary increase rate	5.0	6.0
Turnover rate	0 - 25.0	0 - 25.0

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

(Unit : Thousand Baht)

	As at 31 December 2020					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 10%	Decrease 10%
Consolidated financial statements	(13,757)	14,925	14,336	(13,377)	(8,362)	9,081
Separate financial statements	(8,613)	9,328	8,961	(8,375)	(5,071)	5,492

(Unit : Thousand Baht)

	As at 31 December 2019					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 10%	Decrease 10%
Consolidated financial statements	(14,994)	16,252	18,394	(13,946)	(8,462)	9,779
Separate financial statements	(9,408)	10,151	11,444	(8,862)	(4,965)	5,745

26. Provisions

(Unit : Thousand Baht)

	Consolidated financial statements				
	Provision for public utility maintenance	Provision for housing maintenance	Compensation for Housing Estate Juristic Persons	Litigation	Total
As at 1 January 2019	295,361	140,477	148,587	446,311	1,030,736
Increase during the year	38,090	83,193	15,181	43,709	180,173
Utilised	(38,330)	(49,032)	(25,257)	(28,596)	(141,215)
Reversed during the year	-	-	(3)	(29,637)	(29,640)
As at 31 December 2019	295,121	174,638	138,508	431,787	1,040,054
Increase during the year	37,275	68,932	19,373	57,483	183,063
Utilised	(68,253)	(30,161)	(19,190)	(2,487)	(120,091)
Reversed during the year	-	-	(562)	(62,521)	(63,083)
As at 31 December 2020	264,143	213,409	138,129	424,262	1,039,943

(Unit : Thousand Baht)

	Consolidated financial statements				
	Provision for public utility maintenance	Provision for housing maintenance	Compensation for Housing Estate Juristic Persons	Litigation	Total
2020					
Current	264,143	213,409	138,129	-	615,681
Non-current	-	-	-	424,262	424,262
	264,143	213,409	138,129	424,262	1,039,943
2019					
Current	295,121	174,638	138,508	-	608,267
Non-current	-	-	-	431,787	431,787
	295,121	174,638	138,508	431,787	1,040,054

(Unit : Thousand Baht)

	Separate financial statements				
	Provision for public utility maintenance	Provision for housing maintenance	Compensation for Housing Estate Juristic Persons	Litigation	Total
As at 1 January 2019	96,065	58,294	46,317	16,793	217,469
Increase during the year	17,554	39,000	7,273	28,128	91,955
Utilised	(6,215)	(18,025)	(1,435)	(28,376)	(54,051)
As at 31 December 2019	107,404	79,269	52,155	16,545	255,373
Increase during the year	22,265	40,850	10,290	5,795	79,200
Utilised	(17,911)	(12,155)	-	(2,487)	(32,553)
Reversed during the year	-	-	-	(10,982)	(10,982)
As at 31 December 2020	111,758	107,964	62,445	8,871	291,038
2020					
Current	111,758	107,964	62,445	-	282,167
Non-current	-	-	-	8,871	8,871
	111,758	107,964	62,445	8,871	291,038
2019					
Current	107,404	79,269	52,155	-	238,828
Non-current	-	-	-	16,545	16,545
	107,404	79,269	52,155	16,545	255,373

Provision for public utilities maintenance/housing maintenance

In estimating the Group's provision for public utilities maintenance/housing maintenance, the management considers historical data and/or currently available information about the costs of various types of repairment work.

Compensation for Housing Estate Juristic Persons

The Group estimates the compensation for Housing Estate Juristic Persons using the rate specified by the law and regulations and the budgeted of public utilities as a basis for the calculation.

27. Statutory reserve

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

28. Revenue from contracts with customers

28.1 Disaggregated revenue information

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Type of goods or service:				
Revenue from sales of real estate	8,503,055	9,291,238	5,024,334	4,830,446
Revenue from hotel operations	329,514	1,051,823	69,975	215,182
Other service income	51,729	60,940	51,729	60,940
Other income	212,581	237,401	79,640	77,213
Total revenue from contracts with customers	9,096,879	10,641,402	5,225,678	5,183,781
Timing of revenue recognition:				
Recognise revenue at a point in time	8,832,569	10,343,061	5,094,309	5,045,628
Recognise revenue over time	264,310	298,341	131,369	138,153
Total revenue from contracts with customers	9,096,879	10,641,402	5,225,678	5,183,781

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 33 relating to the segment information:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue from external customers	9,096,879	10,641,402	5,225,678	5,183,781
Inter-segment revenue	40,376	168,331	-	-
	9,137,255	10,809,733	5,225,678	5,183,781
Adjustments and eliminations	(40,376)	(168,331)	-	-
Total revenue from contracts with customers	9,096,879	10,641,402	5,225,678	5,183,781

28.2 Revenue recognised in relation to contract balances

During the current year, amounts of Baht 37 million (the Company only: Baht 16 million) (2019: Baht 379 million, the Company only: Baht 360 million) that were included in advances received from customers at the beginning of the year were recognised as revenue.

28.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totaling Baht 500 million (the Company only: Baht 437 million) (2019: Baht 469 million, the Company only: Baht 328 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 1 year.

29. Finance cost

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	333,263	366,443	366,446	431,758
Interest expenses on lease liabilities	38,430	-	9,720	-
Other fees	20,218	23,598	18,168	20,236
Total	391,911	390,041	394,334	451,994

30. Expenses by nature

Significant expenses classified by nature are as follows.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Purchase of land and payment of construction during the year	1,752,044	4,288,377	1,325,829	2,934,544
Changes in land and construction in progress	2,494,949	764,445	391,248	(420,417)
Changes in land and project development costs	1,440,452	1,043,705	1,470,907	518,589
Salaries and wages and other employee benefits	685,705	781,196	434,875	493,364
Depreciation	389,966	128,212	142,339	22,355
Amortisation expenses	-	94,476	-	94,476

31. Income tax

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

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	337,531	330,642	241,612	186,934
Deferred tax:				
Relating to origination and reversal of temporary differences	(53,781)	(36,738)	(18,202)	(18,358)
Income tax expense reported in the statement of comprehensive income	283,750	293,904	223,410	168,576

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

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax on actuarial losses	(1,708)	-	(1,002)	-
Deferred tax on share of other comprehensive income of subsidiaries	-	-	(706)	-
Deferred tax on share of other comprehensive income of associates	(120,623)	(6,588)	(120,623)	(6,588)
	(122,331)	(6,588)	(122,331)	(6,588)

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

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	2,407,170	3,147,765	2,346,830	3,022,437
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	481,434	629,553	469,366	604,487
Effects of:				
Change in value of investments accounted for the equity method	(75,905)	(99,353)	(64,080)	(171,405)
Exempt income and non-deductible expenses	(120,238)	(236,250)	(181,040)	(264,461)
Additional expenses deduction allowed	(13)	(46)	(13)	(45)
Others	(1,528)	-	(823)	-
Total	(197,684)	(335,649)	(245,956)	(435,911)
Income tax expense reported in the statement of comprehensive income	283,750	293,904	223,410	168,576

The components of deferred tax assets (liabilities) are as follows.

(Unit : Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets (liabilities)				
Provision for loss on diminution in value of projects	171,363	183,787	70,593	72,349
Allowance for diminution in value of investment properties	10,334	11,550	10,334	11,550
Allowance for impairment of property, plant and equipment	16,374	16,374	16,374	16,374
Provision for long-term employee benefits	49,365	45,027	32,410	29,591
Provision for public utility maintenance	52,829	59,025	22,352	21,481
Provision for housing maintenance	42,682	34,927	21,593	15,854
Provision for contingent liabilities arising from litigation	84,852	86,357	1,774	3,309
Borrowing cost of projects	167,806	161,549	11,477	5,968
Recognition of installment income	10,229	10,890	-	-
Cost to obtain contracts with customers	(2,303)	(2,483)	(2,303)	(2,483)
Accumulated depreciation of investment properties and amortisation of leasehold rights	(3,698)	(1,288)	(3,698)	(1,288)
Income from rental of land	(283)	(296)	-	-
Unutilised tax losses	112,371	61,740	-	-
Leases	1,470	-	1,470	-
Others	7,753	(1,504)	7,181	(2,352)
Deferred tax assets - net	721,144	665,655	189,557	170,353
Reflected in the statements of financial position as follows:				
Deferred tax assets	721,427	665,951	189,557	170,353
Deferred tax liabilities	(283)	(296)	-	-
Deferred tax assets - net	721,144	665,655	189,557	170,353

As at 31 December 2020, the Group had deductible temporary differences totaling Baht 314 million (the Company only: Nil) (2019: Baht 126 million, the Company only: Nil). No deferred tax assets had been recognised on these amounts as the Group considered that the temporary differences will not be utilised in the future.

32. Earnings per share

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

	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the year (Thousand Baht)	2,123,420	2,853,861	2,123,420	2,853,861
Weighted average number of ordinary shares (Thousand shares)	10,714,382	10,714,382	10,714,382	10,714,382
Basic earnings per share (Baht per share)	0.20	0.27	0.20	0.27

33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group are organised into business units based on its products and services and have four reportable segments as follows.

- Real estate business segment which consists of sales of land and houses and condominium units.
- Hotel business segment relates to service of residential buildings.
- Rental business segment relates to rental of office buildings.
- Others segment which consists of providing management services for buildings and investing business.

Chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Group's income taxes are managed on a Group basis and are not allocated to operating segments.

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

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit : Million Baht)

	For the year ended 31 December 2020							
	Real estate business							
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business	Total reportable segments	Other transactions and eliminations	Consolidated
Revenue from external customers	7,674	829	330	305	73	9,211	-	9,211
Inter-segment revenue	35	-	-	-	5	40	(40)	-
Interest income	2	-	1	-	4	7	-	7
Interest expenses	(126)	(169)	(69)	(1)	(7)	(372)	-	(372)
Depreciation and amortisation	(20)	-	(278)	(87)	(5)	(390)	-	(390)
Reversal of provision for loss on diminution in value of projects	28	34	-	-	-	62	-	62
Segment profit (loss)	1,398	(142)	(326)	164	27	1,121	-	1,121
Other income								4
Selling expenses								(1)
Administrative expenses								(229)
Share of profit from investments in associates								1,530
Finance cost								(18)
Income tax expenses								(284)
Profit for the year								2,123
Segment total assets								
Investments in associates accounted for the equity method	-	-	348	1,202	9,875	11,425	-	11,425
Additions to non-current assets other than financial instruments and deferred tax assets	278	-	744	305	1	1,328	-	1,328

(Unit : Million Baht)

	For the year ended 31 December 2019							
	Real estate business							
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business	Total reportable segments	Other transactions and eliminations	Consolidated
Revenue from external customers	7,827	1,464	1,052	337	91	10,771	-	10,771
Inter-segment revenue	129	-	-	-	39	168	(168)	-
Interest income	4	1	1	-	9	15	-	15
Interest expenses	(146)	(183)	(37)	-	-	(366)	-	(366)
Depreciation and amortisation	(29)	(1)	(128)	(65)	(6)	(229)	-	(229)
Reversal of provision for loss on diminution in value of projects	55	28	-	-	-	83	-	83
Segment profit (loss)	1,226	33	(11)	156	66	1,470	-	1,470
Other income								9
Selling expenses								(2)
Administrative expenses								(244)
Share of profit from investments in associates								1,927
Finance cost								(12)
Income tax expenses								(294)
Profit for the year								2,854
Segment total assets								
Investments in associates accounted for the equity method	-	-	346	1,225	10,076	11,647	-	11,647
Additions to non-current assets other than financial instruments and deferred tax assets	1,378	8	77	-	7	1,470	-	1,470

The following table presents segment assets of the Group's operating segments as at 31 December 2020 and 2019.

(Unit : Million Baht)

	Real estate business							
	Sales of land and houses	Sales of condominium units	Hotel business	Rental business	Other business	Total reportable segments	Unallocated assets	Consolidated
Segment assets								
As at 31 December 2020	20,515	11,938	2,011	672	-	35,136	12,531	47,667
As at 31 December 2019	23,820	12,463	1,562	693	-	38,538	12,364	50,902

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

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

34. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and their employees contributed to the fund monthly at the rates of 3 - 6% of basic salary. The fund, which is managed by Land and House Fund Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 23 million (the Company only: Baht 14 million) (2019: Baht 23 million, the Company only: Baht 14 million) were recognised as expenses.

35. Dividends

Dividends declared in 2020 and 2019 consist of the following:

	Approved by	Total dividends	Dividend per share	Paid on
		(Thousand Baht)	(Baht)	
Year 2020				
Interim dividend for the operating results of six-month period ended 30 June 2020 and/or retained earnings	Meeting of the Board of Directors on 10 August 2020	428,556	0.04	8 September 2020
Interim dividend for the operating results of six-month period ended 31 December 2020 and/or retained earnings	Meeting of the Board of Directors on 20 April 2020	1,392,898	0.13	18 May 2020
Total dividend paid		1,821,364	0.17	

	Approved by	Total dividends	Dividend per share	Paid on
		(Thousand Baht)	(Baht)	
Year 2019				
Interim dividend for the operating results of six-month period ended 30 June 2019 and/or retained earnings	Meeting of the Board of Directors on 13 August 2019	750,004	0.07	11 September 2019
Dividend from the operating results of the year 2018	Annual General Meeting of the Shareholders on 18 April 2019	1,500,004	0.14	10 May 2019
Total dividend paid		2,250,008	0.21	

36. Commitments and contingent liabilities

The Group has the following outstanding commitments and contingent liabilities.

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

(Unit : Million Baht)

	As at 31 December	
	2020	2019
Construction contracts	566	741
Agreements to purchase land for development of future projects	-	48

36.2 As at 31 December 2020, the Group has entered into several lease agreements to lease motor vehicles (2019: lease land, buildings, motor vehicles and equipment), with terms of generally between 1 and 2 years (2019: 1 year to 30 years).

The Group has future minimum lease payments required under these operating leases contracts as follows.

(Unit : Million Baht)

	As at 31 December	
	2020	2019
Payable:		
in up to 1 year	12	25
in over 1 and up to 3 years	-	28

As at 31 December 2020, the Group had no obligations under operating lease agreements to lease land and buildings as a result of the adoption of the TFRS 16 as at 1 January 2020. The Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 4.

36.3 A subsidiary has entered into lease and sublease agreements to lease buildings and related assets from Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (our associate), with terms of 3 years, and provided assurance that it would continue leasing them for another 3 years. The agreements to lease and sublease can be extended for further periods of 3 years each time, counting from their expiry dates, with a fixed rental fee and variable rental fee in accordance with the conditions stipulated in the agreements.

As at 31 December 2019, the subsidiary had the following future minimum lease payments required under the lease agreements.

(Unit : Million Baht)

	31 December 2019
Payable:	
in up to 1 year	168
in over 1 and up to 3 years	92

As at 31 December 2020, the subsidiary had no obligations under lease and sublease agreements to lease buildings and related assets as a result of the adoption of the TFRS 16 as at 1 January 2020. The subsidiary recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 4.

36.4 As at 31 December 2020, the Group had commitments in respect of various service commitments totaling Baht 20 million (2019: Baht 45 million).

36.5 As at 31 December 2020, the Group had servitude over land of approximately 50 rai (2019: 53 rai) of which the cost is included in the cost of projects.

37. Bank guarantees

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

(Unit : Million Baht)

	As at 31 December	
	2020	2019
Letters of guarantee for arrangement and maintenance of public utilities	1,926	2,553
Letters of guarantee for electricity usage	10	14
Other letters of guarantee	48	48
Total	1,984	2,615

38. Litigations

38.1 Between the years 2013 and 2020, customers sued the Group for compensatory damages from purchase of land and houses of the projects, as at 31 December 2020, totaling Baht 1,423 million (2019: Baht 1,400 million). The lawsuits are currently in the judicial process. For reasons of prudence, the Group have set aside provisions totaling Baht 386 million (2019: Baht 390 million), which the Group deemed appropriate.

During the year, some lawsuits had finalised in the Supreme Court and the Company and its subsidiary had made settlement of Baht 35 million during January and February 2021. The Company and its subsidiary have already set aside the provision for the loss arising from these litigations.

In February 2021, another lawsuit was sentenced in the Supreme Court, and a subsidiary had to pay compensation of Baht 35 million. The subsidiary is currently in the process of executing the judgement. The subsidiary has already set aside the provision for the loss arising from this litigation.

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

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

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

38.3 Between the year 2014 and 2019, Housing Estate Juristic Persons sued the Company and a subsidiary as a defendant/co-defendant for a breach of agreement under the Land Development Act B.E. 2543 and for non-payment of public utilities maintenance and service fees of customers, demanding compensatory damages of the Company and its subsidiary, as at 31 December 2020, totaling Baht 481 million (2019: Baht 482 million). The lawsuits are currently in the judicial process. For reasons of prudence, the Company and its subsidiary have set aside provisions of Baht 45 million (2019: Baht 38 million) for the loss arising from these litigations, which the Company and its subsidiary deemed to be an appropriate amount.

In February 2021, a lawsuit was sentenced in the Supreme Court, and the subsidiary had to pay compensation of Baht 20 million. The subsidiary is currently in the process of executing the judgement. The subsidiary has already set aside the provision for the loss arising from this litigation.

38.4 Customers sued the Company and a subsidiary in 2011, seeking compensatory damages and to return land and houses, with aggregate claims, as at 31 December 2020, amounting to Baht 15 million (2019: Baht 15 million). The lawsuit has now been finalised at the Supreme Court, and the Company and its subsidiary are to accept the return of the land and houses and make payments to the plaintiffs in accordance with the judgement. The subsidiary has placed a cheque for Baht 13 million with the Court as a bond since 21 June 2018, in accordance with the judgement of the Court of Appeal. The subsidiary is currently in the process of executing the judgement. For reasons of prudence, the subsidiary has set aside provision of Baht 4 million (2019: Baht 4 million).

39. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were disclosed at fair value using different levels of inputs as follows.

(Unit : Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investments in associates	41,218	-	-	41,218
Investment properties	-	-	1,152	1,152
Liability for which fair value are disclosed				
Unsecured debentures	-	12,201	-	12,201

(Unit : Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investments in associates	49,502	-	-	49,502
Investment properties	-	-	857	857
Liability for which fair value are disclosed				
Unsecured debentures	-	20,272	-	20,272

40. Financial instruments

40.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, accounts receivable, loans to, investments, deposits, accounts payable, retention guarantees, short-term loans, long-term loans, lease liabilities and debentures. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans to and deposit with banks. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade accounts receivable

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade accounts are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by product type and customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term loans, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

	As at 31 December 2020					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
						(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	2,284	226	2,510	0.05 - 0.55
Trade and other receivables	-	-	-	37	37	-
Restricted deposits at financial institutions	5	-	-	-	5	0.25
Deposits of lease of land and building	-	-	-	20	20	-
Financial liabilities						
Short-term loan from financial institution	998	-	-	-	998	1.40
Trade and other payables	-	-	-	502	502	-
Long-term loan	-	-	3,944	-	3,944	MLR - 2.25
Deposits for rental and service	-	-	-	71	71	-
Retension guarantees	-	-	-	328	328	-
Lease liabilities	260	677	-	-	937	4.27
Unsecured debentures	4,600	7,495	-	-	12,095	2.16 - 2.85

(Unit : Million Baht)

	As at 31 December 2019					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
						(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	1,933	279	2,212	0.10 - 1.30
Trade and other receivables	-	-	-	98	98	-
Restricted deposits at financial institutions	5	-	-	-	5	0.60 - 0.80
Deposits of lease of land and building	-	-	-	33	33	-
Financial liabilities						
Short-term loan from financial institution	500	-	-	-	500	1.55
Trade and other payables	-	-	-	630	630	-
Deposits for rental and services	-	-	-	74	74	-
Retention guarantees	-	-	-	413	413	-
Unsecured debentures	8,000	12,088	-	-	20,088	2.16 - 2.97

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loan from affected as at 31 December 2020, with all other variables held constant.

Currency	Increase/(decrease)	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	0.25	9,860
	(0.25)	(9,860)

Foreign currency risk

As at 31 December 2020 and 2019, the Group had no material financial instruments which denominated in foreign currency.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of short-term loan from financial institutions, trade and other payables, lease liabilities, long-term loan, deposits for rental and services, retention guarantees and unsecured debentures. Approximately 40% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 44%) (the Company only: 39%, 2019: 43%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit : Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	1,000	-	-	1,000
Trade and other payables	-	502	-	-	502
Lease liabilities	-	294	609	133	1,036
Long-term loans	-	800	3,144	-	3,944
Deposits for rental and services	71	-	-	-	71
Retention guarantees	328	-	-	-	328
Unsecured debentures	-	4,600	7,500	-	12,100
Total non-derivatives	399	7,196	11,253	133	18,981

(Unit : Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	1,000	-	-	1,000
Trade and other payables	-	351	-	-	351
Lease liabilities	-	42	147	133	322
Long-term loans	-	800	3,144	-	3,944
Deposits for rental and services	64	-	-	-	64
Retention guarantees	195	-	-	-	195
Unsecured debentures	-	4,600	7,500	-	12,100
Total non-derivatives	259	6,793	10,791	133	17,976

40.2 Fair values of financial instruments

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

a) For financial assets and liabilities which have short-term maturity, including cash and cash at financial institutions, accounts receivable, accounts payable, deposits, retention guarantees and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.

b) For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

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

(Unit : Million Baht)

	As at 31 December 2020		As at 31 December 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liability				
Unsecured debentures	12,095	12,201	20,088	20,272

During the current year, there were no transfers within the fair value hierarchy.

41. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.79:1 (2019: 0.89:1) and the Company's was 0.72:1 (2019: 0.84:1).

42. Event after reporting period

On 24 February 2021, the meeting of the Company's Board of Directors passed a resolution to propose to an annual general meeting of the Company's shareholders for approved of a dividend payment at a rate of Baht 0.12 per share from the operating result of the year 2020 or a total of approximately Baht 1,286 million. The Company paid an interim dividend of Baht 0.04 per share to its shareholders on 8 September 2020 and will pay a final dividend of Baht 0.08 per share or a total of approximately Baht 857 million within May 2021.

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.

Remuneration for the Auditor

1. Audit Fee

The Company and its subsidiaries paid an audit fee to the auditor of Baht 6,270,000 in 2018 Baht 6,540,000 in 2019 and Baht 6,070,000 in 2020 respectively. The Company has not other expenses relating to the reviewing of financial statements in 2018 - 2020.

2. Non-Audit Fee

In 2018 - 2020, there were no other fees paid since the company had not used any other services from the auditor.

Other References

1. The Securities Registrar

Thailand Securities Depository Company Limited
No. 93, Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng Sub-District, Dindaeng District, Bangkok 10400
Tel : 0-2009-9000
Fax : 0-2009-9991

2. The Auditor

2.1	Ms. Rungnapa Lertsuwankul	Certified Public Accountant (Thailand) No. 3516 and/or
2.2	Mr. Chayapol Suppasedtanon	Certified Public Accountant (Thailand) No. 3972 and/or
2.3	Mrs. Gingkarn Atsawarangsalit	Certified Public Accountant (Thailand) No. 4496 and/or
2.4	Ms. Pimjai Manitkajohnkit	Certified Public Accountant (Thailand) No. 4521 and/or
2.5	Ms. Orawan Techawatanasirikul	Certified Public Accountant (Thailand) No. 4807 and/or
2.6	Ms. Sumana Punpongsanon	Certified Public Accountant (Thailand) No. 5872 and/or
2.7	Ms. Kirdsiri Kanjanaprakasit	Certified Public Accountant (Thailand) No. 6014

EY Office Limited
No. 193/136-137, 33rd Floor, Lake Rajada Office Complex,
New Rajadapisek Road, Bangkok 10110
Tel : 0-2264-0777
Fax : 0-2264-0789-90

3. Debenture Registrar

3.1 Unsubordinated and Unsecured Debentures of Quality Houses Public Company Limited

No. 1/2016, Tranche 2 (QH214A)
No. 2/2019 (QH22NA)

CIMB Thai Bank Public Company Limited
No. 44, Langsuan Building, Langsuan Road, Lumpini, Patumwan, Bangkok 10330
Tel : 0-2626-7503-4, 0-2626-7506
Fax : 0-2626-7543

3.2 Unsubordinated and Unsecured Debentures of Quality Houses Public Company Limited

No. 1/2018, (QH213A)
No. 2/2018, (QH216A)
No. 1/2019, (QH225A)

Bank of Ayudhya Public Company Limited
1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Tel : 0-2296-5692
Fax : 0-2683-1389

4. Appraisal Company

Grand Asset Advisory Co.,Ltd.
1350/279 -283 Thairong Tower, 16th Floor,
Pattanakarn Road, Suan Luang, Bangkok 10250
Tel : 0-2719-4500
Fax : 0-2719-5070-71

PROSPEC APPRAISAL CO., LTD.
573/144-145 Sriwara Town in Town
Prachauthit Road, Phlubphla,Wangthonglang, Bangkok 10310
Tel : 0-2559-0678
Fax : 0-2559-0679

Head Office and Projects' Location

Head Office

Quality Houses Public Company Limited	6th-7th Floor, Q. House Lumpini Building, No.1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Tel : 0-2677-7000 or 0-2343-8888 Fax : 0-2677-7009

Housing Projects

Call 1388 for all projects

Bangkok and Vicinities

Q.House Avenue Phraram 5	Bangkuvieng, Bangkruai, Nonthaburi
Prukpirom Ratchaphruk-Rattanathibet	Omkret, Pak Kret, Nonthaburi
Laddarom Elegance Outer Ring Road-Sathorn	Bang Khae, Bang Khae, Bangkok
Laddarom Tiwanon	Ban Mai, Muang Patumtanee, Patumtanee
Laddarom Wong Wean-Ramintra	O Ngoen, Sai Mai, Bangkok
Laddarom Phuttamonthon Sai 1-Bang Khae	North Bang Khae, Bang Khae, Bangkok
Vararom Premium Watcharapol-Chatu Chot	O Ngoen, Sai Mai, Bangkok
Vararom Watcharapol-Permsin	O Ngoen, Sai Mai, Bangkok
Casa Grand On Nut-Outer Ring Road	Dok Mai, Prawet, Bangkok
Casa Grand Ratchaphruk-Phraram 5	Bang Len, Bang Yai, Nonthaburi
Casa Grand Sukhaphiban 5	Sai Mai, Bangkok
Casa Legend Kaset-Nawamintr	Tha Raeng, Bang Khen, Bangkok
Casa Legend Ratchaphruk- Pinklao	Wat Chaiyaphruk, Taling Chan (Bang Yai), Bangkok
Casa Legend Phraram 5-Ratchaphruk	Bangkanoon, Bang Kruai (Bang Yai), Nonthaburi
Casa Premium Ratchapruk-Chaengwattana	Khlong Khoi, Pak Kret, Nonthaburi
Casa Premium Ratchaphruk-Phraram 5	Bang Krang, Muang Nonthaburi, Nonthaburi
Casa Premium Phraram 2	Tha Kham, Bang Khun Thian, Bangkok
Casa Premium On Nut-Outer Ring Road	Dok Mai, Prawet, Bangkok
Casa Presto Wongwaen-Pinklao	Salaklang, Bangkruai, Nonthaburi
Casa Presto Pracha Uthit 90	Naiklongbangplakod, Prasamutjedi, Samutprakan
Casa Ville Rangsit-Klong 2	Klongrangsit, Thanyaburi, Patumtanee
Casa Ville Bangna-Teparak	Bangphli Yai, Bangphli, Samutprakan
Casa Ville Ramkamhaeng-Outer Ring Road 2	Khlong Song Ton Nun, Lat Krabang, Bangkok
Casa Ville Watcharapol-Permsin	O Ngoen, Sai Mai, Bangkok
Casa Ville Bangyai	Bangrak-Banmai Road, Bang Mae Nang, Bang Yai, Nonthaburi

Housing Projects

Call 1388 for all projects

Bangkok and Vicinities

Casa Ville Pracha Uthit 90	Naiklongbangplakod, Prasamutjedi, Samutprakan
Casa Ville Wongwaen Chatu Chot	Samwa Tawantok, Klongsamwa, Bangkok
Casa Ville Pinklao Srirat	Salaklang, Bangkloy, Nonthaburi
Casa Ville Wong Wean-Ramintra	O Ngoen, Sai Mai, Bangkok
The Trust Srinakarin-Praksa	Praksa Road, Praksa, Muang Samutprakan, Samutprakan
The Trust Suvarnabhumi-Teparak	Bang Chalong, Bang Phli, Samutprakan
Casa City Sukhumvit-Samut Prakan	Khlong Ta Khet East side, Sukhumvit Road, Paknam, Muang, Samutprakan
Casa City Pracha Uthit 90	Naiklongbangplakod, Prasamutjedi, Samutprakan
Casa City Don Mueang-Si Saman	Si Kan, Donmuang, Bangkok
Casa City Ratchaphruk-Phraram 5	Banglen, Bang Yai, Nonthaburi
Casa City Phraram 5-Pinklao	Bangsrithong, Bangkloy, Nonthaburi
Casa City Ramkamhaeng-Misteen	Rat Phatthana, Saphansung, Bangkok
Casa City Watcharapol Permsin 2	O Ngoen, Sai Mai, Bangkok
Casa Waterside Phraram 5	Bangkanoon, Bangkloy, Nonthaburi
Gusto Bangna-Suvarnabhumi	Sisa Chorakhe Yai, Bang Sao Thong, Samutprakan
Gusto Wongwean-Phraram 5	Bangmuang, Bang Yai, Nonthaburi
Gusto Petchkasem-Taweewattana	Taweewattana, Bangkok
Gusto Ratchaphruk-Phraram 5	Bang Krang, Muang, Nonthaburi
Gusto Petkasem 69-Kanjanapisek	Nongkham, Nongkham, Bangkok
Gusto Suksawat-Pracha Uthit	Nai Khlong Bang Pla Kot, Prasamutjedi, Samutprakan
Q District King Kaew-Suvarnabhumi	Racha Thewa, Bang Phli, Samutprakan
Q District Don Mueang-Song Prapha	Sikan, Donmuang, Bangkok
Q District Suksawat-Wongwaen Phraram 3	Bangjak, Phrapradaeng, Samutprakan
Q District West Gate	Bangrakpattana, Bangbuathong, Nonthaburi
Q Prime Sukhumvit 77	On Nut, Suanluang, Bangkok

Housing Projects

Call 1388 for all projects

Provinces

Laddarom Elegance City Hall	San Phi Suea, Muang, Chiangmai
Q.House Villa Nakorn Ping	Watgate, Muang, Chiangmai
Vararom Premium Kawila	Watgate, Muang, Chiangmai
Vararom Premium City Hall	San Phi Suea, Muang, Chiangmai
Vararom Premium Kaewnawarath	San Pu Loei, Doi Saket, Chiangmai
Casa Grand Sriracha	Surasak, Sriracha, Chonburi
Casa Legend Ban Bueng	Ban Bueng, Chonburi
Casa Ville Ban Bueng	Ban Bueng, Chonburi
Casa Ville Rayong	Noenphra, Muang Rayong, Rayong
Casa Seaside Rayong	Taphong, Muang Rayong, Rayong
The Trust Ban Pho	Klong prawet, Ban Pho, Chachoengsao

Condominium Projects

Call 1388 for all projects

Bangkok and Vicinities

Q1 Sukhumvit	Klongtoey, Bangkok
Casa Condo @MRT T-Junction Bangyai	Rattanathibet Road, Sao thong Hin, Bang Yai, Nonthaburi
The Trust Condo Ngamwongwan	Ngamwongwan Road, Banglane, Nonthaburi
The Trust Condo @BTS Erawan	Sukhumvit Road, Pak Nam, Muang, Samutprakan
The Point Condo Rangsit Klong 6	Rangsit-Nakhon Nayok Road, Rangsit,Thanyaburi, Patumtanee

Provinces

Q Seaside Hua Hin	Phet Kasem Road, Cha Am, Petchaburi
Q House Condo Phahon Yothin Chiangrai	Rim Kok, Muang, Chiangrai
Casa Condo @CMU 2	Suthep, Muang Chiang Mai, Chiangmai
Casa Condo Sriracha	Surasak, Sriracha, Chonburi
The Trust Condo Nakhon Prathom	Sanamchandra, Muang Nakhonpathom, Nakhonpathom
The Trust Condo South Pattaya	Nongprue, Bang Lamung, Chonburi
The Trust Condo Amata-Chonburi	Nong Mai Daeng, Muang Chonburi
The Trust Condo Hua-Hin	Hua-Hin, Hua-Hin, Prachuapkhirikhan
The Point Condo Laem Chabang	Thung Sukhla, Si Racha, Chonburi

Hotel / Serviced Apartment Projects

Centre Point Hotel Pratunam	Soi Somprasong 3, (Petchburi 15) Petchburi Road, Bangkok	Tel : 0-2653-6690
Centre Point Hotel Sukhumvit 10	Sukhumvit 10, Bangkok	Tel : 0-2653-1783
Centre Point Hotel Silom	Charoenkrung Road, Bangrak, Bangkok	Tel : 0-2266-0521-49
Centre Point Hotel Chidlom	Langsuan Road, Bangkok	Tel : 0-2657-2400
Centre Point Sukhumvit-Thonglor	Soi Sukhumvit 55 (Thonglor), Sukhumvit Road, Bangkok	Tel : 0-2365-8300

Office Building for Rent Projects

Q. House Asoke	16th Floor, Q. House Asoke Building, No. 66 Sukhumvit 21, North Klongtoey, Wattana, Bangkok	Tel : 0-2264-2245-7
Q. House Sathorn	Ground Floor, Q. House Sathorn Building, No. 11 South Sathorn Road, Tungmahamek, Sathorn, Bangkok	Tel : 0-2679-1621-2
Q. House Ploenjit	5th Floor, Q. House Ploenjit Building, No. 598 Ploenjit Road, Lumpini, Pathumwan, Bangkok	Tel : 0-2254-1020-1
Q. House Lumpini	7th Floor, Q. House Lumpini Building, No. 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok	Tel : 0-2677-7177



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