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Message from the Chairman

Dear Shareholders

In 2021, the business operations under the epidemic situation of COVID-19 consecutively for over 2 years, is very difficult. The housing market will remain flat or see only mild growth, premised on the ongoing spread of COVID-19 and the effects of this on economic recovery, and steadily rising household debt that is undercutting consumer purchasing power and encouraging lenders to be more careful about the release of new credit.

Besides, following weak operations, hoteliers will continue to see depressed conditions. The first shoots of recovery will start to break through from the end of this year and throughout 2022 and 2023, but it could take at least 4 years for foreign tourist arrivals to return to the pre-COVID level. Against this backdrop, domestic tourism will recover faster, partly thanks to ongoing policy efforts by the government to stimulate demand. By the latter half of 2021, the worldwide rollout of vaccination programs will start to translate into an uptick in foreign tourist arrivals, helped by a recovering global economy and long-term growth potential in the Thai tourism industry. However, in the post-pandemic environment, players in the tourism and hotel industries will need to move rapidly to overhaul their operations onto a more sustainable footing by accelerating the adoption of modern technology, placing greater emphasis on public health and hygiene, and developing their understanding of varied and diverse consumer needs and using this knowledge to offer customized travel experiences.

AQ Estate Public Company Limited's operating results for the year 2021 is a net loss of (495.16) million Baht, a decrease from the last year by (103.27) million Baht which has a net loss of (391.89) million Baht. Because in 2021, the Company and its subsidiaries have a new asset appraisal so, some assets are depreciated. Besides, the company sold such depreciated products. Therefore, the cost of sales is quite high as well as the problem of the court case of the Criminal Division for Persons Holding Political Positions has not yet been reached.

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

Mr. Auychai Kultipmontre
Chairman of the Board of Directors
AQ Estate Public Company Limited

Part 1

Business Operations and Operating Results

1. Structure and Business Operations of the AQ Group

Background

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

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

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

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

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

At present AQ Estate Public Company Limited operates real estate commercial and development business. Both horizontal and vertical include Rental Property with the registered capital of Baht 81,058,570,872.50, Fully paid Baht 42,662,405,722.00 divided into 85,324,811,444 shares at par value of Baht 0.50.

1.1 Overview of the Business

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

- 1) Buying- Land acquisition is characterized by large land then divided into plots allocated. Then, the management and development of projects to be completed before the roads and utilities. Then sell to retail buyers.
- 2) The land and buildings This includes the allocation of land area. Designing buildings Contractors To servicedifferent To add value to the land, such as the allocation of land, which is a house divided. Semi-detached houses, commercial buildings and condominiums.
- 3) Construction of houses for customers who buy land of the company by hiring a small contractor under the supervision of the company's officer.
- 4) Sales management for other real estate development projects, with revenue from sales management based on sales proportion.
- 5) Hotels and Resorts Business.
- 6) Operation of storage space rental business.

Status of the Company

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

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

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor Mor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company

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

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

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

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

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

letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition, the board of directors meeting No.12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore, the officer will report to the court to lift this bankruptcy case according.

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

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

On June 17, 2019, the plaintiff appealed the judgment and on July 18, 2019, the three defendants filed a petition. Later, on June 4, 2020, the Supreme court read the judgment of the Court of Appeals, which reversed judgment that the 1st defendant transfer the shares held by Golden Technology Industrial Park Company Limited amount to 5,440,000 shares return to the plaintiff. If 1st defendant does not take action, the judgment shall be taken of the court instead of intention. Any other request to cancels costs fee for both court on July 1, 2020, the lawyers of the three defendants filed a petition to extend the period on the 1st and the court permit to extend the period till the date on August 4, 2020. And as at July 31, 2020, AQ Estate Public Company Limited with the three defendants filed a petition to extend the period on the 2nd that the court permit to extend the period till the date on September 3, 2020. The three defendants not to filed a petition. The case had terminated.

On August 3, 2018, Case NO. P.4393/2018. AQ Estate Public Company Limited sue Golden Technology Industrial Park Company Limited and Progress Property Company Limited (co-defendant) to be a civil case, to refund advance which AQ has paid reservation according to the property management agreement, amounting of Baht 74,999,995. On August 6, 2019, the co-defendant filed a petition to postpone the case, claiming that the Golden company was sued by the Krung Thai Bank in bankruptcy cases. The bankruptcy court will consider on August 20, 2019. Therefor the civil court has agreed to wait for the outcome of the bankruptcy case and then postponed the appointment to hear the results on September 17, 2019. Later, the Krung Thai Bank bankruptcy case of discontinued Golden Technology Industrial Park Company Limited, so the civil case will be continuing. The courts on January 14, 2021, sentenced the case, the defendant is Golden Company pay to AQ Estate Public Company Limited amount Baht 52,381,259.93 million plus 7.5% of interest per year. At present, the plaintiff is satisfied with the verdict and does not wish to appeal. As for the defendant and the petitioner, the appeal has been filed with the court and the plaintiff has filed an appeal against the court. The case is currently being considered in the appeal. The Court scheduled to hear the judgment and/or the Court of Appeal's order on March 17, 2022.

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

financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have temporary suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

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

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

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

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

enough for payment of damages to the bank and/or mutually discuss the terms and conditions for the payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

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

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

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

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

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

As disclosed in Note 29 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12-14, 2017 and Baht 1,925 million on July 17-21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2021 as follows:

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

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

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

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

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

The Company has sent a letter to Krungthai Bank Public Company Limited dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case No. Aor Mor. 55/2015 or pay as principal in the civil court in decided case No. Tor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders The Company reserves the right to take any action in according to the law or protect the legitimate rights in all cases, if Krungthai Bank Public Company Limited take any action that causes damage to the Company to the end. Because the case is not over yet as a result, the Company is unable to reverse the provisions that it has set aside for.

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

court are meeting of settlement of issue and define prosecution guidelines or the courts meeting schedule the hearing date on November 18, 2019. The totaling of defendant filed to expand the time on February 9, 2020. The lawyer has comment to the court should be consider trend and judgment for conditional in contract on August 10, 2017. The court determines an appointment to decide the law or an appointment pointing to two places on February 11, 2022 and determine of the date of plaintiff witness hearing on March 22-23, 2022 and the defendant witness hearing on March 24, 29-31, 2022.

1.1.1 Goals and Strategies for Operation

Visions

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

Missions

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

1.1.2 Changes and key developments

1) Change in share capital and the issuance of securities

Year 2017

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

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

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

- Approve the capital increase in the amount of Baht 140,668,670,884 by issuance of newly issued ordinary shares of 281,337,341,768 shares at the par value of Baht 0.50. After the capital increase, the Company will have the registered capital of Baht 147,006,012,651.50 comprised of ordinary shares in total of 294,012,025,303 shares at par value of Baht 0.50.
- Approved to amend the memorandum of association in item 4: Item Registered Capital, to comply with the increase of the registered share capital by cancelation of the previous sentences and use these new sentences as following: Item 4 Registered Capital Baht 147,006,012,651.50 Comprised of 294,012,025,303 shares par value Baht 0.50 Comprised of: Ordinary Shares 294,012,025,303 shares Preferred shares - None-
- Approved to consider the issuance and offering the warrants to purchase ordinary shares of AQ Estate Plc.no. 4 (AQ-W4) for not exceeding 56,337,341,768 unit.
- Approved to consider the allotment of newly issued ordinary shares of the Company of 281,337,341,768 shares at par value of Baht 0.50 per share in the following order:
 - (1) Allotment of newly issued ordinary shares of 100,000,000,000 shares, Baht 0.50 par value for private placement by empowerment the Board of Directors or the person assigned by the Board of Directors to determine offering price and number of allocated shares for one year. However, the offering price must be (1) the price calculated by weighted average in the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price with the price discount of not more than 10%. At present, the company has no reference price because in the period of trading suspension (SP). Therefore, the company must have to find next price. (2) The company conducts a price determination through a process that allows institutional investors to express their wish to acquire newly issuance shares at book building price. At the date of the Board of Directors approved the share allotment and pricing, the company will take book building price to consider in the allocation. In case of the price according to (1) and book building according to (2) does not reflect the true value of shares, the company will use the appraised value by the Financial Advisor Company for consideration. The company will employ S14

Advisory Company Limited, the financial advisor in the list of the SEC. to appraise preliminary information for shareholders acknowledge and the appraised value is Baht 0.05.

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

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

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

- (1) The market price calculated from the weighted average of share price of not less than the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price as specified in item 8(1) of The Notification of the Capital Market Supervisory Board no. Tor Jor 72/2558, Re: Approval for the Listed Company to offer new shares to specific investors ("The Notification - Tor Jor 72/2558"), does not reflect the true value of shares of the Company because the shares of the Company has been suspended from trading in the Stock Exchange of Thailand; and

- (2) The offering price cannot be determined by the opened process to the institutional investors who intend to subscribe for the newly issued shares at the preferred price level (book building) processed by the securities company as specified in item 8(2) of The Notification - Tor Jor 72/2558 because of no proposed bidding price from the institutional investors to purchase newly issued shares of the Company. Therefore, the fair value is appraised by S14 Advisory Co., the financial advisor approved in the list of the SEC consideration which appraised from the latest financial Statement on December 31, 2016, on July 11, 2017 equal to Baht 0.04 and it can be regard as substitution of market price equal to Baht 0.04.

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

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

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

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

- (1) The offering price for the specific investors is Baht 0.05 per share and is considered as the allotment at price instead of market price in accordance with the Notification - Tor Jor

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

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

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

| | |
|---------------------------|----------------------------|
| issued ordinary shares of | 34,140,000,000 shares are: |
| No. of existing shares : | 12,674,683,535 shares |
| Allotment shares : | 34,140,000,000 shares |
| Total shares : | 46,814,683,535 shares |

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

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

| | |
|---------------------------|----------------------------|
| issued ordinary shares of | 38,500,000,000 shares are: |
| No. of existing shares : | 46,814,683,535 shares |
| Allotment shares : | 38,500,000,000 shares |
| Total shares : | 85,314,683,535 shares |

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

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

(3) Detail and schedule for use of fund :

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

3.2 For development of projects of the Company.

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

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

(4) For the offering price for private placement, the Board of Directors considered and approved the offering price at Baht 0.05 from the fair price appraised by S14 Advisory Company Limited on May 31, 2017. The number of shares offered for sale No.1 34,140,000,000 shares in the amount of Baht 1,707,000,000 and payment within July 14, 2017. And the number of shares offered for sale No.2 38,500,000,000 shares in the amount of Baht 1,925,000,000 and payment within July 19, 2017. The offering price is fair value, higher than the latest fair price which appraised price from S14 Advisory Co., Ltd., on July 11, 2017, at Baht 0.04, using the latest financial statements published to investors.

(5) Terms, conditions or other agreement with investors:

The company allotted shares to the investors without any terms, conditions or other agreement.

(6) From the issuance and allotment for private placement of 100,000 million shares, the Company allotted No.1 34,140 million shares for this time and the remaining un-allotment is

65,860 million shares and allotted No.2 38,500 million shares for this time and the remaining un-allotment is 27,360 million shares allotted No.1 and No.2 Total 72,640,000,000 shares are as listed securities on July 17, 2017.

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

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

Year 2018

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

Year 2019 - 2020

Year 2019 - 2020 shares capital has no movement.

Year 2021

- ❖ The Extraordinary General Meeting of Shareholders No.1/2021, on November 8, 2021, approved as follows:
 - (1) Approved the decrease of the Company's registered capital of Baht 104,343,606,929.50 from the existing registered capital of Baht 147,006,012,651.50 to Baht 42,662,405,722 by decreasing 208,687,213,859 ordinary shares of the Company at the par value of Baht 0.50 per share.
 - (2) Approved the increase of the Company's registered capital of Baht 38,396,165,150.50 from the existing registered capital of Baht 42,662,405,722 to Baht 81,058,570,872.50 by issuing 76,792,330,301 newly issued ordinary shares, at the par value of Baht 0.50 per share.
 - (3) Approved the issuance and offering of the warrants to purchase the Company's newly issued ordinary shares No. 5 (AQ-W5) at the number of 42,662,405,722 units to the existing shareholders according to the proportion of their shareholding at the ratio of 2 existing ordinary shares to 1 unit of warrant.

(4) Approved the allocation of the newly issued ordinary shares of the Company numbered 76,792,330,301 shares, par value THB 0.50 as follows;

- Allocation of newly issued ordinary shares of not exceeding 34,129,924,579 shares to support the issuance and offering of newly issued ordinary shares under a general mandate form as follows:
 - To offer to the existing shareholders (Rights Offering) of not exceeding 25,597,443,434 shares or 30 percent of the paid-up capital.
 - To offer to private placement (Private Placement) of not exceeding 8,532,481,145 shares or 10 percent of the paid-up capital.
- Allocation of newly issued ordinary shares of not exceeding 42,662,405,722 shares to support the exercise of the warrant to purchase the Company's ordinary shares No.5 (AQ-W5).

2) Change in Shareholding Structure

Year 2017

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

| No. | Top Ten Shareholders | Before Share allotment | % | After Share allotment | % |
|-----|---|------------------------|---|-----------------------|--------|
| 1 | Zico Allshores Trust(S) Pte, Ltd. | - | - | 17,000,000,000 | 19.92% |
| 2 | CGS-CIMB SECURITIES (SINGAPORE)PTE., LTD. | - | - | 5,100,000,000 | 5.98% |
| 3 | Mrs. Jiratha Wattanawekin | - | - | 3,900,000,000 | 4.57% |
| 4 | Mr. Bawon Rungroengnawarat | - | - | 3,582,000,000 | 4.20% |
| 5 | Mr. Chanon Wangtaal | - | - | 3,315,000,000 | 3.89% |
| 6 | Mr.Wittaya Jakpetch | - | - | 3,100,000,000 | 3.63% |
| 7 | Mr. Pichet Permsuphiran | - | - | 2,670,000,000 | 3.13% |
| 8 | Miss Thanutra Sueweerachai | - | - | 2,226,622,600 | 2.61% |
| 9 | Miss Suppaluk Sethapanich | - | - | 2,060,000,000 | 2.41% |
| 10 | Mr. Susittak Atchariyasombat | - | - | 2,000,000,000 | 2.34% |

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

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

Zico Malaysia Sdn Bhd:

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

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

- 1) Licensed trust companies in Singapore must at all times comply with, inter alia, the confidentiality provisions under Section 49 of the Trust Companies Act (Chapter 336) (Original Enactment: Act 11 of 2005) REVISED EDITION 2006 (31st July 2006) which prohibits disclosure of information regarding a “protected party” (which includes beneficiaries under a trust) by a licensed trust company (or any of its officers) to any other person, except as expressly provided in the Act;
- 2) Investment Management Association of Singapore’s Code of Ethics & Standards of Professional Conduct (“the Standards”) (May 2010) are applicable to all Investment Managers in Singapore and under Chapter 2.5 of the Standards, investment managers shall maintain proper procedures to ensure the confidentiality of client information;
- 3) Wisdom & Virtue Fund is an open-ended fund;
- 4) There are various investors/unitholders in Wisdom & Virtue Fund which consist of institutional investors, fund of fund, high net worth individuals and family offices; and
- 5) The Fund Manager and Trustee have the experience and expertise on investments in the South East Asian region.

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

Year 2018 - 2021

-No change in shareholding structure-

3) The Key Development

Year 2019

11 March 2019 The auction of mortgaged property at the price of THB 8,914.07 million on 17 October 2018. The properties sold at the auction were divided into 3 groups as follows.

1. The first group was the criminal cases of Persons Holding Political Positions in decided case No. AuMor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was THB 4,019.62 million. The buyer had placed the deposit of THB 201 million. The remaining would be paid within 1 February 2019 and on 24 January 2019, the buyer paid THB 3,818.62 million.
2. The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho.59/2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of THB 1,261.02 million, deposit of THB 65 million, the remaining amount must be paid THB 1,196.02 million. The petitioner, K&V RS Co., Ltd., held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on 24 January 2019 to such petition, and the court made an appointment to hear civil court order on 20 March, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged

thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition.

3. The third group was the case of Central Bankruptcy Court in decided case No. L.1249/2012. The property sold at auction from this case of 1,868-3- 97.72 rai and land ownership belongs to K&V RS Company Limited. The auction buyer purchased price of THB 3,633.43 million, deposit of THB 182.50 million, the remaining amount must be paid THB 3,450.93 million within 1 February 2019. K&V filed the objection, causing the buyer to submit such matter to court against the petition of K&V Company, which was between the three objections and divided as follows.

- 3.1 Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of Ms. Charoen Yukongtham in the ratio of 800.66 and proceeded to sell the auction. In this case the petitioner had applied for revocation as the auction unlawful. The court accepted the petition as objection and called the Golden Company as the third objector, then completed the examination witnesses and made the appointment to hear order on 5 March 2019. The case result was dismissed by the court.

- 3.2 Central Bankruptcy Court in undecided case No. SL. 388/2018, the petitioner filed claiming that bring the property of petitioner was sold together with land Golden Company unlawful and to suspend temporarily the auction. The court had ordered the petition and attached documents to the petition. In the event that was no legal reason to suspend the auction, according to petition. The court therefore ordered to dismiss the petition.

- 3.3 Undecided case No. SL.438/2018 regarding the revocation auction of the second debtor's land (K&V SRS Garden Home Company Limited). In this case, the objector had submitted the request to revoke as unlawful auction and requested to the temporarily suspend enforcement on 4

February 2019. The court ordered the company attorneys, the stakeholders (Golden Company) and called the second objector which will appoint witnesses on 25 and 26 April 2019.

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

- 29 August 2019 The Board of Director meeting No. 8/2019 approved to make the prosecution to Krung Thai Bank Public Company Limited and the Executive Committee of Krung Thai Bank Public Company Limited (Board of Directors) to take the proceeds from land auction of Golden Technology Industry Company Real Park Company Limited in the amount of 3,898.70 million baht to pay for damages in lawsuit of the Supreme Court's Criminal Division for Persons Holding Political Positions or financial statements revision for 1 st quarter 2019 of Krung Thai Bank to bring such amount as the principle payment of Golden Technology Industrial Park Company Limited in such civil case in order to provide a practical guide on the public auction according to bank regulations or to claim the refund of 3,898.70 million baht and / or other damages. The company requests lawyer to send a notice to Krung Thai Bank for correcting the accounting record and bring the amount of 3,898.70 million baht to pay the principle within 15 days from bank receiving such notice. In case of overdue such period, the company will file a civil suit as requested by Board of Directors.
- 13 September 2019 The Company purchased 1,387,500 ordinary shares of the Tarna Algn Resort Co., Ltd., representing 99.82% at price of 90.44 Baht per share in amounting of 125,480,000 Baht.

Year 2020

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

Lawsuit regarding the sale at public auction collateral

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

1. Group 1: The criminal case of persons holding political positions with decided case No. OrMor. 55/2015 by seizure properties and sale of land auction of Golden Technology Industrial Park Co., Ltd. was 1,768 rai. The property buyer from auction was worth 4,019.62 million baht. The buyer had placed a deposit of 201 million baht on 24 January 2019 and the buyer paid in the amount of 3818.62 million baht.
 - 1.1 On September 25 2019, the AQ Estate Public Company Limited (Plaintiff) filed a lawsuit to Krung Thai Bank Public Company Limited (Bank) as the 1st with a group of 13 persons (defendants) which was a civil case requesting the bank to revise the first quarter of financial statements in 2019 by bringing the amount of 3,898.71 million baht (The deposit of 201 million baht and money from sale of land auction in the amount of 3,818.62 million baht and auction fees deductible to 120.91 baht) recorded as payment for damages in the case of the Supreme Court's Criminal Division for Persons Holding Political Positions with decided case No. 3/2012, decided case No. OrMor. 55/2015. If the defendant did not revise the first quarter of financial statements in 2019, the defendant will have to pay damages in the amount of 3,818.65 million baht. Made an appointment for settlement of issues shall be on 27 April 2020. With reference to the Coronavirus disease 2019 (COVID-19) outbreak situation in Thailand. The Court canceled the appointment.

On 30 September 2020, the court postponed the appointment to 19 November 2020. The defendant and the plaintiff went to court. The Lawyers of Krung Thai Bank (Defendant) requested to postpone the case because Krung Thai Bank got a decision from the Office of the Council of State that they are not a state enterprise. So it had a problem that the prosecutor can defend as a defense attorney for all 13 defendants or not, and the plaintiff was discussing ways to compromise the debt to the defendant. Therefore the plaintiff does not object to the postponement of the case. The court made an appointment on 22 February 2021. And later, the court postponed the appointment on 14 June 2021.
 - 1.2 On 26 September 2019 to 10 January 2020, the Supreme Court's Criminal Division for Persons Holding Political Positions had enforced by issuing a writ of execution to the Legal Execution Office of Civil Case for notifying to seize the right of claim 9 deposit of company accounts in four banks, totaling 69.40 million baht and some banks had seized the money in such accounts of 2.14 million baht to the Legal Execution Department on 15 October 2019 (As at 31 December 2019, the company had deposits of 4.25 million baht. The bank had confiscated in the amount of 2.14 million baht, the remaining 2.11 million baht pledged as collateral).

2. Group 2: For the civil lawsuit of decided case No. 4007/2552 and undecided branch case No. Tho. 59/2018, Krisdamahanakorn Public Company Limited was the plaintiff to file a lawsuit against Golden Technology Industrial Park Company Limited (Golden) which was the defendant as regards the deposit of land. Land in this case for sale by auction was 659-3-60 rai. The ownership of the land belongs to Golden Company, the auction buyer bought at the price of 1,261.02 million baht and placed deposit 65 million baht, the remaining balance must be paid 1,196.02 million baht. The land and its area of this case was seized and sale of land auction in the amount of 659-3-60 rai. The ownership of land belongs to Golden Company, the auction buyer bought at the price of 1,261.02 million baht and placed deposit 65 million baht, the remaining balance must be paid 1,196.02 million baht and filed a petition for revocation of sale by auction, claiming that the auction was unlawful. On 20 March 2019, the court ruled that the petitioner was only a shareholder of Golden Company and the petitioner did not have as stakeholders in the compulsory execution. In addition, the filing a petition to revoke of sale auction in this case involved or affecting the petitioner which was a judgment debtor the Central Bankruptcy case. The petitioner claims that could not make debt payments to creditors in full amount and received damage, therefore, considered as a litigation against the debtor's property. Upon the petitioner was adjudged bankrupt, the power to set up defend against the property of petitioner was only the authority of official receiver and the petitioner had no authority to file a petition in this case. The results of trial court dismissed the petition.
On 17 June 2019, K & V SRS Company Limited (Petitioner) filed an appeal against the order of the Civil Court. Currently, the Golden Technology Industrial Park Co., Ltd., (the 1 st defendant) has filed an appeal to the Court on 5 August 2019. The Court of Appeals considers the Court of First Instance on 12 March 2020.
3. Group 3: The Central Bankruptcy Court for the decided case No. Lor. 1249/2012, the property and sale of auction was 1,868-3-97.72 rai. The ownership of land was to K&V SRS Company Limited. The auction buyer bought at a price of 3,633.43 million baht, placed deposit of 182.50 million baht and the remaining must be paid in the amount of 3,450.93 million baht within 1 February 2019. K&V Company filed an objection, causing the buyer to file an objection with the court for opposing the petition of K&V Company which was between the three objections, divided as follows:
 - 3.1 Undecided case No. SorLor. 365/2018 regarding the Receiver had ordered to the deed No. 610 with an area of 18 rai 83 square wah from sale by auction which was part of Miss Charoen Yookongtham in the ratio of 800.66 and conducting sale by auction. In this lawsuit, the petitioner had applied to revoke sale of auction that sale of auction was an unlawful.

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

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

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

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

Lawsuit against the property management agreement

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

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

Other cases

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

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

This will transfer to be completed within 30 days from the date of 17 October 2019. On 18 October 2019, both defendants brought the plot of land that had to be transferred to the plaintiff back for sale with a third party. So the plaintiff sued as a criminal offense for defrauding creditors at the North Bangkok District Court, it is a black case No.Or.

3882/2563. The court scheduled a data inquiry on 16 November 2020. Later, on the date of the appointment, both defense lawyers requested to postpone the case. The court has postponed the date of the data hearing to be filed on 22 March 2021, on this day, the court made an appointment with the two defendants for a hearing on 8 June 2021.

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

Civil case between Golden Company Limited and Krung Thai Bank

1. The civil case at civil court between Krung Thai Bank Public Company Limited is the plaintiff with the Golden Technology Industrial Park Company Limited as the 1st with a group of 4 persons of

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

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

Year 2021

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

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

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

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

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

17 September 2021 The meeting of the Board of Directors No. 5/2564 approved the transaction of transferring assets and repaying debts under the Loan Agreement dated 1 March 2019 ("Loan Agreement") with KT Land and other parties to the agreement who are not connected persons of the Company, whereby KT Land has proposed to take 646,368 ordinary shares (equivalent to 0.60%) in Wind Energy Holding Company Limited ("WEH"). Such shares consisted of (1) 220,000 shares of Mr. Tossaporn Buasub ("Khun Thosaporn") (shares No. 52677950 to 52897949), which were pledged as collateral for debt repayment of loan receivables under loan agreements to the Company (2) 426,368 shares of Mrs. Jariya Buasub ("Khun Jariya") (shares No. 56177950 to 56604317, which were pledged to guarantee the payment of debts of Planet Energy Holding Co., Ltd. under a total of 8 bills of exchange (B/E bills) to transfer assets for debt settlement under the loan agreement.

In this regard, the shares that will be used to repay such debt are worth 484.18 baht per share, or the total amount is 312,958,458.24 by referring to the appraised value of WEH shares as of 30 November 2020 and has been audited by Capital Advantage Company Limited, a financial advisor named in the list of financial advisors of the Securities and Exchange Commission. The reason for using the appraisal price on November 30, 2020, the company uses the lowest appraisal price and the Company believes that the above price is not significant to the current price. After the transfer of Wind Energy Holding (WEH) shares, the Company will hold 2,146,368 ordinary shares in Wind Energy Holding Company Limited (WEH) in the amount of 2,146,368 shares or equivalent to 1.98% and on 20 September 2021, 646,368 shares to be transferred to repay such debt have been transferred to the name of AQ Estate Public Company Limited.

In any case, the information is examined by the Company's legal advisor prior to the transaction. The Company acknowledges from its legal advisors that shares used for transferring assets to pay debts may be subject to an order of temporary protection of the South Bangkok Court in Undecided Case No. 1031/2019 in which the court has prohibited WEH from paying any dividends to such shareholders. However, due to the limited access to WEH stock information, the Company is unable to definitively verify this fact.

In addition, the outstanding debt under the loan agreement as of 17 September 2021 is equal to 466,886,542.11 baht, divided into the principal amount of debt 412,144,693.51 baht and interest debt at the rate of 6.00 % per year, amounting to 54,741,848.60 baht. In this regard, the Company expects that the transaction regarding the transfer of assets for settlement of debt will be completed by 30 September 2021 and it is expected that the remaining debt after entering into the transaction will be approximately 153,928,083.87 baht. KT Land will continue to have a duty to repay the remaining debt as well as any accumulated interest on the remaining debt until the full amount is paid. However, KT Land may present any assets to the Company in order to repay the remaining debt by transferring the assets to repay the debt next. The loan under the contract will be due on 30 September 2021 and must request a resolution of the Board of Directors whether to extend the repayment period or not. The remaining payment must be subject to conditions as agreed by the Company and KT Land in writing and must request a resolution from the Board of Directors as of 30 September 2021. The company received the remaining debt payment in cash amounting to 154,352,874.08 Baht.

30 September 2021 The Board of Directors' meeting No. 6/2021 approved the important resolutions as follows:

1. Approved the Company's entering into a debt settlement transaction in accordance with the bill of exchange (BE) of Planet Energy Holding Pte. Ltd. ("PEH"); details of the BE appear in the enclosure ("BE"). PEH has proposed to use 2,252,716 ordinary shares of Green Earth Power Thailand Co., Ltd. ("GEP Thailand") (equivalent to 10 percent of the registered capital of GEP Thailand) with a value of THB 533.78 per share, or totaling THB 1,202,454,746.48, to settle the debt under the BE at the amount of THB 1,202,449,223.38. This debt amount comprises a principal of THB 1,072,160,010.50 and debt interests at the rate of 6.50 percent per year of THB 130,289,212.88.

The value of THB 533.78 per share is the share price offered by PEH to the Company for settlement. Such offered price is based on the price of the GEP Thailand shares appraised on 7 June 2021 by Orion Advisory Co., Ltd. After having been transferred the GEP Thailand shares, the Company will

hold 2,252,716 ordinary shares in GEP Thailand or equivalent to 10 percent of the registered capital of GEP Thailand. The outstanding debt under the BE as of 30 September 2021 amounts to THB 1,202,449,223.38.

2. Dispose of the land at Khlong Luang, Pathum Thani Province of 3 plots (117-0-88.5 rai) at the Selling price of 400,000,000 Baht

20 October 2021

The Board of Directors' Meeting No.7/2021 approved the Company to dispose of all shares in Free Zone Asset Company Limited ("Free Zone") , a subsidiary of the Company in which the Company holds 100 percent of shares, conducting the business of renting real estate, to Prospect Development Company Limited ("Prospect"). After the disposal of said shares, Free Zone will no longer be the Company's subsidiary. The details of the transaction are as follows;

The Board of Directors has passed the resolution to dispose of all shares in Free Zone in the amount of 1,824,998 shares at a price of approximately 54. 79 Baht per share, totaling 100,000,000 Baht. One of the conditions of the sale and purchase of shares is that Free Zone shall not have any outstanding debts, loans and interest. Since Free Zone has outstanding loans and accrued interest owed to the Company in the total amount of 181,584,511. 91 Baht (divided into loans amounting to 106,999,570. 91 Baht and interest amounting to 74,584,941 Baht) and Free Zone has restrictions on finding the sources of the funds from financial institutions or other sources of the funds. Therefore, Free Zone is required to increase the registered capital in the amount of 181,500,000 Baht in order to comply with the selling conditions. The Board of Directors' Meeting of the Company No. 4/2021, held on 13 August 2021, and the Extraordinary General Meeting 4/2021 of Free Zone held on 11 September 2021 have passed the resolution to increase the capital of 181,500,000 Baht and Free Zone has already proceeded with the registration of the capital increase on 20 September 2021. After increasing the capital, Free Zone has the registered capital of 182,500,000 Baht, divided into 1,825,000 ordinary shares, at a price of 100 Baht per share, having 1,824,998 shares held by the Company. Free Zone used the proceeds received from the said capital increase to pay off debts to the Company until there are no other liabilities owed to the Company.

28 October 2021 AQ Estate Public Company Limited reported the progress concerning the dispute with Krung Thai Bank Public Company Limited as follows;

On 25 September 2019, the Company (as the plaintiff) filed a lawsuit against KTB et al. (as the defendants) in a civil case no. Black case No, Phor.2354/2562 with the Civil Court of Southern Bangkok requesting that KTB change its financial statements for the first quarter of 2019 by recording the proceeds received from the auction of the secured land in the amount of 3,898.70 million baht as damages in connection with the proceedings with the Supreme Court's Criminal Division for Persons Holding Political Positions. The Court then scheduled a hearing for the litigation or examination of the plaintiff's witnesses on 18 November 2019. All defendants then applied for an extension of time to file their answers until 24 February 2020, and on 24 February 2020, the 13 defendants applied for an extension of time to file their answers for a further period of 30 days, which the Court allowed. The Court then rescheduled the hearing for the settlement of issues on 27 April 2020. However, due to the outbreak of the Coronavirus 2019 (COVID-19), the Court canceled such hearing and rescheduled the hearing for the settlement of issues on 30 September 2020. On 30 September 2020, the 13 defendants' attorney asked the plaintiff's attorney to withdraw the lawsuit against the 2nd to 13th defendants as they were directors of the 1st defendant and were acting on behalf of the 1st defendant. The plaintiff's attorney agreed to propose such matter to the plaintiff's management and the Court set a new hearing date for the settlement of issues or determination of legal issues on 19 November 2020. Then, the defendants' attorney requested to postpone such hearing to 22 February 2021 because the Office of the Council of State had determined that KTB was a state enterprise and there was an issue whether the prosecutor could defend the 13 defendants, to which the plaintiff did not object as it was in discussions with the defendants to explore whether a compromise could be reached. Thereafter, the Court postponed the hearing for the settlement of issues on 14 June 2021, the details of which are as described in the above referred letter. The Company would like to report on the progress concerning such matter as detailed below.

The Company requested for a postponement of the hearing for the settlement of issues from 14 June 2021 to 13 September 2021 because of the change in the executive director of the Company. However, given the ongoing outbreak of

COVID-19 situation, the Court issued an order on 13 September 2021 to postpone such hearing to 27 October 2021.

The court scheduled the settlement of issues or hearing to the ruling on the law on 27 October 2021. All 13 defendants filed a petition with the court for a decision on the law. The court had examined the plaint and answer and therefore decided that it still depends on the facts from the witness examination of certain issues, enabling it to decide the law and it is appropriate to make a decision at the same time as the judgment. The court then scheduled an examination of the plaintiff's witnesses on 22-23 March 2022 and examination of the defendant's witnesses on 24, 29-31 March 2022.

Year 2022

| | |
|------------------|---|
| 28 February 2022 | <p>The Board of Directors approved the disposal as follows:</p> <ol style="list-style-type: none"> 1. Dispose of Land at Rangsit of 1 plot (2-1-47.2 rai) at the selling price of 105 million Baht. 2. Dispose of Land at Rama 9 Soi 6 Chaturathit Road, a total land area of 363.90 square was at the selling price of 90 million Baht. |
| 3 March 2022 | <p>The Board of Directors Meeting No. 2/2022 approved the transaction to dispose of the Company's assets and its subsidiary to At Ease Property Company Limited ("Buyer") at the total price THB 500,000,000 as follows; -</p> <ol style="list-style-type: none"> 1. 2 Plots of Land (21 Rai 3 Ngan 40 Sq.w. (land and buildings) Land Title No. 20888, 20889, 20890, 20891, 20892, 20893, 20894, 21278, 22315, 22316, 22323, 22324, Nor.Sor.3 Kor. No.557 total is 21-3-40 Rai) which is the Floral Creek Chiangmai Hotel No. 90 Moo 4 HangdongSamerng Rd., Ban Pong, Hangdong, Chiangmai Province. 2. 23 Buildings and 2 items of development in parallel (project fence and bridge over Mae Tha Chang canal) 3. Building Construction Permit No. 20/2558, 23/2558, and 24/2558 together with Hotel License No. 2/2559 4. Other asset related to the business such as Floral Creek Hotel Employees (Employees who transfer to ATEASE will renew the employment contract with Buyer) 61 persons. |

1.1.3 Utilization of money received from fundraising

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

The proceeds from the capital increase 3,568.27 Million Baht

Deduct Utilization of capital increase as of 31 December 2021

| | | |
|--|------------|--------------|
| 1) Payment following the judgment of KTB | (1,635.74) | Million Baht |
| 2) Development of AQ ARBOR, Chonburi, Chiangmai, Rangsit | (65.00) | Million Baht |
| 3) Invested in hotel business | (121.00) | Million Baht |
| 4) Development of AQ ALIX | (26.00) | Million Baht |
| 5) Working capital | (236.23) | Million Baht |
| 6) Investment in shares of GEP and WEH | (1,484.30) | Million Baht |

(receiving debt payments from debtors)

Remaining capital increase fund as of 31 December 2021 -0.00- Million Baht

1.2 Type of Business

1.2.1 Revenue Structure

Revenue from business operations of the Company and subsidiaries during the year 2019 - 2021 can be classified by business segment as follows.

| Product line / Business Group | Operated by | % Shareholding | Revenue (Million Baht) | | | | | |
|---------------------------------|--------------------------|----------------|------------------------|-------|--------|-------|--------|-------|
| | | | 2021 | % | 2020 | % | 2019 | % |
| Revenues from sales of property | Thanont Property | 99.80 | 968.31 | 76.20 | 406.55 | 69.36 | 486.07 | 62.84 |
| | Allied Technologies | 99.90 | | | | | | |
| | Vitoonthanakorn | 99.99 | | | | | | |
| | Aquarius Estate | 99.99 | | | | | | |
| | Villa Nakarin | 99.99 | | | | | | |
| | Aquarius Hotel | 99.99 | | | | | | |
| Income from hotel business | AQ Village | 99.94 | 67.12 | 5.28 | 98.52 | 16.81 | 131.41 | 16.99 |
| | Aquarius Estate | 99.99 | | | | | | |
| | Aquarius Hotel* | 99.99 | | | | | | |
| | Baan Chidthara* | 99.99 | | | | | | |
| | The Tarna Align Resort** | 99.82 | | | | | | |

| Product line / Business Group | Operated by | % Shareholding | Revenue (Million Baht) | | | | | |
|---|-----------------------------------|----------------|------------------------|---------------|---------------|---------------|--------------|---------------|
| | | | 2021 | % | 2020 | % | 2019 | % |
| Revenues from property rental operations and related services | AQ Property Free Zone Asset*** | 99.93 99.98 | - | | 20.62 | 3.52 | 21.45 | 2.77 |
| Total revenues from sales and services | - | - | 1,035.43 | 81.48 | 525.69 | 89.69 | 638.93 | 82.60 |
| Other income | AQ Estate PLC | - | 235.30 | 18.52 | 60.42 | 10.31 | 134.57 | 17.40 |
| Grand Total | | - | 1,270.73 | 100.00 | 586.11 | 100.00 | 773.5 | 100.00 |

Note * Started on September 2018
 ** Acquired business on September 2019
 *** Disposed business on October 2021

1.2.2 Products information

(1) Products and Services

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

- 1) Buying- Land acquisition is characterized by large land then divided into plots allocated. Then, the management and development of projects to be completed before the roads and utilities. Then sell to retail buyers.
- 2) The land and buildings This includes the allocation of land area. Designing buildings Contractors To servicedifferent To add value to the land, such as the allocation of land, which is a house divided. Semi-detached houses, commercial buildings and condominiums.
- 3) Construction of houses for customers who buy land of the company by hiring a small contractor under the supervision of the company's officer.
- 4) Sales management for other real estate development projects, with revenue from sales management based on sales proportion.
- 5) Hotels and Resorts Business.
- 6) Operation of storage space rental business

The company and the Group's subsidiary companies include: Thanon Property Co., Ltd., Allied Technology Co., Ltd., Vitoon Thanakorn Co., Ltd., Aquarius Estate Co., Ltd., Villa Nakarin Co., Ltd. (The real estate development business group) conducts business with an emphasis on Commercial

and Real Estate Development, focus on Real Estate development and residential. Both in the form of detached houses semi-detached townhouse and condominiums with amenities. Companies and a subsidiary of the company provide service cover Land management from large land. The building's design thru the other services to increase the value added of land both in term of behavior pattern of home projects and will be given the appropriate location and the target groups.

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

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

Current real estate in operation

| Project | Project owner | Location | Product Categories in the project |
|---|--|--|--|
| Krisda City Lake & Park (Project 30) | The Company | Theparak Road Km 16 Bangpla Sub-district, Bangplee District, Samutprakarn | Houses - Land |
| AQ Shadi (project 42 phase 3) | Allied Technologies | Phaholyothin – Rangsit Road, Klongnueng, Klongluang, Pathumthani | Semi-detached 2 storey 86 units |
| Garden Rama 9 | Vitoonthanakorn | Jaturatis Rd., Rama IX Rd. | 7 storey condominium 4 building |
| AQ Welle | Vitoonthanakorn / Thanont Property / Allied Technologies | Jaturatis Rd., Rama IX Rd. | 3-storey house of 18 houses. |
| Rangsit BIZ Park | The Company | Paholayothin road, Rangsit | 498 detached house |
| AQ VIRAR | The Company | Siam Park 24 | 54 townhouses |
| Phureesala Project | The Company / Allied Technologies | Thalang District, Phuket Province | Detached house 19 plots |
| AQ Shadi - Chon Buri - Bypass | The Company | Muang District, Chonburi | Detached house 263 Plot |
| AQ ARBOR | Villa Nakarin | Suan Luang R9 - Pattanakarn | 3-storey house 114 units |
| ShaSa Resort & Residences, Koh Samui | Aquarius Estate | Casa Vela Hotel Condominium, Laem Set Road, Maret sub-district, Koh Samui, Surat Thani | Villas and there are 32 suites. (5 Star Hotel) |
| Krisdadoi Chiang Mai (Renovation in Progress) | AQ Village | Samoeng Road away from the Lanna park | Resort 60 rooms (Selling property in 2022) |
| Malibu (Renovation in Progress) | Aquarius Estate | Phuket | Resort 32 rooms |
| ALIXE | Aquarius Hotel / Allied Technologies | Soi Soonwijai | Condominiums and hotels |
| The Tarna Align and Resort | The Tarna Align and Resort | Kohtao Sub-district, Suratthani Province. | Hotel and Resort of 50 rooms |
| Kamala Falls | The Company / Thanont Property | Kamala-Patong road (Highway 4233) Kamala Sub-district, Kathu District, Phuket Province | 4-storey condominium building, 3 plots |

Project Progress in Real Estate Group

| Project Name | Project owner | Year started | Status | Project area (Rai) | Products for sale | | Value Million Baht 1 | Cumulative sales | | Sales for the year 2021 | | Investment Value in project (Million Baht) 4 | Construction progress | | Sales value of Product sold but not yet transferred as of 31 Dec 21 (Million Baht) |
|--|--------------------------|--------------|-------------------|--------------------|-------------------|-------------------|----------------------|----------------------|---|-------------------------|------------------------------|--|---------------------------------|-------------------------------|--|
| | | | | | units | Area (Square wah) | | Value Million Baht 2 | % of Product value available for sale 3=(2)/(1)*100 | units | Product Value (Million Baht) | | Money invested (Million Baht) 5 | Finished work (6)=(5)/(4)*100 | |
| Krisda Royal Park (Project 19) 3 | The Company | 1993 | Still Available | 34 | 127 | 14,171 | 259.23 | 242.75 | 93.64% | - | - | 147 | 147 | 100.00% | - |
| Thanont Golf View & Sports Club (P 25) | The Company | 2006 | Still Available | 17 | 58 | 5,926 | 155.58 | 151.03 | 97.08% | - | - | 100.51 | 100.51 | 100.00% | - |
| Krisda City Lake & Park (Project 30) 3 | The Company | 1995 | Still Available | 559 | 1189 | 172,225 | 1,050.40 | 1,035.80 | 98.61% | - | - | 2,756.00 | 2,756.00 | 100.00% | - |
| Rangsit - Phahon Yothin project 35 | The Company | 2014 | Not available yet | 82.2.77 | 1 | 33,077 | 400.00 | 400 | 100.00% | 1 | 400.00 | 413.59 | 413.59 | 100.00% | - |
| Krisda Grand Park (Project 42)1. 2 | Allied Technologies | 2004 | Closed for sale | 65.0.48 | 224 | 22,319 | 1,681.89 | 1,631.89 | 97.03% | - | - | 1,295.69 | 1,295.69 | 100.00% | - |
| Krisda Grand Park (Project 42) 3 | Allied Technologies | 2014 | Still Available | 15.0.48.62 | 86 | 3,210 | 422.86 | 407.86 | 96.45% | 18 | 66.00 | 389.82 | 386.82 | 99.23% | 5.39 |
| Phureesala Phuket Project 51 | The Company | 2014 | Still Available | 11.3-22 | 18 | 2,163 | 330.33 | 18.9 | 5.72% | - | - | 259.87 | 123.57 | 47.55% | - |
| Chonburi Bypass Project 52 | The Company | 2014 | Still Available | 48.0.36.8 | 262 | 19,237 | 978 | 476.59 | 48.73% | 24 | 85.88 | 835.17 | 559.12 | 66.95% | 10.34 |
| Siam park Project | The Company | 2014 | Still Available | 5.3-86 | 54 | 2,386 | 329.58 | 316.49 | 96.03% | 7 | 34.58 | 247.1 | 247.1 | 100.00% | 13.09 |
| ARBOR, Chalerm Phra Kiat Road | Villa Nakarin | 2015 | Still Available | 28-0-2 | 114 | 7,061 | 989.84 | 473.16 | 47.80% | 5 | 52.20 | 1001.98 | 901.98 | 90.02% | - |
| AQ Welle | Thanont , Allied, Vitoon | 2016 | Still Available | 1/4/2016 | 32 | 1,637 | 796.4 | 706.40 | 88.70% | 9 | 155.11 | 497.62 | 497.62 | 100.00% | - |
| The Kris Garden | Vitoonthanakorn | 2013 | Still Available | 4 | 479 | 16,991 | 957.8 | 846.69 | 88.40% | 4 | 10.28 | 829.63 | 828.05 | 99.81% | - |
| Estets Ratanathibet | Aquarius Estate | 2014 | Closed for sale | 1.3.47 | 1 | 15,626 | 190.00 | 190 | 100.00% | 1 | 190.00 | 518.93 | 518.93 | 100.00% | - |
| AQ ALIX | Aquarius Hotel | 2016 | Still Available | 2.62 | 67 | 1,909 | 225.93 | 220.86 | 97.76% | 1 | 5.73 | 162.74 | 162.74 | 100.00% | - |

(2) Market and Competition

(2.1) World Economy

The Office of the National Economic and Social Development Board reported that the world economy in 2022 will continue the growth from the second half of 2021, following the notable recoveries of major economies led by the US, the Eurozone, the UK, Australia and the NIEs. This is mainly due to the relaxation of control measures, progress in vaccine distribution, and the invention of antiviral drugs which have boosted overall confidence and thus will continue to drive domestic demand and economic activities to return to pre-pandemic levels. However, the advanced economies are expecting some slowdowns following the high growth base from 2021 and the curtailment of fiscal support by the end of 2021. There are also limitations from the resurgence of Covid-19 outbreak from the new variants that can derail the recovery of domestic demand and service sector. Meanwhile, the Chinese economy tends to decelerate due to the economic structural reform policies toward sustainability and economic stability. Also, the impact from supply chain disruption due to port closures and the shortage of major raw materials is likely to be persistent, expectedly until the first half of 2022. Meanwhile, emerging economies and developing economies, particularly the ASEAN, are expected to perform strong growths in 2022, following the favourable recovery of major trading partners which will boost export-oriented economies and their manufacturing sectors. Additionally, the domestic demand is likely to rebound following more easing of outbreak control and international travel restrictions after the vital progress on vaccine distribution.

Key assumptions for the baseline projection include: (i) there will be no severe resurgence and prolonged infections as well as the virus variants do not decrease the effectiveness of vaccine that can lead to higher number of severe infections and deaths and will not thus lead to higher degree of containment and restrictions which eventually derails economic activity; (ii) the monetary policy will be able to effectively handle with the rising inflationary pressure in major economies and hence the policy would remain favourable for economic expansion. Likewise, the variation in the bond market will not heap more pressure on the central banks to raise the policy rates; and (iii) China's structural reforms and economic stability will not notably weaken its economic growth and will not create volatility in financial and capital markets. Under this baseline scenario, the global economy and trade volume in 2022 are projected to expand by 4.8 percent and 6.5 percent, respectively, decelerating from the 5.6-percent and 8.0-percent growths in 2021.

(2.2) Thai Economy

The Office of the National Economic and Social Development Board reported that the Thai economy in 2021 is projected to increase by 1.2 percent, a gradual recovery from a 6.1-percent decrease in 2020. Headline inflation is estimated to be 1.2 percent and the current account is projected to record a deficit of 2.5 percent of GDP. The Thai economy in 2022 is anticipated to grow in the range of 3.5 - 4.5 percent, mainly supported by: (i) the recovery in domestic demand and manufacturing production, following improving COVID-19 pandemic situation; (ii) the regaining of tourism growth following the easing of international travel policy; (iii) the favourable expansion of export of goods; (iv) the support from government expenditure; and (v) the low growth base of the previous year. Export value of goods in US dollar terms is anticipated to expand by 4.9 percent. Meanwhile, private consumption expenditure and private investment are expected to increase by 4.3 percent and 4.2 percent, respectively. Headline inflation is estimated to be in the range of 0.9 – 1.9 percent and the current account is projected to record a surplus of 1.0 percent of GDP.

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

Krungsri Research reported that in 2021, the housing market in the Bangkok Metropolitan Region (BMR) will remain flat or see only mild growth, premised on: (i) the ongoing spread of COVID-19 and the effects of this on economic recovery, and (ii) steadily rising household debt that is undercutting consumer purchasing power and encouraging lenders to be more careful about the release of new credit.

However, in 2022 and 2023, the outlook for the market should improve thanks to: (i) growth in the Thai economy that is forecast to reach 3.0-4.0% per year; (ii) greater investment in infrastructure megaprojects; (iii) government stimulus measures targeted at the real estate sector; and (iv) stronger demand for accommodation from overseas buyers investing and working in Thailand.

In 2021-2023, the number of new housing coming to market is expected to rise by 4.7% annually, with this split approximately equally between condominium and low-rise developments. Supply of the latter will steadily rise as developers look to meet growing real demand, while investors will also tend to work on a more diverse range of project types that will include mixed-use developments, wellness residences, housing for the elderly, smart homes and leasehold properties.

Overview

The real estate sector contributed 8% of Thailand's GDP in 2020, which is significant to the national economy. A large amount of capital circulates within the economic system and supports rising

employment and income. The sector is also has a large influence on the direction of related businesses such as construction, building materials, consumer electronics, furnishings/ decoration and finance.

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

The housing market is split between self-built housing and housing projects. 40% of nationwide construction permits in the past 5 years are located in BMR. This market had an annual value of around THB480bn but since 2012, developers have started to look beyond the Bangkok region. The shift in focus followed the major flooding in BMR and central region near the end of 2011 and the decision by the government in 2012 to increase spending on infrastructure in provinces. This prompted developers to place greater emphasis on investing in housing projects in provincial centers, the majority being low-rise housing due to far fewer constraints on access to land for development upcountry and land there is relatively cheaper. However, revenue growth has been limited due to volatile consumer purchasing power, which has translated into different impact on the market, and this caused developers to switch their attention back to projects in the BMR.

Currently, over 80% of new housing units in the BMR are in projects developed by commercial housing developers. Large developers (those listed on the SET and their subsidiaries) control 60-70% of the market by volume and value in 2020. Because large companies are able to manage costs more effectively than their smaller peers, they are also in a position to buy larger land bank which would reduce project development cost. They can also undertake several projects simultaneously which improves economies of scale. Beyond this, they benefit from stronger branding and marketing networks.

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

Townhouses

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

Condominiums

Condominiums have been popular with a rising number of new projects since 2007 due to: (i) the extension of mass rapid transit lines and better connection within the communications network, which makes public transportation more convenient; (ii) changing consumer behavior driven by a desire to save money and to reduce commuting time, leading to a switch in preferences from low-rise housing in suburbs to high-rise accommodation in the city center; (iii) changing social structures in Thailand, with more people living in smaller units and nuclear families; and (iv) the declining availability of development land and rising land prices. The combination of these factors prompted developers to build condominiums to meet demand for housing with over 50,000 new units available annually. Buyers of these condominium units can be split into two distinct groups: (i) real demand accounts for around 60% of the market; and (ii) those who buy for investment, which can itself be split into those who buy to rent out 25-30% of the market and those who buy for speculation the remaining 10-15%. Thai law specifies that non-Thais may own condominium units subject to a maximum of 49% of the total floor-space in the project; this also led to condominium projects registering higher absorption rates than low-rise buildings. Between 2009 and 2019, the absorption rate for condominiums averaged 50% compared to only 25% for detached houses 34% for townhouses.

Industry Outlook

Between 2021 and 2023, housing markets in BMR will gradually recover with a steady rebound in consumer purchasing power in line with the economic conditions. However, the continuing threat of

COVID-19 will weigh on growth, especially in the condominium segment. While sales will remain depressed, developers will need to spend on marketing to stimulate sales, which would add to their overheads. For large developers, this will be less problematic and established operators will be able to sustain business growth. However, SME developers will have to contend with rising competition alongside growing business costs for, for example, land in high-potential areas. Developers will therefore tend to build competitiveness by expanding their access to capital, and a favored way of doing this will be to look for other companies (both Thai and international) with which to form joint partnerships or to merge. As such, the real estate market will likely undergo structural change as operators consolidate and the number of large players grows, and in this environment, small operators that have only limited access to financing may become insolvent and be forced out of business.

- Low-rise housing developers (in BMR): Large players will see their revenue rise thanks to a combination of their adaptability and lower costs of financing (a result of being able to raise funds on the stock exchange and on bond markets). However, SMEs will have to contend with a more challenging environment and as such, their market share may shrink. Players that lack established business partners or that are not part of an extensive commercial group will find conditions especially difficult, and those that are on a weaker financial footing or that have trouble accessing credit may become insolvent.
- High-rise housing developers (in BMR): Developers of condominiums in the central business district and along mass transit lines, the majority of these players are large corporations that are skilled in project management, marketing and securing sources of working capital. But despite this, competition will tend to stiffen and this may place a limit on how far profits may rise. At the same time, SME developers will tend to concentrate on projects that have a maximum height of 8-storeys and that are located in more distant, suburban areas that are comparatively less attractive. In these districts, high-rise developments are also often less appealing to buyers than are town- and detached houses and so players will likely see only low levels of profitability, though some will also be at risk of becoming loss-making.

(2.4) Hotel Industry Outlook

Following weak operations in 2020, hoteliers will continue to see depressed conditions through 2021. The first shoots of recovery will start to break through from the end of this year and throughout 2022 and 2023, but it could take at least 4 years for foreign tourist arrivals to return to pre-COVID level. Against this backdrop, domestic tourism will recover faster, partly thanks to ongoing policy efforts by

the government to stimulate demand. By the latter half of 2021, the worldwide rollout of vaccination programs will start to translate into an uptick in foreign tourist arrivals, helped by a recovering global economy and long-term growth potential in the Thai tourism industry. However, in the post-pandemic environment, players in the tourism and hotel industries will need to move rapidly to overhaul their operations onto a more sustainable footing by accelerating the adoption of modern technology, placing greater emphasis on public health and hygiene, and developing their understanding of varied and diverse consumer needs and using this knowledge to offer customized travel experiences.

Overview

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

The sector has a central role in the overall economy because Thailand is one of the world's most popular tourist destinations. This is partly because the nation offers world-class tourist attractions throughout the country. Bangkok is a major and perennially popular tourist attraction, a fact underlined by the tourism awards that the city consistently wins. There are also famous seaside and beach destinations in the South and East, and a range of eco-tourism travel options in the North. In addition, the country benefits from competitive pricing for accommodation and low cost of living, which offers better value-for-money than many other countries. Beyond this, the travel industry benefits from the country's extensive, comprehensive transportation network, national infrastructure that is constantly being upgraded, and the increasing number of low-cost carriers serving the local market. These factors helped to give Thailand an edge over its competitors. Indeed, the 2019 Travel and Tourism Competitiveness Index, compiled by the World Economic Forum places Thailand in 31st place out of 140 countries surveyed (up from 34th in 2017) and 3rd in Southeast Asia, after only Singapore and Malaysia.

Currently, the global COVID-19 situation remains critical and many countries (including Thailand) have experienced fresh outbreaks. The number of new cases continues to rise steadily (Figure 10) and experts predict foreign tourist arrivals in Thailand will only recover to pre-pandemic level in 2024. This forecast is based on: (i) uncertainty over the rollout of vaccination programs and efficacy of the different vaccines; (ii) the World Health Organization's (WHO) estimate that herd immunity will require 65-70% of the population to be vaccinated, and despite the commencement of vaccination programs in many countries, it will require large investment in time and money to achieve

this; and (iii) the prediction by the University of California that tourist confidence in international travel will only recover 3-6 months after the pandemic is over. Beyond this, international travel remains a luxury and given the pressure on consumer spending power over the past year, demand will recover slowly and it will be uneven.

Tourism and Hotel Industry Outlook

The COVID-19 pandemic in 2020 and the mandatory closure of a large number of hotels and other businesses in the tourism sector led to an unprecedented wave of redundancies. These depressed conditions will persist for hoteliers in 2021. However, as the situation starts to improve, visitor numbers should slowly pick up again in 2022 and 2023. Krungsri Research believes the groundwork for this will be set in the latter half of 2021, when worldwide vaccination programs will help to rebuild confidence among Thai and overseas travelers. The domestic tourism segment is expected to rebound ahead of the recovery in international arrivals, thanks to government measures to boost domestic tourism. The recovery of foreign arrivals will be delayed by similar efforts by other countries to boost domestic tourism. In this challenging environment, large players will generally retain their ability to pursue investment and expansion plans, though these might be delayed. But SME operators will face rising competition, and for individual operators, there will be high risk of insolvency.

- Hotels in the major tourist areas of Bangkok, Pattaya and Phuket: The low number of foreign arrivals will keep occupancy rates low throughout 2021. However, the situation will improve in 2022 and 2023. Operators' revenues will recover along with the overall recovery of the tourism sector over the next 2-3 years, but the industry will remain relatively weak compared to the pre-COVID-19 era and average occupancy rate will hover at 50-55%.
- Hotels in regional centers and other popular tourist areas[5]: These hotels will experience an uneven recovery. Because most of these establishments serve the domestic market, they will benefit from government policies to stimulate domestic tourism. But despite this, domestic tourism is not expected to return to pre-pandemic levels within the next three years, and hence, any rebound in revenue in this segment will be limited.
- Hotels in other provinces: For other hotels, government efforts to support the tourism sector will be unable to prevent a slide in revenue because travelers in these provinces are often on their way to provincial centers or other tourism sites. Given this, occupancy rates will be lower than for either of the two groups described above.

Meanwhile, in all parts of the country, the hotel industry will face rising competition from oversupply of hotel rooms and other types of daily accommodation. This will be worsened by the slow recovery in demand, which means it will be difficult for operators to raise room rates, especially in tourist areas that are dependent on foreign arrivals.

(3) Business assets

(3.1) Main fixed assets

As of December 31, 2021, the main fixed assets used by the Company and its subsidiaries to operate business, the details are as follows;

| Asset characteristics | Ownership | Value (Baht) | Obligation |
|-----------------------------|---|----------------|------------|
| Land | AQ Estate Public Company Limited | 5,639,546.88 | - |
| | Building and Equipment - Krisdadoi | 184,828,159.68 | - |
| | Allied Technologies International Co., Ltd. | 25,800,000.00 | - |
| | Vitoonthanakorn Co., Ltd. | 81,158,473.15 | - |
| Buildings and improvements | AQ Estate Public Company Limited | 2,940,141.22 | - |
| | Building and Equipment - Krisdadoi | 104,471,176.95 | - |
| | AQ Village Co., Ltd. | 168,417,240.85 | - |
| | AQ Property Management Co., Ltd. | 1,485,420.44 | - |
| | Allied Technologies International Co., Ltd. | 154,133,626.81 | - |
| | Vitoonthanakorn Co., Ltd. | 107,001,231.11 | - |
| | Baan Chidthara Co.,Ltd. | 2,524,824.80 | - |
| | Aquarius Estate Co., Ltd. | 143,468,382.89 | - |
| | Aquarius Hotel & Resort Co.,Ltd. | 129,991,693.08 | - |
| | The Tarna Align Resort Co., Ltd. | 143,126,895.19 | - |
| | | | |
| Sport club | AQ Estate Public Company Limited | 19,673,597.50 | - |
| Office equipment and others | AQ Estate Public Company Limited | 25,608,193.10 | - |
| | Building and Equipment - Krisdadoi | 1,700,051.96 | - |
| | AQ Village Co., Ltd. | 47,871,415.87 | - |
| | AQ Property Management Co., Ltd. | 3,243,897.16 | - |
| | AQ Marketing Service Co., Ltd. | 490,350.00 | - |
| | Thanont Property Co., Ltd. | 3,270,000.00 | - |
| | Allied Technologies International Co., Ltd. | 12,068,069.36 | - |
| | Free Zone Asset Co., Ltd. | 2,425,723.97 | |
| | Vitoonthanakorn Co., Ltd. | 28,649,390.38 | - |
| | Baan Chidthara Co.,Ltd. | 72,329.81 | - |
| | Aquarius Estate Co., Ltd. | 28,645,840.33 | - |

| Asset characteristics | Ownership | Value (Baht) | Obligation |
|------------------------|----------------------------------|-----------------------|------------|
| | Aquarius Hotel & Resort Co.,Ltd. | 31,067,129.12 | - |
| | The Tarna Align Resort Co., Ltd. | 12,672,062.86 | - |
| | Villa Nakarin Co.,Ltd. | 1,023,943.33 | - |
| Work in progress | Baan Chidthara Co.,Ltd. | 625,000.00 | - |
| | Aquarius Estate Co., Ltd. | 3,301,878.38 | - |
| Accounting Transaction | Related Transaction | (22,534,004.15) | - |
| | depreciation expense | (464,791,746.60) | - |
| | Allowance for impairment | (4,179,456.31) | - |
| Total | | 985,890,479.12 | |

(3.2) Important intangible assets

As of December 31, 2021, significant intangible assets in business operations, the details are as follows.

| Asset characteristics | Ownership | Value (Baht) | Obligation |
|-----------------------|---|---------------------|------------|
| Software license fee | AQ Estate Public Company Limited | 9,078,945.71 | - |
| | AQ Property Management Co., Ltd. | | |
| | AQ Marketing Service Co., Ltd. | | |
| | Allied Technologies International Co., Ltd. | | |
| | Aquarius Estate Co., Ltd. | | |
| | Aquarius Hotel & Resort Co.,Ltd. | | |
| | The Tarna Align Resort Co., Ltd. | | |
| | Accumulated depreciation | (8,030,818.91) | |
| Total | | 1,048,126.80 | |

(4) Backlog

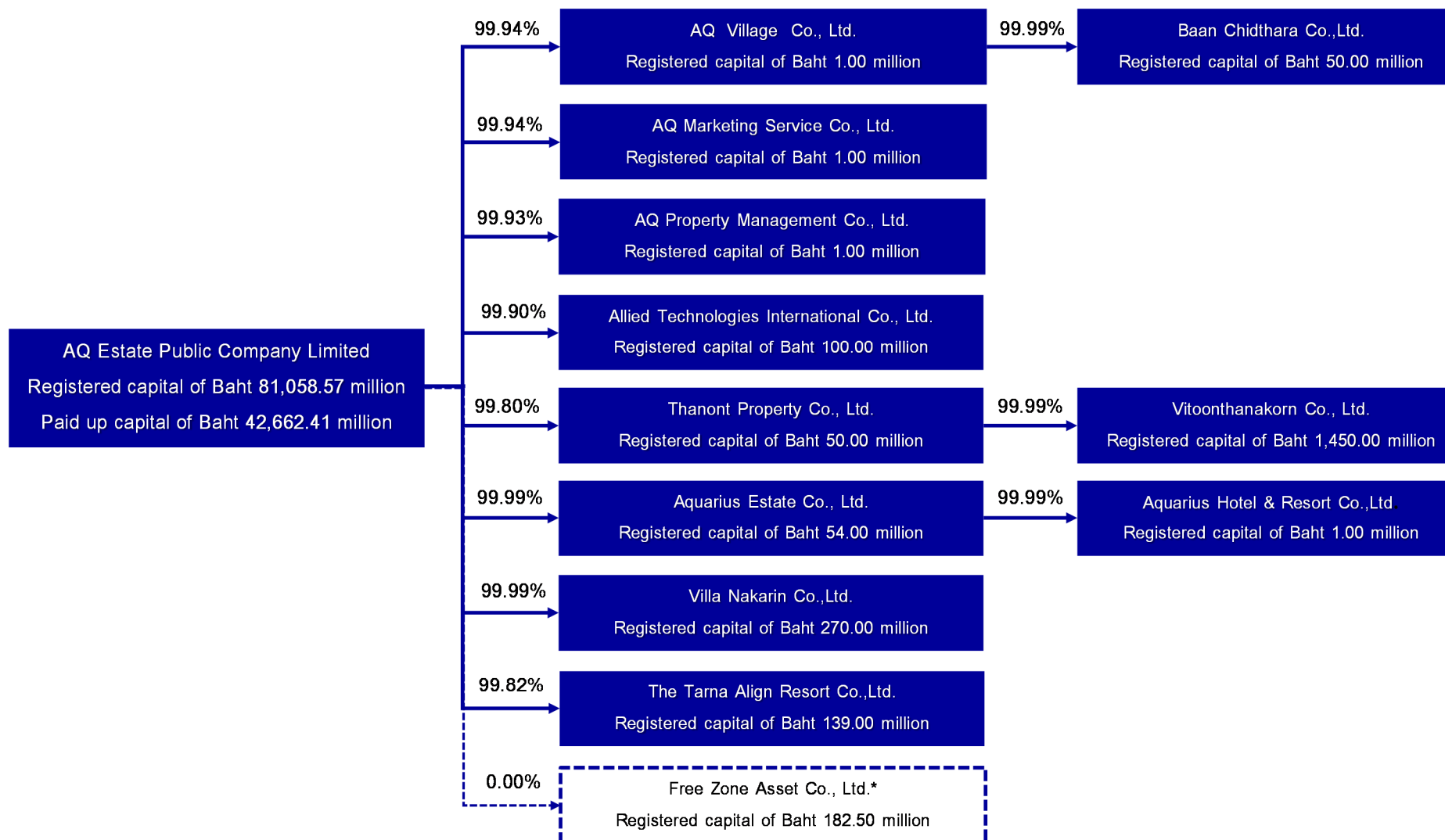
-None-

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group

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

Shareholding Structure of AQ Estate Group
as at 31 December 2021



Note * The company sold its all investment in Freezone Asset Co., Ltd. and terminated from a subsidiary on October 29, 2021.

List of subsidiaries as at 31 December 2021

| Subsidiaries | Type of Business | Proportionate of Share (%) | Paid up capital (Million baht) | Type of Holding |
|---|--|----------------------------|--------------------------------|---------------------|
| AQ Village Co., Ltd. | Recreational services and provides hotel and resort | 99.94 | 1.00 | Direct Subsidiary |
| AQ Marketing Service Co., Ltd. | Sale management services | 99.94 | 1.00 | Direct Subsidiary |
| AQ Property Management Co., Ltd. | Management of commercial space | 99.93 | 1.00 | Direct Subsidiary |
| Allied Technologies International Co., Ltd. | Real estate trading | 99.90 | 100.00 | Direct Subsidiary |
| Thanont Property Co., Ltd. | Real estate trading | 99.80 | 50.00 | Direct Subsidiary |
| Free Zone Asset Co., Ltd.* | Real estate for rent and service | 0.00 | 182.50 | Direct Subsidiary |
| Aquarius Estate Co., Ltd. | To sell, acquire, provide service and operate in real estate | 99.99 | 54.00 | Direct Subsidiary |
| Villa Nakarin Co.,Ltd. | Real estate trading | 99.99 | 270.00 | Direct Subsidiary |
| The Tarna Align Resort Co., Ltd. | Hotel services | 99.82 | 139.00 | Direct Subsidiary |
| Vitoonthanakorn Co., Ltd. | Real estate trading | 99.99 | 1,450.00 | Indirect Subsidiary |
| Baan Chidthara Co.,Ltd. | Recreational services and provides hotel and resort | 99.99 | 50.00 | Indirect Subsidiary |
| Aquarius Hotel & Resort Co.,Ltd. | To sell, acquire, provide service and operate in real estate | 99.99 | 1.00 | Indirect Subsidiary |

Note * The company sold its all investment in Freezone Asset Co., Ltd. and terminated from subsidiary on October 29, 2021.

The Divisions in the group of Company

1. Trade, real estate development and real estate management. The company operates its business by develop projects, real estate and land for sale or land with a House (in case of sale) to the customer, sales, project management, real estate and condominium project under the trademark "AQ estate" Constructions service client may sourcing their own contractor to build

home project and use AQ Marketing Services Co., Ltd. ("AQ marketing") service for Sales and management for project. The Company charged 3 percent service from value of the contract.

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

Impact of economic conditions

In 2021, the business operations under the production line of the Company and its subsidiaries have limitations on investment because the company has a burden to pay for Krung Thai Bank. However, the Company is still operating carefully and there is a limitation on the expansion of work by aiming to generate more income which is divided into the following major production lines.

1. Commercial and real estate development business, the Company and its subsidiaries focus on selling products in the existing projects due to the limitations mentioned above. The Company and its subsidiaries' products is resident that build before selling. There are single houses, townhomes and condominiums. From such restrictions, the Management expects that when the case is completed, the company and its subsidiaries will be able to develop the project to its full potential to increase revenue.
2. Accommodation and hotel services, The Company and its subsidiaries have hotels service businesses. In 2018, the Company opened 1 additional hotel with 2 buildings as Alix Hotel Soi Soonwijai which is located in Soi Soonwijai near Bangkok hospital. There are target customers such as foreign customers who come to the hospital. The hotel was opened in September

2018 with a strategy is to focus on customers who want to stay for medical treatment. The price of the hotel is cheaper than the customer having to stay in the hospital. The feedback from the guests was satisfactory.

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

However, in 2021, the hotel business was affected by the epidemic of COVID-19 making income decreased but the Company still had the cost of regular expenses. The Company and its subsidiaries' hotel and service income was 67.12 million Baht, which decreased by (31.40) million Baht from the year 2020, or decreased (31.87)%. The hotel business tends to continue to stagnate. It is estimated that will take at least 4 years for the number of foreign tourists to recover to the same pre-COVID-19 levels.

1.3.2 Relationship with the major shareholder's business

-None-

1.3.3 Shareholders

(1) List of major shareholders

As at 15 February 2022 the Company has the list of top 10 major shareholders as follows.

| No. | List of Shareholders | Number of shares | |
|-----|---|------------------|-------|
| | | Shares | % |
| 1 | ZICO TRUST (S) LTD ATO WISDOM & VIRTUE FUND | 16,513,367,000 | 19.35 |
| 2 | Mr. Krit Srichawala | 7,880,000,000 | 9.24 |
| 3 | Miss Kamataya Sornwaneeyarak | 3,578,950,000 | 4.19 |
| 4 | Mrs. Pallapa Phiphatwilaikul | 3,000,000,000 | 3.52 |
| 5 | Mr. Susittak Atchariyasombat | 2,739,576,906 | 3.21 |
| 6 | Mr. Suwit Phiphatwilaikul | 2,130,245,500 | 2.50 |
| 7 | Mr. Bodin Rungruengnaowarat | 1,800,000,000 | 2.11 |
| 8 | Thai NVDR Company Limited | 1,005,802,892 | 1.18 |
| 9 | Mr. Supanut Watanasinsak | 764,936,600 | 0.90 |
| 10 | Mr. Phattanat Yanakornthanaphan | 700,637,500 | 0.82 |
| | Total | 40,113,516,398 | 47.01 |

Note A first shareholder is a juristic person or NOMINEE ACCOUNT and was formerly presented as shares in the name of UOB KAY HIAN PRIVATE LIMITED (UOB). AQ later sent a letter of inquiry to UOB about the true shareholder that we received a reply as ZICO TRUST (S) LTD ATO WISDOM & VIRTUE FUND. AQ has checked with the Thailand Securities Depository Company (TSD) for the Ultimate Shareholder and found that it cannot be reviewed and disclosed. A first shareholder has no influence on policymaking on of AQ Company, such as sending representatives to be directors of AQ, etc.

(2) Shareholders' agreement

-None-

1.4 Registered capital and paid-up capital

Registered capital and paid-up capital as of 31 December 2021 as follows.

- Registered capital 81,058,570,872.50 Baht divided into
 - Ordinary shares of 162,117,141,745 shares
 - Par value of Baht 0.50 per share
- Paid-up capital 42,662,405,722.00 Baht divided into
 - Ordinary shares of 85,324,811,444 shares
 - Par value of Baht 0.50 per share

1.5 Issuance of other securities

1.5.1 Warrant AQ-W4

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

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

1.5.2 Warrant AQ-W4

The Company issued 42,660,889,866 warrants (AQ-W5) on December 15, 2021. The warrants were listed on the Stock Exchange of Thailand on January 14, 2022. The warrants are named and transferable. The term of warrants is 2 years 11 months 21 days from the date of issuance and offering of warrants. The first exercise date is March 31, 2022, the next date is June 30, 2022, September 30, 2022, December 30, 2022, March 31, 2023, June 30, 2023, date. 29 September 2023, 29 December 2023, 29 March 2024, 28 June 2024, 30 September 2024 and the last exercise date 6 December 2024. The exercise ratio is 1 unit of warrant to 1 ordinary share at the price of THB 0.028 per share, unless the exercise ratio and/or the exercise price are adjusted otherwise pursuant to the conditions concerning the rights adjustment.

As of March 31, 2022, the remaining unexercised warrants to purchase ordinary shares of AQ Estate Public Company Limited No. 5 (AQ-W5) were 42,660,889,866 units.

1.6 Dividend Policy

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

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

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

| Dividend from annual operating results | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|----------|----------|----------|--------|----------|
| Earnings (Loss) per share (Baht) | (0.0058) | (0.0046) | (0.0022) | 0.0009 | (0.0036) |
| Dividend per share (Baht) | - | - | - | - | - |
| Dividend to earnings ratio (%) | - | - | - | - | - |

Dividend payment policy of subsidiaries

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

2. Risk Management

2.1 Risk management policy

The Board of Directors has assigned the Audit Committee to review the Company's risk management system to ensure that it is appropriate and effective to assess business risk, analyze problem and factors which its arising from both internal and external factors. By prevented or reduced risk to acceptable level. The Company determined policies and work plan to implement risk management seriously also monitor risk management of all sections within the organization. Audit Committee also let one of representative in each department to review problems, observations, suggestions and countermeasures co that may lend to or resolve of risks. These will be included of training in risk management of organization for executives and employees to have more understanding of this subject.

2.2 Risk Factors

2.2.1 Risks to business operation

(1) Risk of land acquisition

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

(2) Risk from starting construction in advance of selling

The Company operates property development business with idea of building a house before the sale. As a result, the company needed more capital to build more houses because the company did not receive a down payment for working capital. Therefore, the Company is exposed to the following risk factors: future housing prices have increased due to higher construction costs and land prices, resulting in higher risk. currently analyzed selling value with actual prices in the future may be inaccurate. Moreover, due to the high competition from competitors, there is the risk of the completed

houses being sold in the market and the higher maintenance cost over time. It also has a negative impact on financial liquidity, interest rates and profitability of companies. However, the company has taken a risk reduction approach by analyzing the market in the future, current property valuation and future changes. Also managed by real estate professionals in strategy.

(3) Risk on production cost

Construction Materials Price Index has risen since 2014 due to significant growth in neighboring countries therefore, materials like cement, steel, construction machines are in great demands from Thailand's neighboring countries to serve their governments attempt to expand infrastructure ; mass rapid transit system, flood protection system which require massive amount of construction materials therefore material prices have increased, hence materials are essential to the development of real estate projects therefore, an increase in material prices and price volatility affect directly to the cost of project development. The company is aware of such risks and measures to strictly control and reduce the risks arising from fluctuations in the prices of construction materials. Due to the procurement of construction materials, company will purchase directly from the manufacturers to compare prices, quality of materials and logistic cost in advance to reduce the risk from increasing material price. Including seeking more business partners to support company's expansion. The company will organize construction materials into categories to obtain bargaining power with traders. Moreover, the company puts product quality in top priority, the company establish the criteria to trade mainly with trustworthy major manufacturers and suppliers evaluated by comparing the capacity and potential to supply raw materials at reasonable prices to ensure that traders are able to supply materials that meet the standards in both quality and quantity aspects. The company will set up a team to control quality and to pursue company's high standard.

(4) Risk from contractor's inability to timely and properly deliver

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

(5) Risk from financial factors

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

(6) Risk of construction permits

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

(7) Liquidity Risk

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

(8) Foreign Currency Risk

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

(9) Credit Risk

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

(10) Interest Rate Risk

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

2.2.2 Investment risk of securities holders

(1) Risk from the Company's operating results was loss that may not pay dividends shortly.

In the year 2021, the Company reported a net loss of Baht (495.11) million. However, the Company has a deficit of Baht (7,416.06) million at the end of 2021. In the past, the Company has had a lot of losses because estimation of damages from litigation based on allegations for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. This makes the company has to compensate for damages according to the judgment of Supreme Court's Criminal Division for Persons Holding Political Positions of Baht 10,004.47 million to Krung Thai Bank Public Company Limited.

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

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

| | | |
|---|---------------|---------------------|
| The proceeds from the capital increase | 3,568.27 | Million Baht |
| <u>Deduct</u> Utilization of capital increase as of 31 December 2021 | | |
| 1) Payment following the judgment of KTB | (1,635.74) | Million Baht |
| 2) Development of AQ ARBOR, Chonburi, Chiangmai, Rangsit | (65.00) | Million Baht |
| 3) Invested in hotel business | (121.00) | Million Baht |
| 4) Development of AQ ALIX | (26.00) | Million Baht |
| 5) Working capital | (236.23) | Million Baht |
| 6) Investment in shares of GEP and WEH | (1,484.30) | Million Baht |
| (receiving debt payments from debtors) | | |
| Remaining capital increase fund as of 31 December 2021 | <u>-0.00-</u> | <u>Million Baht</u> |

3. Driving business for sustainability

3.1 Sustainability Management Policies and Goals

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

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

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

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

Customer: The Company cares and is responsible to the customer. Maintain customer confidentiality and there are agencies or individuals who are responsible for receiving customer complaints to hurry the customer as soon as possible. The

company has developed a project to be shady, safe and secure in the project.

To ensure that customers had confidence and comfortable.

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

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

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

3.2 Impact management to stakeholders in the business value chain

Value chain development is an important strategy for business success. The Company attaches importance to every process of the value chain to strengthen trust in quality products and sustainable growth together.

3.2.1 Business value chain

Primary activities

| Business value chain | | | | |
|--|---|--|--|---|
| Inbound logistics | Operations | Outbound logistics | Marketing and Sales | Customer services |
| <ul style="list-style-type: none"> Environmentally friendly project design Land selection caring social and environmental impacts Purchasing quality construction materials | <ul style="list-style-type: none"> Project and utility development with innovation Caring safety and the impact on the community Reducing waste and environmental impact in the construction process | <ul style="list-style-type: none"> Sales Office | <ul style="list-style-type: none"> Reasonable pricing Communicating and providing complete information | <ul style="list-style-type: none"> After-sales service such as transfer of ownership, warranty Project Management / Project Juristic Person |

(1) Production input management (Inbound logistics)

- **Environmentally friendly project design**

The Company's projects are managed systematically by caring for the highest efficiency of products and services as well as environmentally friendly production processes.

- **Land selection caring social and environmental impacts**

Acquiring land plots to develop single detached houses, twin house, townhouses townhomes and condominiums. Companies chose to acquire land with high potential for development projects at the most reasonable price. The choices with least risks are land plots within city center or the ones along BTS or MRT stations both active stations and future stations including other established residential areas. The company is focusing mainly in Bangkok and Greater Bangkok to develop single detached houses, twin house, townhouses and condominiums with decent accessibility to mass transportation and community center. In the past, the company has never received any complaints about social and environmental impacts.

- **Purchasing quality construction materials**

The company has signed a contract to supply quality construction materials by specifying construction materials and setting the construction period for completion. Besides, penalties in case the contractor breaches the contract on quality or time. The company has deducted work retentions by the deposit for each period of 5 percent of the value of the work delivered in case the quality of work does not meet the company's standards.

(2) Operations

- **Project and utility development with innovation**

- Security system, 24 hour security guards
- Access system with key card and CCTV systems around the project
- swimming pool, gym
- playground, green area lake to relax
- Convenience store in the project
- Location nearby shopping malls / hospitals / educational institutions / airports / expressways / sky trains

- **Caring safety and the impact on the community**

The Company's real estate projects comply with general construction standards and relevant laws such as

- Town Planning Law, Building Control Law, Safety Law
- Architects and Engineers professional standards
- Building Material Standards
- Reducing waste and environmental impact in the construction process
 - Collecting scrap materials to the temporary storage within the project before the end of work every day to avoid obstruction and ultimately causing harm
 - Manage the area within the project as a place to store materials properly to prevent theft as some materials can sale.
 - Separate material scraps of each type. Some can sell to reprocess, such as iron scrap, or some can reuse while not hardened, such as concrete scraps.
 - Reduce the environmental impact by installing dust and noise shields around the construction site, including the installation of railings to prevent falling materials.

(3) Distribution of products and services (Outbound logistics)

- Sales Office

AQ Estate Public Company Limited

AQ Square Building 102 Rimklongbangkapi Road (Jaturatid Road)

Bangkapi, Huai Khwang District, Bangkok, Thailand 10310

Email: Info@aqestate.com Call Center: 1636

Tel: +66 2 033 5555

Facsimile: +66 2 033 5566

Follow AQ Estate Other channels on

IG : www.instagram.com/aqestate

Facebook : <https://www.facebook.com/AQEstate>

Youtube : AQ Estate.TV

(4) Marketing and Sales

- Reasonable pricing

Factors that the Company consider in determining house prices

1. Size and nature of the land, land of equal area in similar locations, prices can vary greatly, because of the different nature of the land, such as the land is wide almost square tends to have a higher appraisal price than narrow land has a deep line.

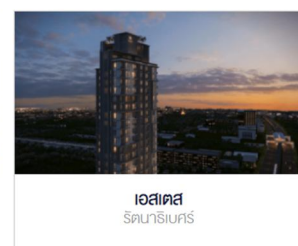
2. The condition of the house and land, ready-to-use house, ready to live no defects, need to improve or newer condition, a house price is higher than a house in the old condition as well as the nature of the land, if it's ready to use, it doesn't need to renovate, will get a higher price.
3. Transportation is another important issue that affects the price quite a lot. Whether the road, the entrance and leaving the area or public transport. In some areas, if there is a plan to build an electric train or expand a road. The prices of those houses and land will increase accordingly.
4. Utilities such as water supply and electricity, the house that has it all, has a higher price. As well as transportation, if that area has a plan to improve the utility system better, the price will also be higher.
5. Environment, such as community, parks, nature, government buildings, markets, shopping malls, and the location/facilities, are factors that can measure the quality of life. If the house is in a location close to landmarks and amenities, house prices will also be higher than houses in the area where there is nothing.
6. Location and popularity, location is the main factor affecting house prices but more than that is popularity. If a house or land in one area is highly popular. It is desired by many people. The market price will rise according to demand.
7. Useful, houses and land with characteristics, areas, or buildings that can be used more, will also have a value such as parking lot, garden, pool, etc.

The Company's real estate price

Detached house



Condominium



Townhome



- Communicating and providing complete information

The Company uses a tool to talk to website visitors, especially selling products or services to customers through the website. There are often instances where customers have questions or concerns before purchasing.

- Support customers or website visitors can talk and ask for help from the team directly through the website.
- The company can monitor website visitors. What page are you currently on the website? as well as monitor the movement of the team in conversations with customers to communicate with customers continuously.
- Knowledge Base can create a good experience for customers, whether it is useful information that the company collects and writes or a page that contains frequently asked questions. It will help facilitate more customers.

(5) Customer services

- After-sales service such as transfer of ownership, warranty

House inspection is to check the details of the edited list for the last time before the customer proceeds with the transfer of ownership and signing. The company welcomes customers or agents to inspect and collect information to present to the project to keep the customer's house in the most perfect condition.

- Project Management / Project legal entity

The legal entity is primarily responsible for managing and maintaining the common property of the residence as well as facilitating in many ways for the residents. For condominium legal entity or condo legal entity, in the beginning, the project owner will supply a company to serve in the administration of the condominium legal entity and

nomination for the next condominium legal entity committee which comes from the representatives of the residents.

While the village legal entity will establish by the resolution of the residents of the project with not less than half, which will appoint an agent to apply for registration to the provincial land officer for a legal entity to accept the transfer of common assets, utility assets from the project owner to manage, but must be within the administration of the legal entity committee. as same as the condominium legal entity.

A legal entity is an organization that will manage the residents to live happily. The main function is directly related to the security of life and property, maintaining cleanliness, such as picking up trash on a schedule, checking electricity and brightness at various points, etc.

3.2.2 Business Value Chain Stakeholder Analysis

AQ Estate Public Company Limited has set guidelines for stakeholder participation by focusing on promoting the constructive participation of all stakeholders through various activities and communication channels continuously, to listen to the needs, comments, and suggestions. This will be useful in determining direction strategies, action plans, and guidelines for sustainable business development, as well as to prevent risks or impacts from business operations as well.

Business Value Chain Stakeholder Analysis Table

| Stakeholder group | Stakeholder expectations | Respond to stakeholder expectations |
|--------------------------------------|--|--|
| Stakeholders within the organization | | |
| Shareholders | <ul style="list-style-type: none"> ■ AQ Group performance ■ The Company goals and vision ■ Business transparency ■ Environmentally and socially responsible operations ■ Providing transparent information about AQ's business | <ul style="list-style-type: none"> ■ The Company places importance on disclosing accurate, complete, transparent, and timely information in both Thai and English languages through the channels of the Stock Exchange of Thailand and the company website. ■ The company arranges the general meeting of shareholders by date, time, and venue are not an obstacle to attending the meeting. ■ Supervising the use of inside information. ■ Actions on conflicts of interest. ■ Opportunity for shareholders to propose agenda for the shareholders' meeting. ■ Provide opportunities for analysts from all institutions to meet to examine doubts or request additional details. |
| Employees | <ul style="list-style-type: none"> ■ Remuneration, benefits, and welfare ■ Career stability ■ Career advancement opportunities ■ Occupational Safety and Health ■ Promoting learning and developing potential ■ Respect for human rights | <ul style="list-style-type: none"> ■ Provide fair compensation system to employees. ■ Maintaining a working environment to ensure safety of life and property of employees always. ■ Provide personnel management system in appointing and moving including rewarding and punishment to Employees which have to perform with good faith and based on knowledge, ability and the suitability of Employees. Do not discriminate against differences of racial religion, gender, marital status or physical inability. ■ Focus on the development of knowledge and capability of employees by providing employees |

| | | |
|---------------------------------------|---|---|
| | | <p>opportunities thoroughly and consistently.</p> <ul style="list-style-type: none"> ▪ Listen to comments and suggestions which is based on professional knowledge of Employees. ▪ Compliance with laws and regulations related to Employees strictly ▪ Provide opportunities and channels for employees to report illegal activities to the Board of Directors. |
| Stakeholders outside the organization | | |
| Customers | <ul style="list-style-type: none"> ▪ Quality of products and services ▪ Clarity of business policies ▪ Business Transparency ▪ Responsibility for customer use ▪ Building partnerships and networks to create value for society ▪ Flexible trading operations that meet the needs of market conditions | <ul style="list-style-type: none"> ▪ Disclose information about goods and services in complete, correct and non-misleading by taking into account the benefits for customers. ▪ Strictly comply with the conditions of the customers. ▪ Provides product and service warranty under conditions at the right time. ▪ Finding a way to reduce production costs by maintaining quality standards for products and services in order to maximize the benefit to customers continuously. ▪ Product or service proposal must not make misleading customers about the quality, price, quantity or condition of any products or services. ▪ Set up a system to allow customers to complain and perform optimally to provide customers with fast response. ▪ Customer Satisfaction Assessment |
| Suppliers and / or Creditors | <ul style="list-style-type: none"> ▪ Scheduled debt payment ▪ Flexibility and continuity in business operations ▪ Executive vision and business practices ▪ Guidelines for Partners ▪ The procurement process is convenient, fast, accurate, transparent, fair, and non-discriminatory. ▪ Maintaining standards of quality, delivery, service and sustainability of business partners ▪ Collaboration between companies and partners in managing risks throughout the supply chain | <ul style="list-style-type: none"> ▪ Follow the agreement and other commercial conditions to the suppliers strictly. ▪ No request or no receive or no pay for any dishonest benefits in trading with suppliers and / or creditors. ▪ If any of the conditions cannot be met, they must hurry inform the suppliers and / or creditors in advance to jointly find the solution. ▪ Report accurate financial information and timely to the creditors regularly. ▪ Knowledge exchange and jointly develop products and services and create a good relationship. |

| | | |
|---------------------|--|---|
| Competitors | <ul style="list-style-type: none"> Fair competition | <ul style="list-style-type: none"> Perform under the rules of good and fair competition. Do not seek confidential information from the competitors in a dishonest manner or inappropriate such as payment to the employees of competitors. Do not try to discredit the reputation of competitors with accusation in a bad way without truth. |
| Society | <ul style="list-style-type: none"> Creating jobs and promoting careers for the community Community economic development Promoting quality of life - good hygiene for the community Promotion of education to the community Promotion of environment and taking care of the environment in the community Hazardous and non-hazardous waste disposal | <ul style="list-style-type: none"> Do not do anything that will damage the natural resources and environment. Provide support for beneficial activities and with a social contribution regularly. Create a consciousness of corporate social responsibility to occur among all levels employees in the organization continuously and seriously. Control the compliance strictly according to the intention of laws and regulations issued by regulatory authorities. No help or support or allow to cause avoidance of laws or regulations compliance. To cooperate with regulatory authorities and report on violations or non-compliance the rules or regulations of such authorities. No action or to be involved in bribery or corruption or use their powers to seek personal benefits. Anti-Corruption Policy |
| Government official | <ul style="list-style-type: none"> Transparent tax administration and management Compliance with Environmental Laws Labor welfare and safety Respect for human rights | <ul style="list-style-type: none"> strictly follow government official regulations. cooperate with government authorities. not cooperate with any person who violates government official regulations. |

3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental Policies and Practices

The company is committed to conducting business with responsibility to take care for the overall community society and the environment as well as being committed to complying with relevant laws and regulations.

3.3.2 Environmental Performance

1) Management to reduce greenhouse gas problems

In the past year, the company did not provide greenhouse gas emissions information. However, the company and its subsidiaries have no significant violations of environmental laws or regulations or in the case of being accused of hurting environmental issues that may affect the business, image, reputation, and assets of the Company.

2) Campaigning and training to educate employees on the environment

The company has organized activities to campaign and train employees to educate environmental knowledge and ongoing study visits on environmental management.

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policies and Practices

The Company adheres to the principles of human rights from employment to the care of employees and personnel to make all employees and personnel feel connected to the same family as the organization. The Company has the following key employee operations:

1) Personnel development policy

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

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

2) Human Rights Policy

The Company upholding and complying with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights ("UNGPs"). focus on labor practices and respect for human rights with fairness, equality, and non-discrimination. both in terms of employment, compensation, promotion, Employee Training and Development without distinction of gender, age, educational institution, race, and religion, including supporting employment for disadvantaged groups such as people with disabilities, the elderly, and those who have been released from prison to create opportunities, create jobs and stable income, and part of the achievement of the Sustainable Development Goals (SDGs) of the country and the world. The Company adheres to the principles of human rights from employment to the care of employees and personnel to make all employees and personnel feel connected to the same family as the organization.

3.4.2 Social Performance

1) Work From Home

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

2) Community & Society

The Company operates its business with responsibility to communities and society by focusing on reducing environmental impact and avoiding operations that may hurt the quality of life of the communities surrounding the establishment. In 2021, there were no complaints from the community on social or environmental issues. Besides.

4. Management Discussion and Analysis: MD&A

4.1 Key Financial Information

4.1.1 Summary Financial Statements

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019 - 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|---|-----------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|-----------------------|
| | As at Dec 31, 2021 | As at Dec 31, 2020 | As at Dec 31, 2019 | As at Dec 31, 2021 | As at Dec 31, 2020 | As at Dec 31, 2019 |
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | 100,337 | 111,157 | 36,459 | 6,175 | 19,873 | 4,250 |
| Trade and other current receivables | 179,770 | 256,440 | 177,359 | 627,568 | 874,397 | 1,175,632 |
| Short-term loans | - | 412,145 | 412,145 | 1,413,371 | 1,806,119 | 1,833,254 |
| Inventories | 1,005,553 | 1,679,755 | 1,962,172 | 484,862 | 1,001,967 | 1,092,793 |
| Current tax assets | - | - | 53,750 | - | - | 32,182 |
| Other current financial assets | 310,000 | 1,072,160 | 1,072,160 | 310,000 | 1,072,160 | 1,072,160 |
| Other - current assets | 395,000 | - | - | 247,000 | - | - |
| Non current asset or disposal groups classified as held for sale | - | 115,060 | - | - | - | - |
| Total current assets | 1,990,660 | 3,646,717 | 3,714,045 | 3,088,976 | 4,774,516 | 5,210,271 |
| NON - CURRENT ASSETS | | | | | | |
| Investments in subsidiaries | - | - | - | 7,661 | 35,473 | 125,480 |
| Deposit financial institution under pledged | 57,010 | 72,041 | 94,382 | 13,819 | 50,264 | 50,471 |
| Other non current financial assets | 2,102,454 | 900,000 | 900,000 | 2,102,454 | 900,000 | 900,000 |
| Investment in ordinary share with condition repurchase | 312,959 | - | - | 312,959 | - | - |
| Trade accounts and other non - current receivable | 3,089 | 3,229 | 59,319 | 539 | 508 | 1,160 |
| Long - term loans | - | - | 2,426 | - | - | - |
| Investments property | 9,271 | 8,454 | 128,053 | 259,288 | 264,793 | 270,440 |
| Property, plant and equipment | 985,890 | 1,059,019 | 1,215,508 | 13,997 | 22,235 | 25,189 |
| Right-of-use assets | 147,678 | 225,932 | - | 5,252 | 8,641 | - |
| Other intangible assets | 1,048 | 1,067 | 15,360 | 46 | 61 | 25 |
| Deferred tax assets | - | - | 353 | - | - | - |
| Other non - current assets | 357,476 | 790,977 | 733,537 | 43,093 | 35,991 | - |
| Total non - current assets | 3,976,875 | 3,060,719 | 3,148,938 | 2,759,108 | 1,317,966 | 1,372,765 |
| TOTAL ASSETS | 5,967,535 | 6,707,436 | 6,862,983 | 5,848,084 | 6,092,482 | 6,583,036 |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019 - 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|---|-----------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|-----------------------|
| | As at Dec 31, 2021 | As at Dec 31, 2020 | As at Dec 31, 2019 | As at Dec 31, 2021 | As at Dec 31, 2020 | As at Dec 31, 2019 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Bank overdrafts and short - term borrowings from financial institutions | - | 2,961 | 2,994 | - | - | - |
| Trade and other current payable | 144,047 | 344,435 | 271,014 | 186,673 | 180,845 | 230,874 |
| Current portion of long - term debts | 35,200 | 17,823 | 17,001 | 21,093 | 1,073 | 1,053 |
| Current portion of liabilities under lease agreements | 18,136 | 59,760 | - | 3,688 | 3,456 | - |
| Short - term loans | 990 | 990 | 990 | - | - | - |
| Current provisions for employee benefits | - | 425 | 1,209 | - | 425 | 786 |
| Other current provisions | 3,033,085 | 3,036,602 | 2,995,152 | 2,986,835 | 2,986,584 | 2,986,792 |
| Current financial liabilities | 25,482 | 25,482 | - | - | - | - |
| Total current liabilities | 3,256,940 | 3,488,478 | 3,288,360 | 3,198,289 | 3,172,383 | 3,219,505 |
| NON - CURRENT LIABILITIES | | | | | | |
| Long - term debts | 11,572 | 23,418 | 33,058 | - | - | - |
| Liabilities under lease agreements | 45,690 | 48,124 | - | 2,055 | 5,608 | - |
| Trade and other non - current payable | 3,670 | 2,972 | 2,485 | 2,611 | 434 | - |
| Deferred tax liabilities | 5,666 | 5,988 | 6,292 | - | - | - |
| Non - current provisions for employee benefits | 5,440 | 4,730 | 4,370 | 3,503 | 3,150 | 3,195 |
| Other non current provisions | 46,168 | 46,168 | 48,971 | 46,168 | 46,168 | 46,168 |
| Total non current liabilities | 118,206 | 131,400 | 95,176 | 54,337 | 55,360 | 49,363 |
| TOTAL LIABILITIES | 3,375,146 | 3,619,878 | 3,383,536 | 3,252,626 | 3,227,743 | 3,268,868 |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019 - 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|--|-----------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|-----------------------|
| | As at Dec 31, 2021 | As at Dec 31, 2020 | As at Dec 31, 2019 | As at Dec 31, 2021 | As at Dec 31, 2020 | As at Dec 31, 2019 |
| LIABILITIES AND SHAREHOLDERS EQUITY (continued) | | | | | | |
| SHAREHOLDERS EQUITY | | | | | | |
| Share capital | | | | | | |
| - Authorized share capital | | | | | | |
| 294,012.03 million common share, Baht 0.50 par value | | 147,006,013 | 147,006,013 | | 147,006,013 | 147,006,013 |
| 162,117.14 million common share, Baht 0.50 par value | 81,058,571 | | | 81,058,571 | | |
| - Issued and paid up share capital | | | | | | |
| 85,324.81 million common shares, Baht 0.50 per share | 42,662,405 | 42,662,405 | 42,662,405 | 42,662,405 | 42,662,405 | 42,662,405 |
| Discount on common shares | (32,759,548) | (32,759,548) | (32,759,548) | (32,759,548) | (32,759,548) | (32,759,548) |
| Premium on common shares from capital reduction | 153,537 | 153,537 | 153,537 | 153,537 | 153,537 | 153,537 |
| Discount from decrease in shareholding in subsidiary | (47,939) | (47,939) | (47,939) | - | - | - |
| Deficit | (7,416,064) | (6,920,952) | (6,529,191) | (7,460,936) | (7,191,655) | (6,742,226) |
| Total shareholder equity of parent - net | 2,592,391 | 3,087,503 | 3,479,264 | 2,595,458 | 2,864,739 | 3,314,168 |
| Non - controlling interests | (2) | 55 | 183 | - | - | - |
| Total shareholders equity - net | 2,592,389 | 3,087,558 | 3,479,447 | 2,595,458 | 2,864,739 | 3,314,168 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 5,967,535 | 6,707,436 | 6,862,983 | 5,848,084 | 6,092,482 | 6,583,036 |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019 - 2021

| | | | | (Unit: Thousand Baht) | | |
|---|-----------------------------------|------------------|------------------|-------------------------------|------------------|------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| REVENUES | | | | | | |
| Revenues from sales of property | 968,306 | 406,552 | 486,066 | 500,481 | 134,545 | 111,793 |
| Revenues from hotel business | 67,124 | 98,522 | 131,411 | - | - | - |
| Revenues from property rental operations and related services | - | 20,618 | 21,451 | - | - | - |
| Total revenues | 1,035,430 | 525,692 | 638,928 | 500,481 | 134,545 | 111,793 |
| COSTS | | | | | | |
| Costs of property sold | (1,173,252) | (341,828) | (371,891) | (531,642) | (111,603) | (85,883) |
| Costs of service from hotel business | (157,517) | (192,727) | (199,772) | - | - | - |
| Cost of property rental operations and related services | - | (9,382) | (10,666) | - | - | - |
| Total cost | (1,330,769) | (543,937) | (582,329) | (531,642) | (111,603) | (85,883) |
| Gross profit (loss) | (295,339) | (18,245) | 56,599 | (31,161) | 22,942 | 25,910 |
| Other income | 235,300 | 60,415 | 134,574 | 293,409 | 328,204 | 278,301 |
| Profit (loss) before expenses | (60,039) | 42,170 | 191,173 | 262,248 | 351,146 | 304,211 |
| Distribution costs | (52,429) | (43,168) | (42,025) | (34,426) | (16,136) | (16,886) |
| Administrative expenses | (365,675) | (379,434) | (334,447) | (496,386) | (783,699) | (541,951) |
| Total expenses | (418,104) | (422,602) | (376,472) | (530,812) | (799,835) | (558,837) |
| Loss before financial cost and income tax | (478,143) | (380,432) | (185,299) | (268,564) | (448,689) | (254,626) |
| Finance cost | (10,357) | (11,408) | (1,331) | (717) | (740) | (20) |
| Loss before income tax | (488,500) | (391,840) | (186,630) | (269,281) | (449,429) | (254,646) |
| Income (expense) income tax | (6,661) | (49) | 260 | - | - | - |
| Loss for the year | (495,161) | (391,889) | (186,370) | (269,281) | (449,429) | (254,646) |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019 - 2021

| | | | | (Unit: Thousand Baht) | | |
|--|-----------------------------------|------------|------------|-------------------------------|------------|------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| Other comprehensive income (loss) | | | | | | |
| Items that will not be reclassified in profit or loss later | | | | | | |
| Loss from the measurement of new values of defined employee benefits | - | - | (2,114) | - | - | (1,494) |
| Total items that will not be reclassified in profit or loss later | - | - | (2,114) | - | - | (1,494) |
| Other comprehensive loss for the year - Net tax | - | - | (2,114) | - | - | (1,494) |
| Total comprehensive loss for the year | (495,161) | (391,889) | (188,484) | (269,281) | (449,429) | (256,140) |
| Loss for the period attributable to : | | | | | | |
| Owners of the parent | (495,112) | (391,761) | (186,342) | (269,281) | (449,429) | (254,646) |
| Non - controlling interest | (49) | (128) | (28) | - | - | - |
| | (495,161) | (391,889) | (186,370) | (269,281) | (449,429) | (254,646) |
| Total comprehensive loss attributable to: | | | | | | |
| Owners of the parent | (495,112) | (391,761) | (188,456) | (269,281) | (449,429) | (256,140) |
| Non - controlling interests | (49) | (128) | (28) | - | - | - |
| Total comprehensive loss for the year | (495,161) | (391,889) | (188,484) | (269,281) | (449,429) | (256,140) |
| Basic loss per share : Owners of the parent | | | | | | |
| (equivalent to par value of Baht 0.50 per share) | (0.0058) | (0.0046) | (0.0022) | (0.0032) | (0.0053) | (0.0030) |
| Weighted average number of shares (In Thousand Shares) | 85,324,811 | 85,324,811 | 85,324,811 | 85,324,811 | 85,324,811 | 85,324,811 |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019 - 2021

(Unit: Thousand Baht)

| | Consolidated Financial Statements | | | | | | | | | |
|--|-----------------------------------|------------------------------|---|--|-------------|---|--|---|---------------------------|--------------------------------|
| | | | | | | Other components of shareholders' equity | | Total shareholders' equity of the Company | Non-Controlling Interests | Total Share holders equity-net |
| | Issued and Paid-up Share Capital | Premium (Discount) on Shares | Premium on Common Shares from Capital Reduction | Discount from Increase in Shareholding in Subsidiary | Deficit | Other comprehensive income | | | | |
| | | | | | | Gains on re-measurements of defined benefit plans | Total other components of shareholders' equity | | | |
| | | | | | | | | | | |
| Balance as at January 1, 2019 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,340,735) | - | - | 3,667,720 | - | 3,667,720 |
| Increase in share capital | - | - | - | - | - | - | - | - | 211 | 211 |
| Total comprehensive income for the year | - | - | - | - | (186,342) | (2,114) | (2,114) | (188,456) | (28) | (188,484) |
| Transferred to retained earnings | - | - | - | - | (2,114) | 2,114 | 2,114 | - | - | - |
| Balance as at December 31, 2019 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,529,191) | - | - | 3,479,264 | 183 | 3,479,447 |
| Balance as at January 1, 2020 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,529,191) | - | - | 3,479,264 | 183 | 3,479,447 |
| Total comprehensive income for the year | - | - | - | - | (391,761) | - | - | (391,761) | (128) | (391,889) |
| Balance as at December 31, 2020 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,920,952) | - | - | 3,087,503 | 55 | 3,087,558 |
| Balance as at January 1, 2021 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,920,952) | - | - | 3,087,503 | 55 | 3,087,558 |
| Total comprehensive income for the year | - | - | - | - | (495,112) | - | - | (495,112) | (49) | (495,161) |
| Decreased from the loss of control in the subsidiary | - | - | - | - | - | - | - | - | (8) | (8) |
| Balance as at December 31, 2021 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (7,416,064) | - | - | 2,592,391 | (2) | 2,592,389 |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019 - 2021

(Unit: Thousand Baht)

| | Separate Financial Statements | | | | | | |
|---|--|---------------------------------|---|-------------|---|--|--------------------------------------|
| | Issued and Paid-up Share Capital | Premium (Discount) on Shares | Premium on Common Shares from Capital Reduction | Deficit | Other components of shareholders' equity | | |
| | | | | | Other comprehensive income | | Total Share holders equity-net |
| | | | | | Gains on re-measurements of defined benefit plans | Total other components of shareholders' equity | |
| Balance as at January 1, 2019 | 42,662,405 | (32,759,548) | 153,537 | (6,486,086) | - | - | 3,570,308 |
| Total comprehensive income for the period | - | - | - | (254,646) | (1,494) | (1,494) | (256,140) |
| Transferred to retained earnings | - | - | - | (1,494) | 1,494 | 1,494 | - |
| Balance as at December 31, 2019 | 42,662,405 | (32,759,548) | 153,537 | (6,742,226) | - | - | 3,314,168 |
| Balance as at January 1, 2020 | 42,662,405 | (32,759,548) | 153,537 | (6,742,226) | - | - | 3,314,168 |
| Total comprehensive income for the year | - | - | - | (449,429) | - | - | (449,429) |
| Balance as at December 31, 2020 | 42,662,405 | (32,759,548) | 153,537 | (7,191,655) | - | - | 2,864,739 |
| Balance as at January 1, 2021 | 42,662,405 | (32,759,548) | 153,537 | (7,191,655) | - | - | 2,864,739 |
| Total comprehensive income for the year | - | - | - | (269,281) | - | - | (269,281) |
| Balance as at December 31, 2021 | 42,662,405 | (32,759,548) | 153,537 | (7,460,936) | - | - | 2,595,458 |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019 - 2021

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|---|-----------------------------------|---------------|-----------------|-------------------------------|-----------------|------------------|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Loss for the year - Net | (495,161) | (391,889) | (186,370) | (269,281) | (449,429) | (254,646) |
| Adjustments of reconcile net profit (loss) to cash received (paid) | | | | | | |
| Adjusted tax (income) expense | 6,661 | 49 | (260) | - | - | - |
| Adjusted financial cost | 10,357 | 11,408 | 1,331 | 717 | 740 | 20 |
| Adjusted interest income | (157,330) | (12,032) | (95,036) | (256,606) | (125,645) | (217,462) |
| Adjusted trade and other current receivables (increase) decrease | 30,919 | (110,529) | (8,388) | 20,045 | 12,435 | (4,107) |
| Adjusted trade and other non-current receivable decrease | 140 | 3,973 | (45,784) | (31) | 593 | 156 |
| Adjusted inventories decrease | 755,036 | 306,645 | 306,301 | 566,428 | 97,103 | 74,627 |
| Adjusted financial asset (increase) | (310,000) | - | - | (310,000) | - | - |
| Adjusted restricted deposit with bank decrease | 15,031 | 22,341 | - | 36,445 | 207 | - |
| Adjusted other non current assets (increase) decrease | 193,716 | (25,498) | (2,401) | 1,201 | (1,201) | 912 |
| Adjusted trade and other current payable increase (decrease) | (197,239) | 96,630 | (159,774) | 78,802 | (44,148) | (164,030) |
| Adjusted trade and other non-current payable increase | 698 | 487 | - | 2,177 | 434 | - |
| Depreciation, losses and amortization | 88,192 | 95,752 | 86,037 | 10,863 | 12,119 | 11,622 |
| Adjusted Bank overdrafts and short - term borrowings from financial institutions | - | - | 13 | - | - | - |
| Adjusted provision for liabilities increase (decrease) | (11,229) | (4,263) | (485) | 251 | (481) | (1,465) |
| Adjust credit loss | 11,011 | 8,348 | 8,887 | 199,515 | 353,279 | 348,698 |
| Adjusted with litigation damage reserves increase (decrease) | 9,315 | 45,713 | 287 | - | 274 | 251 |
| Adjustment with loss from impairment of goodwill | - | - | 8,036 | - | - | - |
| Adjusted provisions for employee benefits | 710 | 785 | 1,984 | 353 | 380 | 1,296 |
| Adjusted other income | (3,385) | (2,753) | (1,395) | (127) | (115) | (379) |
| Adjusted amortized expenses | 5,023 | 8,668 | 5,254 | 384 | 60 | 17 |
| Adjusted by (reversal) of allowance of credit loss diminution of value in inventories | (80,834) | (24,431) | 3,028 | (49,323) | (6,277) | (9,311) |
| Adjusted by (reversal) of allowance for loss investment in subsidiaries | - | - | - | (14,293) | 90,007 | - |
| Adjusted by (profit) loss from sales of property, plant, equipment | (5,644) | 793 | 34,878 | (6,489) | (17) | - |
| Adjusted by allowance of credit loss diminution of value in other non current asset | 244,300 | 22,237 | - | - | - | - |
| Adjusted with loss from sale property, plant, equipment and leasehold rights | - | 5,148 | - | - | - | - |
| Payment provisions for employee benefits | (425) | (1,209) | (741) | (425) | (786) | (685) |
| Adjusted allowance for loss from asset held for sale | - | 25,114 | - | - | - | - |
| Adjusted by loss from disposal of investment in subsidiary | (4,578) | - | - | 131,605 | - | - |
| Adjusted by impairment loss on right-of-use assets | 67,200 | - | - | - | - | - |
| Adjusted by loss from impairment investment property | (8,730) | - | - | - | - | - |
| Total adjustment of reconcile net profit (loss) | 163,754 | 81,487 | (44,598) | 142,211 | (60,468) | (214,486) |
| Cash provided by (used in) operating activities | | | | | | |
| Cash paid for income tax | (12,155) | (8,090) | (8,180) | (8,303) | (2,608) | (2,324) |
| Net cash provided by (used in) operating activities | 151,599 | 73,397 | (52,778) | 133,908 | (63,076) | (216,810) |

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019 - 2021

| | (Unit: Thousand Baht) | | | | | |
|---|-----------------------------------|-----------------|-----------------|-------------------------------|----------------|----------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Cash paid for deposit common stock installment | (395,000) | - | - | (247,000) | - | - |
| Cash paid for current investments | - | - | (5,266) | - | - | (5,266) |
| Cash paid for purchase of investment in subsidiary | - | - | (90,500) | - | - | (90,500) |
| Cash paid increase investment in ordinary share in the subsidiary | - | - | - | (181,500) | - | - |
| Cash received from sales ordinary shares in the subsidiary | 92,000 | - | - | 25,000 | - | - |
| Cash received from sales of property, plant and equipment | 12,981 | 17 | - | 12,981 | 17 | - |
| Cash paid for purchase of property, plant and equipment | (3,463) | (1,175) | (13,477) | (206) | (90) | (586) |
| Cash paid for intangible assets | (233) | (254) | (180) | - | (73) | - |
| Cash paid for short-term loans | - | - | - | (927,441) | (432,962) | (341,460) |
| Cash received from short term loan | 154,131 | - | 76,513 | 1,079,668 | 486,864 | 599,264 |
| Interest income | 1,688 | 29,035 | 47,683 | 74,909 | 28,633 | 49,061 |
| Net cash provided by (used in) investing activities | (137,896) | 27,623 | 14,773 | (163,589) | 82,389 | 210,513 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Cash bank overdrafts and short - term borrowings from financial institutions decrease | (2,961) | (33) | - | - | - | - |
| Cash received from long term loan | 20,000 | - | - | 20,000 | - | - |
| Cash paid for long-term loans | (14,489) | (8,635) | (3,622) | - | - | - |
| Cash paid for short-term loans | - | - | (101) | - | - | - |
| Cash paid for decrease liabilities that occurs from lease | (15,504) | (9,202) | (4,871) | (3,321) | (2,968) | - |
| Interest paid | (6,776) | (8,452) | (1,292) | (696) | (722) | - |
| Net cash flows provided by (used in) financial activities | (19,730) | (26,322) | (9,886) | 15,983 | (3,690) | - |
| Cash and cash equivalents net decrease - Net | (6,027) | 74,698 | (47,891) | (13,698) | 15,623 | (6,297) |
| Cash and cash equivalents at beginning of the year | 111,157 | 36,459 | 84,088 | 19,873 | 4,250 | 10,547 |
| Cash decrease from non controlling interest in the subsidiary | (4,793) | - | 262 | - | - | - |
| Cash and cash equivalents at end of the year | 100,337 | 111,157 | 36,459 | 6,175 | 19,873 | 4,250 |

Supplemental disclosure of cash flows information :

Non cash transactions

- As at December 31, 2021, the subsidiary classified property, plant and equipment as investments property of Baht 0.90 million due to change objective to rental.
- As at December 31, 2021, the Company received liabilities short term loan from the non-related company that the debt was settled by revaluation of the securities with ordinary shares of companies that are not listed on the stock exchange amounting to Baht 312.96 million. which the company deducted accrued interest of Baht 54.95 million and principal on short-term loans of Baht 258.01 million.(Note 9)
- As at December 31, 2021 the Company received liability of promissory note from the non-related company. The non-related company repayment was settled by revaluation of the securities by ordinary shares of the non-related company that are not on the stock exchange "amount of Baht 1,202,454 million, which the company brought to deduct in the amount of Baht 17.45 million and the principal of short-term loans in the amount of Baht 1,072,160 million (Note 16).
- As of December 31, 2021, the Company sold its investment in a subsidiary. Some of the proceeds sold were loaned to the subsidiary for Baht 67 million.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019 - 2021

CASH AND CASH EQUIVALENTS

As at December 31, 2021 and 2020 as follows:

| | | | | (Unit: Thousand Baht) | | |
|---------------------------------|-----------------------------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Dec 31, 2021 | Dec 31, 2020 | Dec 31, 2019 | Dec 31, 2021 | Dec 31, 2020 | Dec 31, 2019 |
| Cash | 1,140 | 1,407 | 1,235 | 77 | 239 | 218 |
| Cash at bank - savings accounts | 39,509 | 45,686 | 22,557 | 1,420 | 1,147 | 837 |
| Cash at bank - current accounts | 7,481 | 3,815 | 5,494 | 4,678 | 517 | 3,195 |
| Cash at bank - fixed accounts | 34,207 | 42,279 | 7,173 | - | - | - |
| Check in transit | - | 17,970 | - | - | 17,970 | - |
| Promissory note | 18,000 | - | - | - | - | - |
| Total | 100,337 | 111,157 | 36,459 | 6,175 | 19,873 | 4,250 |

4.1.2 Financial Ratios

Key Financial Ratios as at 31 December 2019 - 2021.

| Financial Ratios | | 2021 | 2020 | 2019 |
|------------------------------------|---------|---------|----------|----------|
| LIQUIDITY RATIO | | | | |
| Current ratio | (times) | 0.61 | 1.06 | 1.13 |
| Quick ratio | (times) | 0.09 | 0.23 | 0.52 |
| Cash flow ratio | (times) | 0.04 | 0.02 | (0.01) |
| Accounts receivable turnover ratio | (times) | 4.75 | 2.42 | 4.30 |
| Average collection period | (days) | 76.84 | 150.83 | 84.88 |
| Inventory Turnover ratio | (times) | 0.99 | 0.30 | 0.28 |
| Average sale period | (days) | 368.69 | 1,216.67 | 1,303.57 |
| Payable turnover ratio | (times) | 5.45 | 1.75 | 1.78 |
| Repayment period | (days) | 66.97 | 208.57 | 205.06 |
| Cash Cycle | (days) | 378.56 | 1,158.92 | 1,183.40 |
| PROFITABILITY RATIO | | | | |
| Gross profit margin | (%) | (28.52) | (3.47) | 9.33 |
| Operating profit margin | (%) | (46.18) | (72.37) | (28.85) |
| Other income ratio | (%) | 18.52 | 10.31 | 17.32 |
| Cash to profitability | (%) | N/A | N/A | N/A |
| Net profit margin | (%) | (38.97) | (66.86) | (23.99) |
| Return on equity | (%) | (17.44) | (11.94) | (5.22) |
| EFFICIENCY RATIO | | | | |
| Return on assets | (%) | (7.81) | (5.79) | (2.67) |
| Return on fixed assets | (%) | (39.80) | (26.04) | (8.40) |
| Assets turnover | (times) | 0.20 | 0.09 | 0.11 |
| FINANCIAL POLICY RATIO | | | | |
| Debt to Equity ratio | (times) | 1.30 | 1.16 | 0.97 |
| Interest coverage ratio | (times) | N/A | 9.64 | N/A |
| Debt service coverage ratio | (times) | 0.38 | 51.36 | N/A |
| Dividend payout ratio | (%) | N/A | N/A | N/A |

4.2 Management Discussion and Analysis

4.2.1 Overview

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

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

Status of the Company

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

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

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

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

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

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

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

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

director of the Company to be director of Golden. However, the Company and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition, the board of directors meeting No.12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore, the officer will report to the court to lift this bankruptcy case according.

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

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

23, 2018. The court read the verdict on March 18, 2019 the court therefore ordered to dismiss the petition.

On June 17, 2019, the plaintiff appealed the judgment and on July 18, 2019, the three defendants filed a petition, Later, on June 4, 2020, the Supreme court read the judgment of the Court of Appeals, which reversed judgment that the 1st defendant transfer the shares held by Golden Technology Industrial Park Company Limited amount to 5,440,000 shares return to the plaintiff. If 1st defendant does not take action, the judgment shall be taken of the court instead of intention. Any other request to cancels costs fee for both court on July 1, 2020, the lawyers of the three defendants filed a petition to extend the period on the 1st and the court permit to extend the period till the date on August 4, 2020. And as at July 31, 2020, AQ Estate Public Company Limited with the three defendants filed a petition to extend the period on the 2nd that the court permit to extend the period till the date on September 3, 2020. The three defendants not to filed a petition. The case had terminated.

On August 3, 2018, Case NO. P.4393/2018. AQ Estate Public Company Limited sue Golden Technology Industrial Park Company Limited and Progress Property Company Limited (co-defendant) to be a civil case, to refund advance which AQ has paid reservation according to the property management agreement, amounting of Baht 74,999,995. On August 6, 2019, the co-defendant filed a petition to postpone the case, claiming that the Golden company was sued by the Krung Thai Bank in bankruptcy cases. The bankruptcy court will consider on August 20, 2019. Therefor the civil court has agreed to wait for the outcome of the bankruptcy case and then postponed the appointment to hear the results on September 17, 2019. Later, the Krung Thai Bank bankruptcy case of discontinued Golden Technology Industrial Park Company Limited, so the civil case will be continuing. The courts on January 14, 2021, sentenced the case, the defendant is Golden Company pay to AQ Estate Public Company Limited amount Baht 52,381,259.93 million plus 7.5% of interest per year. At present, the plaintiff is satisfied with the verdict and does not wish to appeal. As for the defendant and the petitioner, the appeal has been filed with the court and the plaintiff has filed an appeal against the court. The case is currently being considered in the appeal. The Court scheduled to hear the judgment and/or the Court of Appeal's order on March 17, 2022.

- d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local

financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million, respectively was presented as loans considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have temporarily suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

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

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

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

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be enough for payment of damages to the bank and/or mutually discuss the terms and conditions for the payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

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

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

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

against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

Thus, the civil case which Krungthai Bank Public Company Limited as a plaintiff accused Golden Technology Industrial Park Company Limited. (the 1st defendant) and others, totaling 4 persons according to Black Case No. Tor. 268/2006, Red Case No. Tor.2687/2007 is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100 at the rate of 15% per annum, since the date after filling date until completion of debt repayment and on September 28, 2017 Sentenced Golden Technology Industrial Park Company Limited to pay amount of Baht 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from May 31, 2004 until payment is completed and bring Golden Technology Industrial Park Company Limited money paid on November 1, 2004 amounting to Baht 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 9, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it makes another confiscation of Golden Technology Industrial Park Company Limited. On May 5, 2020, the preliminary case result was terminated by the court.

As disclosed in Note 29 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12-14, 2017 and Baht 1,925 million on July 17-21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2021 as follows:

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

* The Company appraise the valuation of collateral land by appraisal report of SL. Standard Appraisal Co., Ltd. dated on May 5, 2017, comparative market price method amount of

appraised price Baht 11,600 million and amount of forced sale value by Baht 5,800 million. (In year 2015 the appraised value and the forced sale value of such collateral land as appraisal report dated on May 25, 2016, amount by Baht 12,749 million and 8,924 million, respectively).

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

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

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

The Company has sent a letter to Krungthai Bank Public Company Limited dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case No. Aor Mor. 55/2015 or pay as principal in the civil court in decided case No. Tor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders The Company reserves the right to take any action in according to the law or protect the legitimate rights in all cases, if Krungthai Bank Public Company Limited take any action that causes damage to the Company to the end. Because the case is not over yet as a result, the Company is unable to reverse the provisions that it has set aside for.

- e) On September 25, 2019, AQ Estate Public Company Limited sued Krung Thai Bank Public Company Limited (the 1st defendant) and others, totaling 13 persons to be a civil case, financial

statements revision for 1st quarter 2019 of Krung Thai Bank to claim the refund of Baht 3,898,704,840 to pay for damages in lawsuit of the Supreme Court's Criminal Division for persons Holding Political Positions according to Black Case No. Aor-Mor. 3/2012, according to Red Case No. Aor-Mor. 55/2015, if the defendant fails to comply with payment of damages amount. The court are meeting of settlement of issue and define prosecution guidelines or the courts meeting schedule the hearing date on November 18, 2019. The totaling of defendant filed to expand the time on February 9, 2020. The lawyer has comment to the court should be consider trend and judgment for conditional in contract on August 10, 2017. The court determines an appointment to decide the law or an appointment pointing to two places on February 11, 2022 and determine of the date of plaintiff witness hearing on March 22-23, 2022 and the defendant witness hearing on March 24, 29-31, 2022.

Utilization of capital increase fund

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

| | | |
|--|----------|--------------|
| The proceeds from the capital increase | 3,568.27 | Million Baht |
|--|----------|--------------|

Deduct Utilization of capital increase as of 31 December 2021

| | | |
|--|---------------|--------------|
| 1) Payment following the judgment of KTB | (1,635.74) | Million Baht |
| 2) Development of AQ ARBOR, Chonburi, Chiangmai, Rangsit | (65.00) | Million Baht |
| 3) Invested in hotel business | (121.00) | Million Baht |
| 4) Development of AQ ALIX | (26.00) | Million Baht |
| 5) Working capital | (236.23) | Million Baht |
| 6) Investment in shares of GEP and WEH | (1,484.30) | Million Baht |
| (receiving debt payments from debtors) | | |
| Remaining capital increase fund as of 31 December 2021 | <u>-0.00-</u> | Million Baht |

2) Industry and economic conditions that affect the operation

2.1) Economic conditions in 2021

The Office of the National Economic and Social Development Board reported that in 2021, the Thai economy expanded by 1.6 percent, recovering from a 6.2-percent contraction in 2020. Export of goods, private consumption, and investments expanded by 18.8 percent, 0.3 percent, and 3.4 percent, respectively. The headline inflation was at 1.2 percent and the current account registered a deficit of 2.2 percent of GDP.

The Thai economy in the fourth quarter of 2021 expanded by 1.9 percent (%YoY), recovering from a contraction of 0.2 percent in the previous quarter. After seasonally adjusted, the Thai economy increased by 1.8 percent from the third quarter (%QoQ sa). On expenditure side: export of goods and services and government expenditure accelerated. Private consumption and public investment returned to expansions, while private investment decreased. On the production side: the manufacturing sector, the transportation and storage sector, and the electricity, gas, steam, and air conditioning supply sector returned to expand, while the wholesale and retail trade sector continued to grow. On the contrary, the agricultural sector decelerated, while the accommodation and food services sector and construction sector decreased.

2.2) Sales of property business

Krungsri Research reported that in 2021, the housing market in the Bangkok Metropolitan Region (BMR) will remain flat or see only mild growth, premised on: (i) the ongoing spread of COVID-19 and the effects of this on economic recovery, and (ii) steadily rising household debt that is undercutting consumer purchasing power and encouraging lenders to be more careful about the release of new credit. However, in 2022 and 2023, the outlook for the market should improve thanks to: (i) growth in the Thai economy that is forecast to reach 3.0-4.0% per year; (ii) greater investment in infrastructure megaprojects; (iii) government stimulus measures targeted at the real estate sector; and (iv) stronger demand for accommodation from overseas buyers investing and working in Thailand.

In 2021-2023, the number of new housing coming to market is expected to rise by 4.7% annually, with this split approximately equally between condominium and low-rise developments. Supply of the latter will steadily rise as developers look to meet growing real demand, while investors will also tend to work on a more diverse range of project types that will include mixed-use developments, wellness residences, housing for the elderly, smart homes and leasehold properties.

2.3) Hotel business

The Office of the National Economic and Social Development Board reported that accommodation and food service activities sector declined by 4.9 percent, improving from a 19.0-percent contraction in the previous quarter. This was in line with an improvement in domestic tourism and the increase in international tourist arrivals. In the fourth quarter of 2021, Thai tourism receipts stood at 0.084 trillion Baht which dropped by 47.3 percent, but improving from a 91.5-percent contraction in the previous quarter, due to the domestic COVID-19 outbreak improvement, the relaxation of COVID-19 containment measures, the rising of vaccination rates, and the government tourism stimulus measure. The top three most visited provinces by Thai tourists consisted of Bangkok (4.08 million visitors or with the share of 12.83 percent), Chonburi (2.19 million visitors or 6.88 percent), and Kanchanaburi (2.11 million visitors or 6.63 percent). The number of foreign tourists stood at 342,024 persons, increasing from the previous quarter. The increasing number was supported by the Test & Go programme for international travelers, an effective vaccination program, and the easing of international travel restrictions in several countries. Additionally, top international travelers coming from Europe (213,859 visitors or 62.53 percent), East Asia (51,873 visitors or 15.17 percent), and America (33,732 visitors or 9.86 percent). The average occupancy rate was at 26.25 percent, increasing from 5.46 percent in the previous quarter, however, the figure was still lower than 32.49 percent in the same period last year.

In 2021, accommodation and food service activities sector declined by 14.4 percent, improving from a 37.5-percent contraction in 2020. Accommodation declined by 30.9 percent, improving from a 50.7-percent contraction in 2020. Likewise, food and beverage service activities decreased by 8.3 percent, improving from a 27.1-percent drop in 2020.

Krungsri Research reported that following weak operations in 2020, hoteliers will continue to see depressed conditions through 2021. The first shoots of recovery will start to break through from the end of this year and throughout 2022 and 2023, but it could take at least 4 years for foreign tourist arrivals to return to pre-COVID level. Against this backdrop, domestic tourism will recover faster, partly thanks to ongoing policy efforts by the government to stimulate demand. By the latter half of 2021, the worldwide rollout of vaccination programs will start to translate into an uptick in foreign tourist arrivals, helped by a recovering global economy and long-term growth potential in the Thai tourism industry. However, in the post-pandemic environment, players in the tourism and hotel industries will need to move rapidly to overhaul their operations onto a more sustainable footing by accelerating the adoption of modern technology, placing greater emphasis on public health and hygiene, and developing their

understanding of varied and diverse consumer needs and using this knowledge to offer customized travel experiences.

3) C sign posted on AQ securities by the SET

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

- Financial Statements Quarter 1 Ended 31 March 2021
- Financial Statements Quarter 2 Ended 30 June 2021
- Financial Statements Quarter 3 Ending 30 Sep 2021
- Financial Statement Yearly 2020 Ended 31 Dec 2021

With reference to AQ Estate Public Company Limited has organized a meeting to provide information to investors and related persons (Public Presentation) in the securities of the company which were up to the mark "C" since the Company has shareholders' equity less than 50% of the paid-up capital for the financial statements 2021 ended 31 December 2021, the meeting is held on 11 March 2022 at 10:00 a.m. in the building AQ Estate Plc. No. 102 Rim Klong Bangkapi Road, Bangkapi Subdistrict, Huai Khwang District, Bangkok. The Company's reported results of the meeting are as follows.

The cause of company lost a lot due to the provision for liabilities from the judgment of the Supreme Court's Criminal Division for Holders of Political Positions to compensate for Krung Thai Bank totaling 3,057.64 million baht. In the Supreme Court's Criminal Division for Persons Holding Political Positions ordered the joint company responsible for compensation of 10,004.47 million baht. The company paid amount of 1,635.74 million baht. Debt Obligations remain outstanding to pay for the amount of 8,368.73 million baht.

Solution: The auction of collateral land amounted to 4,300 rai. The Board of Director set the selling price of land auction at 8,914.07 million baht, which is higher than the company payment amount. On 17 October 2018 was the first time in sale by auction. The bidder of land auction was secured for 8,914.07 million baht which the bidder deposit by the regulations of the Legal Execution Office of 448.50 million baht. Bidders are allowed to extend the payment period to 1 February 2019 for the remainder. On 24 January 2019, the auctioneer made a payment of 3,819 million baht for the auction assets group 1. The auction assets group 1 and 2 are owned by Golden Company and group 3 is owned by K&V SRS Garden Home Company which the Golden Company holds 99.97% of shares and the land came to be secured for Golden Company. K&V SRS Garden Home has filed a petition to revoke the sale of assets by claiming that it is unlawful for all 4 such cases. The court dismissed the

petition and the petitioner filed an appeal one case and the court will not accept the appeal and the case shall be terminated.

At present, the auctioneer bought such land and paid all land successfully. As for the amount of 1,196.02 million baht, the auctioneer placed the money to the Legal Execution Division. On 15 September 2020, Krung Thai Bank received the remaining land payment and has used a civil court judgment to request payment of all debts and Krung Thai Bank has recorded the whole amount as interest income. Hence, the company filed a lawsuit against Krungthai Bank and Krungthai Bank's management due to breach of the agreement. In the event that AQ Company wins the lawsuit in this case, the reserve liabilities are set to be transferred to deficit, resulting in the remaining loss of 4,358.42 million baht. As a result, the shareholders' equity amounted to 5,650.04 million baht which compared with the registered and paid-up capital, less discount on net share capital of 9,902.86 million baht. The ratio was 57.05%, exceeding the 50% threshold. Therefore, the Company is able to successfully resolve the C mark.

On 25 September 2019, AQ Estate Plc. (Plaintiff) filed a lawsuit against Krungthai Bank Plc. (Defendant) in a civil case requesting Krungthai Bank to change its financial statements for the first quarter of 2019 in which the proceeds received from the auction of the secured land in the amount of 3,898.70 million baht to be recorded as damages in the case of the Supreme Court's Criminal Division for Persons Holding Political Positions. The Court has scheduled the date for litigation or prosecution witnesses on 18 November 2019. All defendants request permission to extend their testimony until 24 February 2020 and on 24 February 2020, 13 defendants have applied for an extension of time to file their testimony further 30 days. The court has allowed the postponement to make appointment for settlement of issues on 27 April 2020 and with the situation of outbreak of the Coronavirus 2019 (COVID-19), the court canceled the appointment and a new appointment for settlement of issues on 30 September 2020 and on 30 September 2020, Thirteen defense attorneys ask the plaintiff's attorney to withdraw the lawsuit against the 2nd to 13th defendants as the director of the 1st defendant acting on behalf of the 1st defendant. The plaintiff's attorney accepts the matter to propose the plaintiff's management by making appointment for settlement of issues or a legal decision on 19 November 2020. On this day, the defense attorney requested to postpone in diagnosis because Krungthai Bank has been diagnosed by Office of the Council of State that was not being a state enterprise. Therefore, the problem is that the prosecutor officer could defend as the defendant for all 13 defendants or not and Plaintiffs are discussing ways to compromise the debt to the defendant, therefore does not oppose the postponement of appointment for settlement of issues on 22 February 2021, on the day The court to postpone the settlement of issues on 14 June 2021. The present The court to postpone

the settlement of issues on 13 September 2021, on this day The court to postpone the settlement of issues on 27 October 2021, today the court to determine of the plaintiff witness hearing on March 22-23 ,2022 and the defendant witness hearing on March 24,29-31,2022.

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

4) Change in key accounting policy

In 2021, the Company did not change its accounting policy. However, significant accounting policies for the preparation of consolidated and separate financial statements. Details are in Note 5 to the financial statements.

5) Auditor show qualified opinion with an emphasis of matters

Ms. Kannika Wipaturat, Certified Public Accountant, Registration No. 7305 from Karin Audit Company Limited show qualified opinion with an emphasis of matters on the Financial statements for the year ended 31 December 2021 as follows.

Qualified Opinion

I have audited the accompanying financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

As discussed in Note 14.2 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2021, amount of Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty

on ability to continue its operation as a going concern. The resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.

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

Emphasis of matter

Without qualifying my opinion on the conditions. I draw attention to;

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

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

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

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

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

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

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor-Mor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company Limited at total of 1,768 rai. The value property of auction buyer was Baht 4,019.62 million. The buyer had placed the deposit of Baht 201 million.

The remaining would be paid within February 1, 2019 and on January 24, 2019, the buyer paid Baht 3,818.62 million. The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho.59/2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of Baht 1,261.02 million, deposit of Baht 65 million and on September 15, 2020, the buyer paid Baht 1,196.02 million. The petitioner, K&V SRS Co., Ltd., held by Golden 99.97%, filed the request to revoke auction by

claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition and the court made an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account on August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account. (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

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

1. Undecided case No. SL.365/2018 regarding the revocation order, the official receiver had ordered the title deed to 610, area 18 rai 83 square wah from the auction, which was part of the person non related in the ratio of 800.66 and proceeded to sell the auction. In this case

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

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

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

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

On 28 October 2021, AQ Estate Public Company Limited reported the progress concerning the dispute with Krung Thai Bank Public Company Limited as follows;

On 25 September 2019, the Company (as the plaintiff) filed a lawsuit against KTB et al. (as the defendants) in a civil case no. Black case No, Phor.2354/2562 with the Civil Court of Southern Bangkok requesting that KTB change its financial statements for the first quarter of 2019 by recording the proceeds received from the auction of the secured land in the amount of 3,898.70 million baht as damages in connection with the proceedings with the Supreme Court's Criminal Division for Persons Holding Political Positions. The Court then scheduled a hearing for the litigation or examination of the plaintiff's witnesses on 18 November 2019. All defendants then applied for an extension of time to file their answers until 24 February 2020, and on 24 February 2020, the 13 defendants applied for an extension of time to file their answers for a further period of 30 days, which the Court allowed. The Court then rescheduled the hearing for the settlement of issues on 27 April 2020. However, due to the outbreak of the Coronavirus 2019 (COVID-19), the Court canceled such hearing and rescheduled the hearing for the settlement of issues on 30 September 2020. On 30 September 2020, the 13 defendants' attorney asked the plaintiff's attorney to withdraw the lawsuit against the 2nd to 13th defendants as they were directors of the 1st defendant and were acting on behalf of the 1st defendant. The plaintiff's attorney agreed to propose such matter to the plaintiff's management and the Court set a new hearing date for the settlement of issues or determination of legal issues on 19 November 2020. Then, the defendants' attorney requested to postpone such hearing to 22 February 2021 because the Office of the Council of State had determined that KTB was a state enterprise and there was an issue whether the prosecutor could defend the 13 defendants, to which the plaintiff did not object as it was in discussions with the defendants to explore whether a compromise could be reached. Thereafter, the Court postponed the hearing for the settlement of issues on 14 June 2021, the details of which are as described in the above referred letter. The Company would like to report on the progress concerning such matter as detailed below.

The Company requested for a postponement of the hearing for the settlement of issues from 14 June 2021 to 13 September 2021 because of the change in the executive director of the Company.

However, given the ongoing outbreak of COVID-19 situation, the Court issued an order on 13 September 2021 to postpone such hearing to 27 October 2021.

The court scheduled the settlement of issues or hearing to the ruling on the law on 27 October 2021. All 13 defendants filed a petition with the court for a decision on the law. The court had examined the plaint and answer and therefore decided that it still depends on the facts from the witness examination of certain issues, enabling it to decide the law and it is appropriate to make a decision at the same time as the judgment. The court then scheduled an examination of the plaintiff's witnesses on 22-23 March 2022 and examination of the defendant's witnesses on 24, 29-31 March 2022.

4.2.2 Operating results and profitability

AQ Estate Public Company Limited and its Subsidiaries the operating results for the year 2021 have a net loss of (495.16) million Baht, in which in 2020 there is a net loss of (391.89) million Baht, an increase in losses from the year 2020 by (103.27) million Baht, a change of over 20% due to the following reasons:

Revenues

| In Thousand Baht | 2021 | Changed (%) | 2020 | Changed (%) | 2019 |
|---|------------------|---------------|----------------|----------------|----------------|
| Revenues from sales of property | 968,306 | 138.18 | 406,552 | (16.36) | 486,066 |
| Income from hotel business | 67,124 | (31.87) | 98,522 | (25.03) | 131,411 |
| Revenues from property rental operations and related services | - | - | 20,618 | (3.88) | 21,451 |
| Total revenues from sales and services | 1,035,430 | 96.97 | 525,692 | (17.72) | 638,928 |
| Other income | 235,300 | 289.47 | 60,415 | (55.11) | 134,574 |
| Total revenues | 1,270,730 | 116.81 | 586,107 | (24.23) | 773,502 |

1) Revenues from sales and services

Revenue from sales and services of the Company and its subsidiaries amounted to 1,035.43 million baht in 2021. In comparison, the amount was 525.69 million baht in 2020, an increase of 509.74 million baht or 96.97% due to the following reasons:

- Revenue from real estate sold 2021 amounted to 968.31 million baht and 406.55 million baht in 2020, an increase of 561.75 million baht or 138.18%, mainly due to an increase in real estate sales.
- Income from hotel and service business of the Company and its subsidiaries amounted to 67.12 million baht in 2021 and amounted to 98.52 million baht in 2020, a decrease of (31.40)

million baht or (31.87)%. The situation of COVID-19 pandemic had affected hotel operations in 2021, while the year 2020 was higher income than the year 2021 due to the government's easing of COVID-19 control measures.

2) Other income

Other income of the Company and its subsidiaries amounted to 235.30 million baht and 60.42 million baht in 2021 and 2020 respectively, an increase of 174.88 million baht or 289.47%. The main reason is from the recording of interest income received in 2021, with details as follows;

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Management fee income | 15,903 | 14,901 | 13,600 | 17,200 |
| Interest income | 157,330 | 12,032 | 256,606 | 125,645 |
| Revenue from doubtful debt refunded | - | - | - | 169,616 |
| Rental income | 3,786 | 3,608 | 13,775 | 13,830 |
| Revenue from sale of merchandises in convenient store | 10,149 | 10,950 | - | - |
| Others | 48,132 | 18,924 | 9,428 | 1,913 |
| Total | 235,300 | 60,415 | 293,409 | 328,204 |

Expenses

| In Thousand Baht | 2021 | Changed (%) | 2020 | Changed (%) | 2019 |
|---|--------------------|---------------|------------------|---------------|------------------|
| Costs of property sold | (1,173,252) | 243.23 | (341,828) | (8.08) | (371,891) |
| Costs of service from hotel business | (157,517) | (18.27) | (192,727) | (3.53) | (199,772) |
| Cost of property rental operations and related services | - | - | (9,382) | (12.04) | (10,666) |
| Total cost of sales and services | (1,330,769) | 144.65 | (543,937) | (6.59) | (582,329) |
| Distribution costs | (52,429) | 21.45 | (43,168) | 2.72 | (42,025) |
| Administrative expenses | (365,675) | (3.63) | (379,434) | 13.45 | (334,447) |
| Finance cost | (10,357) | (9.21) | (11,408) | 757.10 | (1,331) |
| Tax income (expenses) | (6,661) | 13,493.88 | (49) | (118.85) | 260 |
| Total expenses | (1,765,891) | 80.56 | (977,996) | 1.89 | (959,872) |

3) Cost of sales and services

Cost of sales and services in 2021 was 1,330.77 million Baht, an increase of 786.83 million Baht, or an increase of 144.65% when compared to the year 2020, where the cost of sales and services was 543.94 million Baht. Because the company has sales of some impairment products, so causing high

cost. Besides, in 2021, the Company and its subsidiaries have the appraisal of assets and such assets were impaired.

4) Distribution costs

The Company and its Subsidiaries' distribution cost was 52.43 million Baht, an increase of 9.26 million Baht from the previous year, or an increase of 21.45%. Because the company had an increase in distribution costs to stimulate sales in a sluggish economy.

5) Administrative expenses

The Company and its Subsidiaries' administrative expenses were 365.68 million Baht, a decrease from the previous year (13.76) million Baht or a decrease of (3.63)% because the decrease in personnel expenses and litigation expenses.

6) Finance cost

The Company and its Subsidiaries' financial cost was 10.36 million Baht, a decrease from the previous year (1.05) million Baht or a decrease of (9.21)% from a decrease in liabilities.

5) Income tax income (expense)

The Company and its Subsidiaries' income tax expense was 6.66 million Baht, a change from the previous year of 6.61 million Baht according to TAS 12 (Revised 2014); Income Taxes.

| PROFITABILITY RATIO | | 2021 | 2020 | 2019 |
|-------------------------|-----|---------|---------|---------|
| Gross profit margin | (%) | (28.52) | (3.47) | 9.33 |
| Operating profit margin | (%) | (46.18) | (72.37) | (28.85) |
| Other income ratio | (%) | 18.52 | 10.31 | 17.32 |
| Cash to profitability | (%) | N/A | N/A | N/A |
| Net profit margin | (%) | (38.97) | (66.86) | (23.99) |
| Return on equity | (%) | (17.44) | (11.94) | (5.22) |

The Gross profit margin was (28.52)%, down from 2020, which had a Gross profit margin was (3.47%). Because the sale of impairment products makes unable to sell products at a high price. Besides, in 2021, the Company and its subsidiaries have an appraisal of assets and such assets have been impaired. As well as hotel businesses affected by the epidemic of COVID-19. The revenue decreased but there were the regular expenses, making, gross profit declined considerably.

The operating profit margin was (46.18%), an increase from 2020, which had an operating profit margin of (72.37)%. The main reason is that in 2021, the Company and its subsidiaries had a

loss from operations similar to the previous year. While the revenue from sales and services increased quite a lot, amounting to 509.74 million baht, or an increase of 96.97%.

Other income ratio was 18.52%, up from 2020 with other income ratio was 10.31%. Because the Company and its subsidiaries had other income increased from the year 2020 by 174.88 million baht or 289.47% from interest received from the payment received.

The net profit margin was (38.97)%, an increase from the previous year. Because the year 2021, the Group's revenue from sales and services increased quite a lot, amounting to 509.74 million baht or an increase of 96.97%, making the net profit margin better than the previous year. And the return on equity was (17.44)%, a decrease from 2020 because, in 2021, the Group's net loss increased from the previous year.

4.2.3 Ability to manage assets

1) Receivables Management

In 2021, the Company had trade accounts receivable and other current receivables of 179.77 million Baht, a decrease of (76.67) million Baht or a decrease of 29.90%, consisting of trade accounts receivable - net of 8.75 million Baht and other current receivables - net of 171.02 million Baht, and the overdue trade accounts receivable over 12 months of 1.20 million Baht decrease from the previous year (3.16) million Baht.

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

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Other companies – net | | | | |
| - Trade account receivables – net | 8,750 | 3,588 | - | - |
| - Other receivables – net | 171,020 | 252,852 | 17,192 | 53,307 |
| Total | 179,770 | 256,440 | 17,192 | 53,307 |
| Related companies – net (Note 6) | | | | |
| - Trade account receivables – net | - | - | 243,217 | 243,217 |
| - Other receivables – net | - | - | 367,159 | 577,873 |
| Total | - | - | 610,376 | 821,090 |
| Trade account and other account receivables – net | 179,770 | 256,440 | 627,568 | 874,397 |

The aging analyses of trade and other account receivables - other companies as at December 31, 2021 and 2020 are as follows;

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Trade account receivables - other companies | | | | |
| Within credit term | 29 | 29 | - | - |
| Overdue | | | | |
| - Not over 3 months | 4,558 | 2,930 | - | - |
| - Over 3 months to 6 months | 1,189 | 1,220 | - | - |
| - Over 6 months to 12 months | 2,063 | 1,565 | - | - |
| - Over 12 months | 1,203 | 4,358 | - | - |
| Total trade account receivables | 9,042 | 10,102 | - | - |
| <u>Less</u> Allowance for credit losses | (292) | (6,514) | - | - |
| Net | 8,750 | 3,588 | - | - |
| Other current receivables | | | | |
| Other receivables | 9,885 | 57,704 | 217 | 319 |
| Revenue department receivables | 30,439 | 31,212 | - | - |
| Advance payment for construction | 19,696 | 23,005 | 18,986 | 19,671 |
| Accrued interest receivables | 445 | 29,999 | 397 | 29,996 |
| Prepaid expenses | 3,120 | 3,846 | 1,684 | 2,148 |
| Deposit of land (Note 8.1) | 102,300 | 90,500 | - | - |
| Others | 16,338 | 17,954 | 6,299 | 2,541 |
| Total | 182,223 | 254,220 | 27,583 | 54,675 |
| <u>Less</u> Allowance for credit losses | (11,203) | (1,368) | (10,391) | (1,368) |
| Net | 171,020 | 252,852 | 17,192 | 53,307 |
| Trade account and other receivables related companies (Note 6) | - | - | 610,376 | 821,090 |
| Trade account and other receivables - net | 179,770 | 256,440 | 627,568 | 874,397 |

Deposit of land

On May 21, 2019, the subsidiary contract for deposit of land with a non-related person amount of 1 title deed square 1 ngan 35 square wah by agree to pay deposit for purchase land Baht 5 million term in 3 periods as follow ;

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

On February 21, 2019, the subsidiary contracts for the land sale and purchase agreement with a non-related person Amounting to Baht 108 million, terms of payment transactions are divided into 2 installment as follow ;

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

Installment 2 the remaining price amount of Baht 97,000,000, payable within 1 year from the date of the contract to purchase this land by paying as a cashier cheque or transferring to the seller's account. By the purchase agreement and registration of the transfer of ownership of land at the Bangkok Land Office, Phra Khanong Branch. (Approved by the resolution of the board of directors meeting No. 1/2020 on February 21, 2020.). As at December 31, 2021, the subsidiary company paid land for purchase and sale agreement amounting to Baht 102.30 million and has obligation under such agreement amounting to Baht 5.70 million.

As at February 15, 2021, the Company made a letter requesting an extension of the payment period in the 2nd installment contract for another 6 months. Which will expire on August 15, 2021 and as at August 11, 2021. The Company made a letter requesting an extension of the payment period in the 2nd installment contract for another 3 months. Which will expire on February 28, 2022. At present, the subsidiary has not transfer ownership of land.

On August 10, 2021, the subsidiary received a notice requesting payment of interest from the land seller, by specifying the Company had postponed the transfer of ownership that causing the seller of the land to suffer damages arising from the interest burden. Therefore, Allied Technologies International Co., Ltd. help to receive the interest burden arising from the postponement of the transfer of ownership of this land in the amount of Baht 7.68 million and the subsidiary has already paid interest on August 13, 2021 in full amount.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due as follows:

- Default risk refers to the risk that counterparty may default on its contractual obligations resulting in a financial loss to the Company.

- Concentrations of the credit risk with respect to trade receivables are minimum due to the customers dispersion across different industry and geographic regions.
- In the case of recognized financial assets, the carrying amount of the assets net of allowance for expected credit losses, recorded in the statements of financial position, represents the Company maximum exposure to default risk.

2) Inventory and deterioration or obsolescence

In 2021, the Company had inventories of 1,005.55 million Baht, a decrease of (674.20) million Baht or (40.14) percent compared to the previous year.

Inventory Valuation

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

Details are as follows:

| | (Unit : Thousand Baht) | | | |
|--|-----------------------------------|-----------|-------------------------------|-----------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <u>Inventories in real estate business</u> | | | | |
| Cost | 1,096,731 | 1,849,166 | 453,275 | 1,019,703 |
| Less: allowance of declining value | (196,072) | (265,506) | (23,113) | (63,736) |
| Net | 900,659 | 1,583,660 | 430,162 | 955,967 |
| Inventories in food and beverage | 11,994 | 14,595 | - | - |

| | (Unit : Thousand Baht) | | | |
|----------------------------------|-----------------------------------|-----------|-------------------------------|-----------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| business | | | | |
| Total | 912,653 | 1,598,255 | 430,162 | 955,967 |
| <u>Land held for development</u> | | | | |
| Balance as at January 1, | 180,586 | 180,586 | 139,779 | 139,779 |
| Addition | - | - | - | - |
| Balance as at December 31, | 180,586 | 180,586 | 139,779 | 139,779 |
| Allowance for declining value | (87,686) | (99,086) | (85,079) | (93,779) |
| Land held for development-net | 92,900 | 81,500 | 54,700 | 46,000 |
| Total inventories - net | 1,005,553 | 1,679,755 | 484,862 | 1,001,967 |

As at December 31, 2021 and 2020, the partial of land held for development at cost amount of Baht 5.02 million with net book value amount of Baht 5.02 million are pledged at the Court for litigation.

During the year ended December 31, 2021, the AQ Estate Group have following movements in real estate under development.

| | (Unit : Thousand Baht) | |
|--|------------------------|----------------------|
| | Consolidated | Separate |
| | Financial Statements | Financial Statements |
| Balance as at January 1, 2021 | 1,583,660 | 955,967 |
| Recorded cost of construction and utility cost during the year | 68,323 | 14,535 |
| Recorded cost of loan to cost of asset during the year | 1 | 1 |
| Purchase during the year | - | - |
| Sale land during the year* | (491,480) | (491,480) |
| Transferred to be cost of goods sold during the year | (329,279) | (89,484) |
| Write-down of merchandises recognized as a part of cost of sales during the year | 51,773 | 27,790 |
| Inventory reversal value | 17,661 | 12,833 |
| Balance as at December 31, 2021 | 900,659 | 430,162 |

Movements in the allowance for loss on diminution in value of projects for the year ended December 31, 2021 are summarized below.

| | (Unit : Thousand Baht) | |
|--|------------------------|----------------------|
| | Consolidated | Separate |
| | Financial Statements | Financial Statements |
| Balance as at January 1, 2021 | 265,506 | 63,736 |
| Add Allowance of diminution in value of inventories | 7,813 | - |
| Less Reversal of allowance of diminution in value of inventories | (77,247) | (40,623) |
| Balance as at December 31, 2021 | 196,072 | 23,113 |

As at December 31, 2021, the reversal of allowance of diminution in value of inventories amount of Baht 196.07 million in Consolidated Financial Statements and amount of Baht 23.11 million in Separate Financial Statements.

In 2021, The Group has engaged several independent asset valuation companies for appraisal projects that are under development. Comparing the data with the market and the cost method. Some projects value lower than the book value. The Group have already recorded the allowance for diminution in the financial statements.

The AQ Estate Group have mortgaged certain land and structures thereon to secure loans as discussed in Note 26.2 and pledged at Court for litigation of the AQ Estate Group, of which net book values as follows:

| | (Unit : Thousand Baht) | | | |
|----------------------------------|-----------------------------------|---------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Loans from financial institution | | | | |
| (Note 26.2) | 280,540 | 265,515 | - | - |
| Loans from non related | | | | |
| (Note 26.2) | 101,644 | - | 101,644 | - |
| Pledged at Court for litigation | 5,019 | 5,019 | 5,019 | 5,019 |
| Total | 387,203 | 270,534 | 106,663 | 5,019 |

*Sale land during the year

According to the resolution of the Board of Directors Meeting No. 6/2021, held on September 30, 2021 it was resolved to approve the sale of inventories (vacant land within the project) totaling 3 title deeds with an area of 46,888.50 square wah to an unrelated company. which has a selling value as follows:

| Net selling price | Cost price | Appraised value dated March 22, 2021 |
|---------------------|---------------------|--------------------------------------|
| Baht 380.02 million | Baht 491.48 million | Baht 293.05 million |

(Net of selling expenses Baht 19.98 million)

The company recognized a total loss of Baht 88.88 million (the company had previously set aside an allowance for impairment of inventories in the financial statements amount of Baht 22.58 million).

| Payment terms are as follows: | Payment |
|---|--|
| 1. Payment on the contract date of Baht 5 million | Received |
| 2. Payment on the transfer date of Baht 45 million (the ownership was transferred on November 26, 2021) | Received |
| 3. Payment in 2 promissory notes, amounting to Baht 350 million, with the payment in installments as follows: | |
| 3.1 Promissory notes in the amount of Baht 150 million, due on February 28, 2022 at an interest rate of 1% per annum. | Received partial payment of Baht 40 million on 15 and 20 December 2021, the rest is not due yet* |
| 3.2 Promissory notes in the amount of Baht 200 million, due on August 22, 2022 at an interest rate of 1% per annum. | Not yet due* |

*Displayed under other current financial assets (Note 11)

In which the purchaser has taken the collateral of the share certificate of a company that is not listed on the stock exchange which has a book value of Baht 350 million. Throughout the period of the promissory note under Clause 3.1 and the collateral for share certificates of the company listed on a stock exchange. Which has a book value of 200 million baht throughout the period of the promissory note under clause 3.2

The Company has transferred the ownership of the said land to the buyer on November 26, 2021.

On April 28, 2016 and May 18, 2016, the Company has entered into the commission fee and the sole agency with a local non – related company to sell collateral land of the lawsuit as discussed in Note 1. The commission fee is 2.5% of the total agreed purchase price and the sole agent fee is 1.5% of the total agreed purchase price but not over than amount of Baht 150 million. Such the company will receive the payment of those fees only when successfully sale of such land. However, on June 16, 2016 this company changed the payment term of sole agent fee by asking the Company to make a payment on a monthly basis amount of Baht 1.50 million per month for 4 months since June to September 2016, totaling Baht 6.0 million. Total monthly sole agent fee is considered as a part of sole agent fee to be paid to such company. At present, the lawsuit (Black Case Phor. 4393/2561) is pending the court of appeal.

3) Other current financial assets

In 2021, the Company had other current financial assets of 310 million baht, a decrease of (762.16) million baht, representing a decrease of (71.09)% compared to the previous year. The details are as follows.

| | (Unit : Thousand Baht) |
|----------------------------------|--|
| | Consolidated /Separate Financial Statements |
| | Bill |
| Balance as at January 1, 2021 | 1,072,160 |
| Increase during period (Note 10) | 310,000 |
| Decrease during period (Note 16) | (1,072,160) |
| Balance as at December 31, 2021 | 310,000 |

As at December 31, 2021 and 2020 the company have the promissory note as follows:

| | (Unit : Thousand Baht) | |
|-----------------------|--|-------------------|
| | Consolidated/Separate Financial Statements | |
| | December 31, 2021 | December 31, 2020 |
| Amount (Million Baht) | 310 | - |
| No. of bills | 2 | - |
| Maturity date | February 28, 2022 and August 22, 2022 | - |
| Interest rate | 1% | - |
| Commitment | None | - |

4) Investments in subsidiaries

Investments in subsidiaries as at December 31, 2021 and 2020 were as follows:

| | Paid-up Share Capital (Million Baht) | Percentage of Ownership (%) | | (Unit: Thousand Baht) Separate Financial Statements Cost Method | |
|---|--|--------------------------------|-------|---|---------|
| | | 2021 | 2020 | 2021 | 2020 |
| Allied Technologies International Co., Ltd. | 100 | 99.90 | 99.90 | 100,315 | 100,315 |
| Thanont Property Co., Ltd. | 25 | 99.80 | 99.80 | 23,612 | 23,612 |
| AQ Property Management Co., Ltd. | 1 | 99.93 | 99.93 | 1,000 | 1,000 |
| AQ Marketing Services Co., Ltd. | 1 | 99.94 | 99.94 | 1,000 | 1,000 |
| AQ Village Co., Ltd. | 1 | 99.94 | 99.94 | 999 | 999 |
| Free Zone Asset Co., Ltd.* | 1 | 99.98 | 99.98 | - | 42,105 |
| Aquarius Estate Co., Ltd. | 54 | 99.99 | 99.99 | 480,998 | 480,998 |
| Villa Nakarin Co., Ltd. | 270 | 99.99 | 99.99 | 170,232 | 170,232 |

| | Paid-up Share Capital (Million Baht) | Percentage of Ownership (%) | | (Unit: Thousand Baht) | |
|---|--|--------------------------------|-------|-------------------------------|-----------|
| | | | | Separate Financial Statements | |
| | | | | Cost Method | |
| | | 2021 | 2020 | 2021 | 2020 |
| The Tarna Align Resort Co., Ltd. | 139 | 99.82 | 99.82 | 125,480 | 125,480 |
| Total | | | | 903,636 | 945,741 |
| <u>Less</u> Allowance for impairment of investments | | | | (895,975) | (910,268) |
| Net | | | | 7,661 | 35,473 |

AQUARIUS ESTATE CO., LTD.

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

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

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

VILLA NAKARIN CO., LTD.

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

compensation to former shareholders of at amount of Baht 46.17 million. On October 1, 2014 the Company paid for the shares at amount of Baht 119.79 million and recorded liabilities at amount of Baht 50.44 million registered to transfer of shares with the Ministry of Commerce on October 6, 2014.

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

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

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

| | (Unit: Thousand Baht) | | |
|---|--|--|--------------------------------------|
| | Net carrying amount as at acquisition date | Adjust valuation of purchasing price | Book value as at acquisition date |
| Assets | | | |
| Cash and cash equivalents | 30,092 | - | 30,092 |
| Other account receivables | 23,102 | - | 23,102 |
| Inventories | 424,000 | (61,477) | 362,523 |
| Other current assets | 695 | - | 695 |
| Assets held for sale | 30,000 | - | 30,000 |
| Restricted deposit with bank | 4,697 | - | 4,697 |
| Equipment | 13 | - | 13 |
| Total assets | 512,599 | (61,477) | 451,122 |
| Liabilities | | | |
| Trade account payables | 72,760 | - | 72,760 |
| Advances received from customers | 30,000 | - | 30,000 |
| Other current liabilities | 6,250 | - | 6,250 |
| Long - term loans from financial institution | 171,880 | - | 171,880 |
| Total liabilities | 280,890 | - | 280,890 |
| Assets-net | 231,709 | (61,477) | 170,232 |

The Tarna Align Resort Co., Ltd.

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

The details of value asset from new acquisition are following:

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

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

Free Zone Asset Co., Ltd.*

According to the resolution of the Board of Director's meeting No. 2/2021 on September 11, 2021, has approved the subsidiary (Free Zone Asset Co., Ltd.) sold shares increasing capital register amount of 1,815,000 shares at a par value of Baht 100 per share amount of Baht 181,500,000 to the Company.

To be the expense of liquidity in the business operations of subsidiary and/or repayment of debt to the creditors of the subsidiary.

According to the Board of Directors' meeting No. 7/2021, held on October 20, 2021, passed a resolution that the Company sold all shares of a subsidiary that the Company Holding 100% of shares, which operate real estate rental business by selling to the non related company, the sale of such shares will result in the subsidiary terminated the subsidiary of the Company with details as follows:

The Board of Directors approved the sale of all shares of the subsidiary company in the amount of 1,824,998 shares at a price of approximately Baht 54.79 per share, totaling Baht 100,000,000. The subsidiary shall not be liable for any outstanding loan liabilities and accrued interest due to the subsidiary has a loan burden and accrued interest with the Company in the amount of Baht 181,584,511.91 (which is divided into loans amount of Baht 106,999,570.91 , interest Baht 74,584,941) and the subsidiary has restrictions on finding funding from financial institutions or other sources It is necessary to increase the registered capital of Baht 181,500,000 to meet the selling conditions. The Board of Directors meeting's No.4/2021 on August 13, 2021, and the Extraordinary General Meeting of Shareholders No. 2/2021 of the subsidiary on September 11, 2021, resolved to approve the increase of registered capital in the amount of Baht 181,500,000 and the subsidiary has registered the capital increase successfully on September 20, 2021. After the capital increase, The subsidiary has a registered capital of Baht 182,500,000, divided into 1,825,000 ordinary shares with a par value at Baht 100 per share, of which the Company holds 1,824,998 shares. The said capital increase the subsidiary has been used to pay off liabilities to the Company until there is no other debt with the Company.

Summary of important information as follows:

1. Value of consideration in the amount of Baht 100 million.
2. Payment terms The payment was made in cash of Baht 50 million, 2 promissory notes of Baht 25 million. No. 1 due date on May 17, 2021 amount of Baht 25 million totaling Baht 75 million, and the second promissory note due on November 17, 2021, amount of Baht 25 million.
3. Criteria for determining the price of consideration It is an agreed purchase price based on an additional negotiated present value of the cash flow method.

According to the share purchase agreement dated October 29, 2021, the Company agreed to sell its shares in the subsidiary at a price of Baht 100 million according to the land and building sublease transfer agreement for 14 buildings (before considering the contract to sell an investment in the subsidiary company) on November 16, 2021, specifying the duty of the transferor to pay the tenant's opportunity cost during the demolition and construction of a new building is not more than Baht 8

million, which the Company's management has negotiated with the tenant. The Company agrees to pay compensation for damages as follows. said the amount of Baht 8 million (acknowledged by the Board of Directors Meeting No. 9/2020 on October 15, 2020). Currently, the Company has paid the said expenses. The Company received payment for the sale of ordinary shares in full amount and registered the transfer of shares on October 29, 2021, causing the said company to cease to be a subsidiary.

Details of sales of investments in Free Zone Asset Co., Ltd.* as at October 29 ,2021 are as follows:

| | (Unit : Thousand Baht) | |
|--|---|-------------------------------------|
| | Consolidated Financial Statements | Separate Financial Statements |
| Cash received from sales of investments in subsidiary (Net from opportunity loss to lessee) | 92,000 | 92,000 |
| Less: Net assets/ cost | (87,422) | (223,605) |
| Gain (loss) on sales of investment in subsidiary | 4,578 | (131,605) |

Details of assets and liabilities relating to Free Zone Asset Co., Ltd. as at October 29 ,2021 are as follows:

| | (Thousand Baht) |
|--|--|
| | Consolidated /Separate Financial Statements |
| Cash and cash equivalents | 4,793 |
| Trade and other current receivables | 10 |
| Investment Property | 116,613 |
| Property, plant and equipment | 33 |
| Other non – current assets | 656 |
| Trade and other current payables | (4,929) |
| The portion of the lease liabilities due within 1 year | (29,746) |
| <u>Less non-controlling interests</u> | <u>(8)</u> |
| Net assets after less non-controlling interests | <u>87,422</u> |
| Cash received from sale of investment in subsidiary (Net from opportunity loss to lessee) | 92,000 |
| Net cash received from sale of investment in subsidiary | <u>4,578</u> |

5) Key component of other assets

In 2021 the Company had the key component of other assets (excluding Trade accounts and other current receivable, Inventories, Other current financial assets, and Investments in subsidiaries) as consolidated financial statements ended 31 December 2021 as follows.

| In Thousand Baht | 2021 | Changed (%) | 2020 | Changed (%) | 2019 |
|--|-----------|-------------|-----------|-------------|-----------|
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 100,337 | (9.73) | 111,157 | 204.88 | 36,459 |
| Short-term loans | - | - | 412,145 | - | 412,145 |
| Current tax assets | - | - | - | - | 53,750 |
| Other - current assets | 395,000 | - | - | - | - |
| Non current asset or disposal groups classified as held for sale | - | - | 115,060 | - | - |
| NON-CURRENT ASSETS | | | | | |
| Deposit financial institution under pledged | 57,010 | (20.86) | 72,041 | (23.67) | 94,382 |
| Other non current financial assets | 2,102,454 | 133.61 | 900,000 | - | 900,000 |
| Investment in ordinary share with condition repurchase | 312,959 | - | - | - | - |
| Trade accounts and other non - current receivable | 3,089 | (4.34) | 3,229 | (94.56) | 59,319 |
| Long - term loans | - | - | - | - | 2,426 |
| Investments property | 9,271 | 9.66 | 8,454 | (93.40) | 128,053 |
| Property, plant and equipment | 985,890 | (6.91) | 1,059,019 | (12.87) | 1,215,508 |
| Right-of-use assets | 147,678 | (34.64) | 225,932 | - | - |
| Other intangible assets | 1,048 | (1.78) | 1,067 | (93.05) | 15,360 |
| Deferred tax assets | - | - | - | - | 353 |
| Other non - current assets | 357,476 | (54.81) | 790,977 | 7.83 | 733,537 |

Current assets

■ Cash and cash equivalents

The Company and its Subsidiaries had cash and cash equivalents of 100.34 million Baht, a decrease from the previous year (10.82) million Baht or a decrease of (9.73)%, details as follows:

| | (Unit : Thousand Baht) | | | |
|---------------------------------|-----------------------------------|---------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Cash | 1,140 | 1,407 | 77 | 239 |
| Cash at bank - savings accounts | 39,509 | 45,686 | 1,420 | 1,147 |
| Cash at bank - current accounts | 7,481 | 3,815 | 4,678 | 517 |
| Cash at bank - fixed accounts | 34,207 | 42,279 | - | - |
| Deposit in Transit | - | 17,970 | - | 17,970 |
| Promissory note* | 18,000 | - | - | - |
| Total | 100,337 | 111,157 | 6,175 | 19,873 |

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

As at December 31, 2021 and 2020 the company have the promissory note as follows:

| | (Unit : Thousand Baht) | |
|-----------------------|-----------------------------------|------|
| | Consolidated Financial Statements | |
| | 2021 | 2020 |
| Amount (Million Baht) | 18 | - |
| No. of bills | 1 | - |
| Maturity date | January 12, 2022 | - |
| Interest rate | 10% | - |
| Commitment | None | - |

*According to the resolution of the Executive Committee Meeting of the Company No. 29/2021 held on October 11, 2021, it was resolved to approve a subsidiary (Allied Technology International Company Limited) to invest in promissory notes of non related companies amount of Baht 50 million, 3 months period. The date of issuance of promissory note on October 12, 2021 maturity date on January 12, 2022 with 10 million ordinary shares of a non related company at par value Baht 10 per share equivalent to Baht 100 million as collateral.

As of December 31, 2021 a subsidiary received a partial payment of promissory notes of Baht 32 million, with a balance of Baht 18 million.

Subsequently, on January 12, 2022 a subsidiary received payment under the balance of promissory notes in full. And returned the collateral under the contract to the non related company.

- **Other - current assets**

The Company and its Subsidiaries had other current assets of 395 million Baht, all increase. The details are as follows.

| | (Unit: Thousand Baht) | | | |
|----------------------------------|-----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Deposits of land | 850,109 | 850,109 | 850,109 | 850,109 |
| Less Allowance for credit losses | (850,109) | (850,109) | (850,109) | (850,109) |
| Total | - | - | - | - |
| Common stock installment | 395,000 | - | 247,000 | - |
| Other current assets – Net | 395,000 | - | 247,000 | - |

- (1) On June 4, 2021, the Company entered into a preliminary memorandum of understanding on the sale of ordinary shares which operates the business of generating electricity from solar energy with unrelated persons. The Company intends to purchase and sale transaction of ordinary shares in each target company an amount not exceeding 51% of the total number of shares of each target company. The price to be traded is about Baht 2,000 to Baht 3,000 million. On June 14, 2021, the company has deposited of Baht 47 million (there is a contract according to the approval resolution No. 17/2021 as at June 1, 2021). On September 23 and 29, 2021, the Company increase deposit amount of Baht 90 million and Baht 110 million, respectively. (According to the resolution of the Board of Directors Meeting No. 4/2021, date August 13, 2021.) The currently, the company is studying information for investment decision making.
- (2) On October 11, 2021 a subsidiary (Villa Nakarin Company Limited) entered into a preliminary memorandum of understanding to study for investment in non-market companies. with unrelated persons, The said company is licensed to operate a personal loan business under the supervision of the Ministry of Finance. which such business may help to promote the Company's real estate business The subsidiary (Villa Nakarin Co., Ltd.) intends to enter into the purchase and sale of ordinary shares in companies that are not in the said market for 100% of the total number of shares of the companies that are not in the market. The purchase price is approximately Baht 100 to 400 million, and on October 12, 2021 a subsidiary (Villa Nakarin Company Limited) has deposited a refundable deposit of Baht 20 million (approved by the Executive Board Meeting No. 29/2021 October 11, 2021). Subsequently, on December 9, 2021 the subsidiaries entered into an additional memorandum of understanding with the company has an objective to purchase 500,000 ordinary shares of the company that is not in the said market or equal to 100 percent of the total number of shares and the subsidiary receives an offer from the shareholders. of the said company Informed that there was an acquisition of additional leasehold rights and to give the subsidiary the right to invest by paying additional deposits (the company accepted the transfer of leasehold rights from a natural person who is a relative of the director and shareholder of the Company and

its subsidiaries) as a result of the acquisition of such leasehold rights in the amount of Baht 140 million.

And according to the resolution of the Board of Directors Meeting No. 10/2021, dated December 9, 2021 it was approved to deposit the above reimbursable deposit in the total amount of Baht 160 million. (December 9, 2021 to January 11, 2022) and the shareholders of the said company have taken collateral shares. (Ordinary shares in the said company which are owned by the shareholders) amounting to 474,999 shares, representing 94.99 percent of the total ordinary shares of the said company. In addition, the subsidiary has entered into a memorandum of understanding to extend the transaction period with the said company within March 31, 2022, or any other agreed date.

Non-current assets

- **Deposit financial institution under pledged**

The Company and its Subsidiaries had deposit financial institution under pledged of 57.01 million Baht, a decrease of (15.03) million Baht from the previous year or a decrease of (20.86)%, mainly from fixed deposits used as collateral for the issuance of letters of guarantee by banks.

- **Other non current financial assets**

The Company and its Subsidiaries had other non-current financial assets of 2,102.45 million Baht, an increase of 1,202.45 million Baht from the previous year or an increase of 133.61% because a debt settlement transaction in accordance with the bill of exchange (BE) of Planet Energy Holding Pte. Co., Ltd. ("Planet") whereby Planet has proposed to use 2,252,716 ordinary shares of Green Earth Power (Thailand) Company Limited ("GEP Thailand") equivalent to 10 percent of the registered capital of GEP Thailand having a par value Baht 533.78 per shares total value of Baht 1,202,454,746.48 to settle the debt under the bill of exchange (BE) of Baht 1,202,449,223.38. This debt amount comprises a principal of Baht 1,072,160,010.50 and debt interests at the rate of 6.50 percent per year of Baht 130,294,735.88. Details are in Note 16 to the financial statements.

- **Investment in ordinary share with condition repurchase**

The Company and its Subsidiaries had investments in ordinary shares with repurchase conditions of 312.96 million Baht, all increase from the previous year from the repaying the debt transactions according to the Board of Directors' meeting No. 5/2021, dated September 17, 2021, it was resolved to approve the entering into the repaying the debt transactions, the company enter to agreement for repaying debts by bringing the shares of two individual who hold in a company to pay

the debt according to the value of the shares under the contract amount of Baht 312,958,458.24 (whole stock transferred instrument on September 20, 2021) calculated total share amount of 646,368 share. The value of shares under the agreement is Baht 484.18 per share and the company has repaid the principal and accrued interest until September 30, 2021 amount of Baht 154.35 million for the whole company. Following to agreement for repaying debts to set the date the transaction is completed are :

- 1) Sent a copy minutes of the Board of Directors' meeting and/or minutes of the shareholders' meeting on debt (which has been duly signed by the debtor's authorized director) which has resolved to approve the entering transactions under an agreement. As required by the debtor's regulations and related regulations.
- 2) Sent the share transfer instrument other person who has ownership of such shares and another person who has ownership of such shares that has signed as a transferor to transfer the shares under the agreement to the creditor or the person designated by the creditor. The debtor agrees that will affix or pay the stamp duty for the share transfer instrument in full as required by law. The debtor completed the transaction on September 20, 2021.

However, under the agreement for repaying the debt which condition are repurchase or redemption to the debtor that the company may be able to use within one year from the date of completion of the transaction at the price per share equal to the value of the shares under the agreement.

The Company records the acquired shares as "Investment in ordinary shares with repurchase conditions" in the statement of financial position.

- **Trade accounts and other non - current receivable**

The Company and its Subsidiaries had trade accounts receivable and other non-current receivables of 3.09 million Baht, a decrease from the previous year (0.14) million Baht or a decrease of (4.34)%, which was an accounting transaction with related parties.

- **Investments property**

The Company and its Subsidiaries had investment properties of 9.27 million Baht, an increase of 0.82 million Baht from the previous year, or an increase of 9.66%, with details as follows:

| | (Unit: Thousand Baht) | | | |
|-----------------------------------|-----------------------|--------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Land and building - Krisada Doi | - | - | 259,288 | 264,793 |
| Leasehold right on warehouse - | | | | |
| Bankok Free Trade Zone | - | - | - | - |
| Buildings and structures - Garden | | | | |
| Asoke Rama 9 | 9,271 | 8,454 | - | - |
| Total | 9,271 | 8,454 | 259,288 | 264,793 |

- **Property, plant and equipment**

The Company and its subsidiaries had land, building, and equipment of 985.89 million Baht, a decrease from the previous year (73.13) million Baht or decreased (6.91)%, consisting of land 287.73 million Baht, buildings and improvements 585.14 million Baht, sports club and others 7.64 million Baht, furniture, fixtures, and office equipment and vehicles 13.25 million Baht and construction in progress 92.12 million Baht, with details in Note 19 to the financial statements.

- **Right-of-use assets**

The Company and its Subsidiaries had right-of-use assets of 147.68 million Baht, a decrease of (78.25) million Baht from the previous year or a decrease of (34.64)% as a result of the adoption of Financial Reporting Standard No. 16, detailed in the notes to the financial statements article 20.

| | (Unit: Thousand Baht) | | | |
|-------------------------------------|-----------------------|----------------|----------------------|--------------|
| | Consolidated | | Separated | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Right of use assets | | | | |
| Land and land improvements | 145,365 | 221,909 | - | - |
| Buildings and building improvements | - | - | 2,939 | 4,618 |
| Vehicle | 2,313 | 4,023 | 2,313 | 4,023 |
| Total right of use assets | 147,678 | 225,932 | 5,252 | 8,641 |
| Lease liabilities, net | | | | |
| Current | 18,136 | 59,760 | 3,688 | 3,456 |
| Non-current | 45,690 | 48,124 | 2,055 | 5,608 |
| Total lease liabilities, net | 63,826 | 107,884 | 5,743 | 9,064 |

- **Other intangible assets**

The Company and its Subsidiaries had other intangible assets of 1.05 million Baht, consisting of computer software license fees and leasehold rights.

- **Other non - current assets**

The Company and its Subsidiaries There were other non-current assets of 357.48 million Baht, a decrease from the previous year (433.50) million Baht or equivalent to a decrease (54.81)%, consisting of land, withholding tax and pending income tax refund.

(1) Other non - current assets of the subsidiary as land that delayed construction in Phuket and projects under construction that delayed the construction of the project at Rattana Thibet present by cost in the consolidated financial statement, as at December 31, 2021 and 2020 amount of Baht 295.57 million, appraised value based on reports of the independent appraiser in the year 2019, using value Market method amount of Baht 369.10 million.

(2) On August 2, 2021, the subsidiary entered into an agreement to purchase and sell assets of a project under construction that has delayed construction with an unrelated company at a total price of Baht 190 million. Approved according to the resolution of the Board of Directors Meeting No. 3/2021 dated July 9, 2021. The project has a book value of Baht 434.30 million. (net of allowance for decreased inventories amount of Baht 106.64 million), the Company recognized loss from sales of such projects during the year 2021 of Baht 244.30 million and the Company received cash the full contract and completed the registration of the transferred of ownership at Land Department.

| EFFICIENCY RATIO | | 2021 | 2020 | 2019 |
|------------------------|--------|---------|---------|--------|
| Return on assets | (%) | (7.81) | (5.79) | (2.67) |
| Return on fixed assets | (%) | (39.80) | (26.04) | (8.40) |
| Assets turnover | (time) | 0.20 | 0.09 | 0.11 |

Return on assets was (7.81)% and return on fixed assets (39.80%) decreased from 2020. Because in 2021, the company had a loss of (495.16) million Baht, which was an increase in loss from the previous year from selling impairment products so making it cannot sell products at high prices. Besides, in 2021, the Company and its subsidiaries have an appraisal of assets and such assets have been impaired, including hotel businesses affected by the epidemic of COVID-19. The revenue decreased but there were the regular expenses. As a result, the Company's net profit declined considerably.

Asset turnover rate 0.20 times, an increase from 2020 due to a large increase in total income from the previous year.

4.2.4 liquidity and Suitability of Capital Structure

1) Sources and uses of funds

In 2021, the Company's capital structure comes from net cash flows from operating activities. with details of the source and use of funds in 2021 as follows:

| In Thousand Baht | 2021 | Changed (%) | 2020 | Changed (%) | 2019 |
|--|-----------|-------------|----------|-------------|----------|
| Net cash from (used in) operating activities | 151,599 | 106.55 | 73,397 | (239.07) | (52,778) |
| Net cash from (used in) investing activities | (137,896) | (599.21) | 27,623 | 86.98 | 14,773 |
| Net cash from (used in) financing activities | (19,730) | (25.04) | (26,322) | 166.26 | (9,886) |
| Net increase (decrease) in cash and cash equivalents | (6,027) | (108.07) | 74,698 | (255.98) | (47,891) |
| Cash and cash equivalents at beginning of the period | 111,157 | 204.88 | 36,459 | (56.64) | 84,088 |
| Cash and equivalents in subsidiary | (4,793) | - | - | - | 262 |
| Cash and cash equivalents at end of the period | 100,337 | (9.73) | 111,157 | 204.88 | 36,459 |

- Net cash flow from operating activities was 151.60 million Baht, while in 2020 net cash used in operating activities was (73.40) million Baht. Most of them change from inventories adjustments, financial assets. and allowance for loss of other non-current assets.
- Net cash used in investing activities was (137.90) million Baht, while in 2020 net cash from investing activities was 27.62 million Baht. It is mainly used to pay the deposit for the purchase of the target company's ordinary shares which operates the solar energy business of (395) million Baht. At present, the company is studying information for investment decisions. Purchase of land, buildings, equipment (3.46) million Baht and purchased intangible assets (0.23) million Baht.
- Net cash used in financing activities was (19.73) million Baht, while in 2020 net cash used in financing activities was (26.32) million Baht. Because in 2021, the Group received cash from the long-term loan of 20 million Baht. While having expenses bank overdrafts and short-term loans from financial institutions (2.96 million Baht, paid to pay for long-term loans (14.49) million Baht, paid to reduce the liabilities arising from the lease agreement (15.50) million Baht, and interest expenses (6.78) million Baht.

2) Investment expenditure

In 2021, the company has total investment expenses (398.69) million Baht from the deposit for the purchase of the target company's ordinary shares which operates the solar energy business of (395) million Baht, the company is studying information for investment decisions, purchased of land, buildings, equipment (3.46) million Baht and purchased intangible assets (0.23) million Baht.

Common stock installment

- 12.1 On June 4, 2021, the Company entered into a preliminary memorandum of understanding on the sale of ordinary shares which operates the business of generating electricity from solar energy with unrelated persons. The Company intends to purchase and sale transaction of ordinary shares in each target company an amount not exceeding 51% of the total number of shares of each target company. The price to be traded is about Baht 2,000 to Baht 3,000 million. On June 14, 2021, the company has deposited of Baht 47 million (there is a contract according to the approval resolution No. 17/2021 as at June 1, 2021). On September 23 and 29, 2021, the Company increase deposit amount of Baht 90 million and Baht 110 million, respectively. (According to the resolution of the Board of Directors Meeting No. 4/2021, date August 13, 2021.) The currently, the company is studying information for investment decision making.
- 12.2 On October 11, 2021 a subsidiary (Villa Nakarin Company Limited) entered into a preliminary memorandum of understanding to study for investment in non-market companies. with unrelated persons, The said company is licensed to operate a personal loan business under the supervision of the Ministry of Finance. which such business may help to promote the Company's real estate business The subsidiary (Villa Nakarin Co., Ltd.) intends to enter into the purchase and sale of ordinary shares in companies that are not in the said market for 100% of the total number of shares of the companies that are not in the market. The purchase price is approximately Baht 100 to 400 million, and on October 12, 2021 a subsidiary (Villa Nakarin Company Limited) has deposited a refundable deposit of Baht 20 million (approved by the Executive Board Meeting No. 29/2021 October 11, 2021). Subsequently, on December 9, 2021 the subsidiaries entered into an additional memorandum of understanding with the company has an objective to purchase 500,000 ordinary shares of the company that is not in the said market or equal to 100 percent of the total number of shares and the subsidiary receives an offer from the shareholders. of the said company Informed that there was an acquisition of additional leasehold rights and to give the subsidiary the right to invest by paying additional deposits (the company accepted the transfer of leasehold rights from a natural person who is a relative of the director and shareholder of the Company and its subsidiaries) as a result of the acquisition of such leasehold rights in the amount of Baht 140 million.

And according to the resolution of the Board of Directors Meeting No. 10/2021, dated December 9, 2021 it was approved to deposit the above reimbursable deposit in the total amount of Baht 160 million. (December 9, 2021 to January 11, 2022) and the shareholders of the said company have taken collateral shares. (Ordinary shares in the said company which are owned by the

shareholders) amounting to 474,999 shares, representing 94.99 percent of the total ordinary shares of the said company. In addition, the subsidiary has entered into a memorandum of understanding to extend the transaction period with the said company within March 31, 2022, or any other agreed date.

3) Suitability of Capital Structure

| LIQUIDITY RATIO | | 2021 | 2020 | 2019 |
|------------------------------------|--------|--------|----------|----------|
| Current ratio | (time) | 0.61 | 1.06 | 1.13 |
| Quick ratio | (time) | 0.09 | 0.23 | 0.52 |
| Cash flow ratio | (time) | 0.04 | 0.02 | (0.01) |
| Accounts receivable turnover ratio | (time) | 4.75 | 2.42 | 4.30 |
| Average collection period | (days) | 76.84 | 150.83 | 84.88 |
| Inventory Turnover ratio | (time) | 0.99 | 0.30 | 0.28 |
| Average sale period | (days) | 368.69 | 1,216.67 | 1,303.57 |
| Payable turnover ratio | (time) | 5.45 | 1.75 | 1.78 |
| Repayment period | (days) | 66.97 | 208.57 | 205.06 |
| Cash Cycle | (days) | 378.56 | 1,158.92 | 1,183.40 |

The liquidity ratio was 0.61 times, a decrease from the previous year showing that the Company's current assets consist of cash, accounts receivable, and inventories less than short-term liabilities, as well as having flexibility in repaying short-term debts, decreasing from the previous year.

Quick ratio was 0.09 times, decreased from the previous year, which reflects the actual liquidity that the company has assets that can convert to cash (cash, temporary investments, trade accounts receivable, and short-term loans) less than short-term liabilities. Cash flow ratio 0.04 times increased from the previous year of 0.02 times, indicating that the company has more operating cash flow than the previous year, but still not enough to pay off the company's short-term debt.

The trade receivable turnover ratio is 4.75 times with an average collection period of 76.84 days. The company was able to collect money from credit sales faster than in 2020. Because in 2021, the company has increased revenue from sales and services.

The inventory turnover ratio is 0.99 times with an average sales period of 368.69 days, showing that the company can sell products faster than in 2020. Because in 2021, the company's cost of sales and services is much higher, while inventories decreased due to the selling of impairment products.

Payable turnover ratio was 5.45 times and repayment period of 66.97 days, shorter from 2020 with repayment period of 208.57 days. Because in 2021, the company's cost of sales and services is much higher, while trade payables and other current payables decreased.

The company's cash cycle was shortened to 378.56 days compared to the previous year. Because of the sales of impairment products during the year. As a result, revenues and costs from sales and services are higher, while trade accounts receivable inventories and trade accounts payable decreased.

4) Ability to repayment

The Company and Subsidiaries had total liabilities in 2021 of 3,375.15 million Baht, decreased from the previous year, which has total liabilities were 3,619.88 million Baht or a decrease of (244.73) million Baht or (6.76)%. Most of them are liabilities arising from other current liabilities of 3,033.09 million Baht.

Provision for Litigation

As discussed in Note 1, on November 16, 2015, the Board approved the management of the Company estimated compensation on such damage and recorded in the consolidated and the separate financial statements of comprehensive income for the year ended December 31, 2015 at amount of Baht 1,630.50 million (net of the collateral value). As the actual compensation will substantially depend on the Company's ability to sell such collateral land at the estimated price. During of 2016 the Company recorded additional permutation of Baht 3,056.20 million per selling this pledged land. The Company paid damages to Krung Thai Bank amounting to Baht 1,635.74 million and during of year end, 2017 to December 31, 2021 the Company recorded additional of Baht 6.68 million per selling this land.

Advance for lawsuit

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

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

| FINANCIAL POLICY RATIO | | 2021 | 2020 | 2019 |
|-----------------------------|---------|------|-------|------|
| Debt to Equity ratio | (times) | 1.30 | 1.16 | 0.97 |
| Interest coverage ratio | (times) | N/A | 9.64 | N/A |
| Debt service coverage ratio | (times) | 0.38 | 51.36 | N/A |
| Dividend payout ratio | (%) | N/A | N/A | N/A |

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

According to the statement of financial position as at December 31, 2021 and 2020, the AQ Estate Group's debt-to-equity ratio was 1.30 and 1.17, respectively (The separate of financial statement's debt-to-equity ratio was 1.25 and 1.13, respectively).

No changes were made in the AQ Estate Group's objectives, policies or processes during the nine-month periods ended December 31, 2021.

The ability to settle obligations (cash basis) was 0.38 times, showing that the company's operating cash flow is less than its obligations, for example: Payment of liabilities, capital expenditures, purchases of assets. Because in 2021, the company has net cash from operating activities of 151.60 million Baht, while having total investment expenses (398.69 million Baht). The Company's ability to repay its obligations has decreased from the previous year.

4.2.5 Liabilities obligations and off balance sheet liabilities management

The Company had commitments and contingent liabilities which disclose in notes to the financial statements article 37 of the financial statements 2021 as follows.

(1) BANK GUARANTEES

As at December 31, 2021 and 2020, the AQ Estate Group had obligations under bank guarantees approximately Baht 58.09 million and Baht 72.85 million, respectively, (The Company: Baht 32.86 million and Baht 47.62 million, respectively), which concerning obligation under normal businesses. The bank guarantees are collateralized by the Company's fixed deposits with the banks and also guaranteed by directors of the AQ Estate Group.

(2) COMMITMENTS AND CONTINGENT LIABILITIES

(2.1) As at December 31, 2021 and 2020, the AQ Estate Group had outstanding litigation claims from customers and creditors for breaching of the agreements to buy and to sell, the hire of work

agreements and repayments retention for a total amount of Baht 13.06 million and Baht 13.17 million, respectively. The outcome of these litigations could not presently be determined. In addition, the AQ Estate Group are in the process of negotiating with certain customers claiming for repayments of cash paid in advance to the AQ Estate Group. The AQ Estate Group, however, believes that the provisions made in the accounts are adequate to cover any damage for such litigation. As the existing-shareholder of indirect - subsidiary also guaranteed for the contingent liability of the indirect subsidiary at approximately Baht 0.33 million.

- (2.2) As at December 31, 2021, the AQ Estate Group had 1 lawsuit filed against the defendant and claimed damages. The marketing consultant alleged that the contract breach. The compensation amount of Baht 0.89 million. The court judge to payment to the defendant. At present, the consideration process is complete.
- (2.3) In years 2020, the Company has been filed to a housing estate juristic to accuse that housing estate has requested to repair and transfer the central public property, also claim damages. The plaintiffs have filed a claim for damages in the amount of Baht 66.37 million. The Court arranged for the negotiation / plaintiff to testify on August 14, 2020. On August 14, 2020, the plaintiffs and the two defendants negotiated in a preliminary agreement, the court postponed the mediation again on September 23, 2020. The opinion of the legal advisor of the group company that the Group company cannot estimate the exact damages, such case has trend to agree, the court postponed the mediation again on July 6, 2021. The Lawyer's opinion is the point of filing a defense of the case but to win or lose is at the discretion of the court. If the defendant loses the case, both of the defendants must join the payment of the plaintiff's lawsuit. However, compromise would be the best solution. When both the plaintiff and the defendant are able to compromise with each other by the 1st defendant. In fact, according to the law it is the duty of the 1st defendant to carry out transfer of land and have various duties according to the allocation law. When there is mediation, the 1st defendant will pay the plaintiff a total amount of Baht 10,000,000 that a good solution. This approach would be beneficial to the 2nd defendant because the 2nd defendant's lawsuit will be withdrawn from the directory. The 1st defendant agrees to pay installments to be completed within 6 installments, monthly installments on Baht 1,500,000 per month, the 6th installment (last installment) Baht 2,500,000. The first installment will be paid within August 31, 2021, the next installment will be paid at the end of every month until the end of the month. As for the transfer of land 28 plots are in the process of transferring the land and paying for the maintenance of common utilities to the plaintiff. It is expected to be completed by August 2021. If the 1st defendant complies with the aforementioned conditions.

The plaintiff will proceed to withdraw the lawsuit against the two defendants from the documentary. Therefore, an appointment was made to inquire on November 15, 2021. On the date of the appointment, the plaintiff's attorney two defendants' lawyers came to court. The parties can agree that a defendant still complies with the terms of payment provided. Therefore, the court has postponed the case to make an appointment to consider the debt repayment operation or set a date for the witness hearing on February 8, 2022. On the date of the appointment, the 1st defendant had complied with the said conditions and completed the prosecution and therefore did not wish to prosecute the two defendants any longer. Therefore, filed a request to withdraw the lawsuit, dated February 8, 2022, and the court ordered the withdrawal of the lawsuit to be disposed of from the cost directory to be folded. The case is over. However, the subsidiary company recorded such expenses under the account. "Administrative expenses" in the statement of comprehensive income and recognized as a provision for liabilities in the statement of financial position.

- (2.4) On June 25, 2020, the subsidiary (The Tarna Align Resort Co., Ltd.) was summoning the red case No. Por 61/2020 and the black case No. Por 163/2019 to the subsidiary for payment Baht 37,342,500 with interest rate 15 percentage per year. Since January 31, 2018 until ended payment for plaintiff but calculate interest until litigation (As at July 5, 2019) not increase Baht 7,980,041.10 payment within 30 days. From the date of enforcement. Due to the Company was accused since July 5, 2019, the black case No. Por 163/2019. The plaintiff, sued the subsidiary breach of obligation contract that the date accused the Company was unknow. Because in the process of preparing sale of contract for such subsidiary and was on September 2, 2019. The ex-director of The Tarna Align Resort Co., Ltd. has appointed a lawyer to defense and the court has a judgment on April 8, 2020. On July 23, 2020, the Appeal Court rendered the judgment to uphold the decision of the Court. On April 29, 2021, the subsidiary company is during the process of filing an appeal extension. On January 28, 2021, the Court of Appeal upheld the verdict of the Court of First Instance. Subsequently, the Supreme Court issued an order on February 9, 2022 not allowing the Company to appeal. Therefore, this case is final. Therefore, has recorded as expenditure under "administrative expenses" account in the statements of comprehensive income and has recognized as liabilities in the statement of financial position.

(3) COMMITMENTS

- (3.1) The AQ Estate Group had pledged fixed deposits with bank and most of their inventories, which represent immovable properties for sale, construction in progress and land and buildings as collaterals for credit facilities granted by financial institutions.

(3.2) As at December 31, 2021 and 2020, the AQ Estate Group had commitments under construction contracts amount of Baht 231.64 million and Baht 742.32 million, respectively. (The Company : Baht 113.25 million and Baht 120.35 million, respectively), which were utilities and condominium units construction and hotel amount of Baht 65.54 million and houses construction amount of Baht 166.10 million (December 31, 2020 : utilities and condominium units construction and hotel amount of Baht 512.31 million and houses construction amounting to Baht 230.01 million) and of the Company, utilities and condominium units construction amounting to Baht 22.50 million and houses construction amount of Baht 90.75 million (December 31, 2020 : utilities and condominium units construction amount of Baht 22.50 million and houses construction amount of Baht 97.85 million).

As at December 31, 2021 and 2020, total contract price amount of Baht 494.15 million and Baht 1,743.98 million, respectively, and of the Company amount of Baht 256.30 million and Baht 327.07 million, respectively.

4.2.6 Factors that affect the operating results in future

1) Economic outlook for the year 2022

The Thai economy in 2022 tends to recover continually from the low base in 2021, supported mainly by the domestic demand expansion. Despite the Omicron variant outbreak, it is expected that the impact of the resurgence on the healthcare system should be limited within the first quarter of 2022 and the government should be able to continue relaxing containment measures subsequently. In addition, key supporting factors include the tourism recovery due to easing of international travel restriction, and exports expansion following expansions of the world economy and trade volume. However, there are some constraints and risks which could undermine the 2022 baseline growth including the uncertainty of COVID-19 outbreaks amidst virus mutations, inflationary pressures from rising global oil and commodity prices, weak financial conditions of the households and business sectors, prolonged disruptions in global supply chain and logistics, and volatilities in the global economic and financial landscape amidst the heightened inflation pressure and geopolitical conflicts.

The Thai economy in 2022 is projected to expand in the range of 3.5 – 4.5 percent, mainly supported by; (i) the regaining in domestic demand; (ii) the recovery of domestic tourism; (iii) the continual expansion of export of goods; and (iv) the support from public investment. Export value of goods in US dollar terms is anticipated to expand by 4.9 percent. Meanwhile, private consumption and private investment are expected to increase by 4.5 percent and 3.8 percent, respectively. Public investment is projected to increase by 4.6 percent. Headline inflation is estimated to be in the range of

1.5 - 2.5 percent and the current account is projected to record a surplus of 1.5 percent of GDP.

2) Sales of property business

In 2021, the housing market in the Bangkok Metropolitan Region (BMR) will remain flat or see only mild growth, premised on: (i) the ongoing spread of COVID-19 and the effects of this on economic recovery, and (ii) steadily rising household debt that is undercutting consumer purchasing power and encouraging lenders to be more careful about the release of new credit. However, in 2022 and 2023, the outlook for the market should improve thanks to: (i) growth in the Thai economy that is forecast to reach 3.0-4.0% per year; (ii) greater investment in infrastructure megaprojects; (iii) government stimulus measures targeted at the real estate sector; and (iv) stronger demand for accommodation from overseas buyers investing and working in Thailand.

In 2021-2023, the number of new housing coming to market is expected to rise by 4.7% annually, with this split approximately equally between condominium and low-rise developments. Supply of the latter will steadily rise as developers look to meet growing real demand, while investors will also tend to work on a more diverse range of project types that will include mixed-use developments, wellness residences, housing for the elderly, smart homes and leasehold properties.

Between 2021 and 2023, housing markets in BMR will gradually recover with a steady rebound in consumer purchasing power in line with the economic conditions. However, the continuing threat of COVID-19 will weigh on growth, especially in the condominium segment. While sales will remain depressed, developers will need to spend on marketing to stimulate sales, which would add to their overheads. For large developers, this will be less problematic and established operators will be able to sustain business growth. However, SME developers will have to contend with rising competition alongside growing business costs for, for example, land in high-potential areas. Developers will therefore tend to build competitiveness by expanding their access to capital, and a favored way of doing this will be to look for other companies (both Thai and international) with which to form joint partnerships or to merge. As such, the real estate market will likely undergo structural change as operators consolidate and the number of large players grows, and in this environment, small operators that have only limited access to financing may become insolvent and be forced out of business.

- Low-rise housing developers (in BMR): Large players will see their revenue rise thanks to a combination of their adaptability and lower costs of financing (a result of being able to raise funds on the stock exchange and on bond markets). However, SMEs will have to contend with a more challenging environment and as such, their market share may shrink. Players that lack established business partners or that are not part of an extensive commercial group will find

conditions especially difficult, and those that are on a weaker financial footing or that have trouble accessing credit may become insolvent.

- High-rise housing developers (in BMR): Developers of condominiums in the central business district and along mass transit lines, the majority of these players are large corporations that are skilled in project management, marketing and securing sources of working capital. But despite this, competition will tend to stiffen and this may place a limit on how far profits may rise. At the same time, SME developers will tend to concentrate on projects that have a maximum height of 8-storeys and that are located in more distant, suburban areas that are comparatively less attractive. In these districts, high-rise developments are also often less appealing to buyers than are town- and detached houses and so players will likely see only low levels of profitability, though some will also be at risk of becoming loss-making.

3) Hotel business

Following weak operations in 2020, hoteliers will continue to see depressed conditions through 2021. The first shoots of recovery will start to break through from the end of this year and throughout 2022 and 2023, but it could take at least 4 years for foreign tourist arrivals to return to pre-COVID level. Against this backdrop, domestic tourism will recover faster, partly thanks to ongoing policy efforts by the government to stimulate demand. By the latter half of 2021, the worldwide rollout of vaccination programs will start to translate into an uptick in foreign tourist arrivals, helped by a recovering global economy and long-term growth potential in the Thai tourism industry. However, in the post-pandemic environment, players in the tourism and hotel industries will need to move rapidly to overhaul their operations onto a more sustainable footing by accelerating the adoption of modern technology, placing greater emphasis on public health and hygiene, and developing their understanding of varied and diverse consumer needs and using this knowledge to offer customized travel experiences.

The COVID-19 pandemic in 2020 and the mandatory closure of a large number of hotels and other businesses in the tourism sector led to an unprecedented wave of redundancies. These depressed conditions will persist for hoteliers in 2021. However, as the situation starts to improve, visitor numbers should slowly pick up again in 2022 and 2023. Krungsri Research believes the groundwork for this will be set in the latter half of 2021, when worldwide vaccination programs will help to rebuild confidence among Thai and overseas travelers. The domestic tourism segment is expected to rebound ahead of the recovery in international arrivals, thanks to government measures to boost domestic tourism. The recovery of foreign arrivals will be delayed by similar efforts by other countries to boost domestic tourism. In this challenging environment, large players will generally retain their

ability to pursue investment and expansion plans, though these might be delayed. But SME operators will face rising competition, and for individual operators, there will be high risk of insolvency.

- Hotels in the major tourist areas of Bangkok, Pattaya and Phuket: The low number of foreign arrivals will keep occupancy rates low throughout 2021. However, the situation will improve in 2022 and 2023. Operators' revenues will recover along with the overall recovery of the tourism sector over the next 2-3 years, but the industry will remain relatively weak compared to the pre-COVID-19 era and average occupancy rate will hover at 50-55%.
- Hotels in regional centers and other popular tourist areas[5]: These hotels will experience an uneven recovery. Because most of these establishments serve the domestic market, they will benefit from government policies to stimulate domestic tourism. But despite this, domestic tourism is not expected to return to pre-pandemic levels within the next three years, and hence, any rebound in revenue in this segment will be limited.
- Hotels in other provinces: For other hotels, government efforts to support the tourism sector will be unable to prevent a slide in revenue because travelers in these provinces are often on their way to provincial centers or other tourism sites. Given this, occupancy rates will be lower than for either of the two groups described above.

Meanwhile, in all parts of the country, the hotel industry will face rising competition from oversupply of hotel rooms and other types of daily accommodation. This will be worsened by the slow recovery in demand, which means it will be difficult for operators to raise room rates, especially in tourist areas that are dependent on foreign arrivals.

Source: Krungsri Research

5. General information and other important information

5.1 General Information

1) General Information of the Company

| | |
|--------------------------|---|
| Name | : AQ Estate Public Company Limited |
| Security Symbol | : AQ |
| Head office | : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang Bangkok 10310 |
| Nature of Business | : The Company undertakes business in property development and sales. The Company has both horizontal property projects and vertical projects and rent property. |
| Business Registration | : 0107536000471 |
| Contact numbers | : Telephone 02-033-5555 Fax 02-033-5566 |
| Website | : www.aqestate.com |
| Registered Capital | : 81,058,570,872.50 Baht |
| Paid up Capital | : 42,662,405,722.00 Baht |
| Number of paid up shares | : 85,324,811,444 shares |
| Par value | : 0.50 Baht |
| Accounting period | : 1 January - 31 December |

2) General information of Subsidiaries

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

- Bangkok 10310
- Nature of Business : Sale management services
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 1,000,000 Baht
- Paid up Capital : 1,000,000 Baht
- Shareholding : 99.94%
- Related status : Direct Subsidiary
- (3) **Name** : **AQ Property Management Co., Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Management of commercial space
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 1,000,000 Baht
- Paid up Capital : 1,000,000 Baht
- Shareholding : 99.93%
- Related status : Direct Subsidiary
- (4) **Name** : **Allied Technologies International Co., Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Real estate trading
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 100,000,000 Baht
- Paid up Capital : 100,000,000 Baht
- Shareholding : 99.90%
- Related status : Direct Subsidiary
- (5) **Name** : **Thanont Property Co., Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Real estate trading
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566

- Registered Capital : 50,000,000 Baht
- Paid up Capital : 50,000,000 Baht
- Shareholding : 99.80%
- Related status : Direct Subsidiary
- (6) **Name** : **Aquarius Estate Co., Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : To sell, acquire, provide service and operate in real estate
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 54,000,000 Baht
- Paid up Capital : 54,000,000 Baht
- Shareholding : 99.99%
- Related status : Direct Subsidiary
- (7) **Name** : **Villa Nakarin Co.,Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Real estate trading
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 270,000,000 Baht
- Paid up Capital : 270,000,000 Baht
- Shareholding : 99.99%
- Related status : Direct Subsidiary
- (8) **Name** : **The Tarna Align Resort Co., Ltd.**
- Head office : 68 Moo 1, Kohtao Sub-district, Koh Phangan District, Suratthani
Province 84280
- Nature of Business : Hotel services
- Contact numbers : Telephone 077-601-843
Fax -
- Registered Capital : 139,000,000 Baht
- Paid up Capital : 139,000,000 Baht
- Shareholding : 99.82%
- Related status : Direct Subsidiary

- (9) **Name** : **Vitoonthanakorn Co., Ltd.**
Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
 Bangkok 10310
Nature of Business : Real estate trading
Contact numbers : Telephone 02-033-5555
 Fax 02-033-5566
Registered Capital : 1,450,000,000 Baht
Paid up Capital : 1,450,000,000 Baht
Shareholding : 99.99%
Related status : Indirect Subsidiary (held through Thanont Property Co., Ltd.)
- (10) **Name** : **Baan Chidthara Co.,Ltd.**
Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
 Bangkok 10310
Nature of Business : Recreational services and provides hotel and resort
Contact numbers : Telephone 02-033-5555
 Fax 02-033-5566
Registered Capital : 50,000,000 Baht
Paid up Capital : 50,000,000 Baht
Shareholding : 99.99%
Related status : Indirect Subsidiary (held through AQ Village Co., Ltd.)
- (11) **Name** : **Aquarius Hotel & Resort Co.,Ltd.**
Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
 Bangkok 10310
Nature of Business : To sell, acquire, provide service and operate in real estate
Contact numbers : Telephone 02-033-5555
 Fax 02-033-5566
Registered Capital : 1,000,000 Baht
Paid up Capital : 1,000,000 Baht
Shareholding : 99.99%
Related status : Indirect Subsidiary (held through Aquarius Estate Co., Ltd.)

3) Other References

- Share Registrar : Thailand Securities Depository Company Limited
93 Ratchadaphisek Road,
Din Daeng, Bangkok 10400
Telephone : 0-2009-9000
Fax : 0-2009-9991
SET Contact center: 0-2009-9999
Website: <http://www.set.or.th/tsd>
E-mail: SETContactCenter@set.or.th
- Auditor : 1. Ms. Kannika Wipanut, CPA registration No. 7305 and/or
2. Mr. Jirote Sirirrote, CPA registration No. 5113 and/or
3. Ms. Nonglak Pattanabandith CPA registration No.4713 and/or
4. Mrs.Sumana Senivongse CPA registration No. 5897 and / or
5. Mr. Konim Linphrachaya CPA registration No. 3675 and/or
6. Mr. Mongkon Laoworapong CPA registration No. 4722 and/or
7. Ms. Kojchamon Sunhuan CPA registration No. 11536
Karin Audit Company Limited
72 CAT Telecom Building, 24th floor Charoen Krung Road,
Bang Rak District, Bangkok 10500
Phone: 0-2105-4661
Fax: 0-2026-3760
Website : <http://www.karinaudit.co.th/>

5.2 Other important information

-None-

5.3 Legal dispute

Except for disputes with Krung Thai Bank Public Company Limited, the Company does not have any legal disputes in which the Company or its subsidiaries are parties that may significantly affect business operations.

Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

AQ Estate Public Company Limited determined a corporate governance of company's Board of Directors, the Audit committee and Executive are responsible for the good corporate governance which is the fundamental of sustainable growth and as important key leading to success including building confidence to our shareholders, investor and all parties concerned. The company has a good corporate governance system, international standard, meet the requirement of law and relevant regulations, business ethics as well as adequate disclosure to all parties concerned. The company established the structure of audit committee comprising professional individuals which is independent from company management. The audit committee will hold a meeting every quarter in order to monitoring the business operations constantly. However, this is based on the principle of transparency, honesty, independence, accountability, fairness and social responsibility. Regarding the progress in implementation of good corporate governance principles, the company has closely followed to perform duties following the policy strictly as the guidelines prescribed by the Stock Exchange of Thailand as follow.

1) Shareholder Rights

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

- The Company provides information about the shareholders' meeting by sending the meeting invitation letter and supporting documents to the shareholders in advance

sufficient and in time as well as the company disclose online on the Company's website. The aforementioned meeting invitation letter will inform the details such as date, time, place and agendas, facts and reasons as well as important information for decision making along with the opinion of the Board of directors for each agenda including shareholder's proxy, etc.

- Clearly provide important and necessary information for shareholders regarding business operations and keep up with the events. In some cases, although the law is not required disclosure, if the Company deems that any matter is necessary for the shareholders to be informed, it will disclose that information through the Company's website and the SET.
- In 2021, the Company held the Annual General Meeting of Shareholders on April 30, 2021, in which 8 directors attended the meeting. The Company considered it appropriate to arrange a shareholders' meeting via electronic meeting. And the Extraordinary General Meeting of Shareholders was held on November 8, 2021, via electronic meeting. 7 directors of the Company attended the meeting, representing 100% of the Company's directors. At the meeting, the Company allowed shareholders who attended the meeting via electronic meeting can send questions through the system and the Board of Directors answered the shareholders' questions completely.
- On the date of the shareholders' meeting, the Company has arranged for registration of the meeting via electronic meeting. The Company sent a link to the shareholders to attend the meeting and they can send questions into the system.
- The meeting proceeded according to the agenda as stated in the invitation letter which was delivered to the shareholders and there was no other agenda added to the meeting.
- The chairman of the meeting allocates sufficient time appropriately and conducts the meeting following the agenda of the meeting. During the meeting, the Chairman gave the shareholders an opportunity to express their opinions and raise questions to the meeting on matters related to the company fully.
- The Chairman of the Board and Chairman of the Audit Committee including all directors will attend a meeting and answer questions from the shareholders.

2) Stakeholder Rights

The Company realizes the rights of shareholders and all groups of stakeholders such as employees and executives of the company and its subsidiaries including outsiders such as partners in

the government sector, society, community, and environment. To ensure that the fundamental rights of these stakeholders are well protected and maintained following legal requirements including a framework for ethical conduct and business ethics, and do not do anything that violates the rights of stakeholders, which is an important part of the company's long-term success with details as follows.

■ Employees

The Company always regards employees as a key element and strives to make all employees proud and believe in the organization and have welfare to encourage employees to have good health. The Company provides a fitness room, swimming pool to relax employees from working hard all day as well as providing appropriate and fair compensation and welfare such as employees welfare, medical expenses, health insurance, annual health check, and organize activities for employees to build good relationships through various activities, for example, during the month there are activities that all employees must participate, Annual tourism activities. Besides, the Company supports the development of skills and abilities to work regularly with customer training courses. The Company is committed to improving product quality and quality service which meets the needs of professional customers, as well as the Company, established an agency to contact and listening to suggestions or comments from customers to acknowledge customer demand problems and bring improvements to give customers the most confidence and satisfaction.

■ Business partners

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

■ Executives

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

■ Competitors

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

■ Creditors

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

■ Social and environmental responsibility

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

6.2 Code of Conduct

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

6.3 Key changes and developments in policies, practices, and the corporate governance system in the past year

The Board of Directors has considered the good corporate governance principles for listed companies 2017 or Corporate Governance Code (CG Code) issued by the SEC Office. To apply by considering and recognizing the roles and duties of the organization's leadership (governing board). All directors have carefully considered the Code and understood the benefits and importance of implementing the CG Code which focuses on the integration of social and environmental issues, and corporate governance to be used to create value for businesses for sustainable development.

The results of self-assessment in compliance with good corporate governance principles for the year 2021 and has reviewed the policies and CG Code Principles, including reviewing the issues that have no implemented yet, and has considered and formulated appropriate action guidelines following the nature of business and corporate culture. There are important cases as follows:

| CG Code that has no implemented | Opinion |
|---|--|
| The Board of directors consists of more than half of the independent directors. | The Board of Directors consists of qualified directors with diverse qualifications, abilities, and experiences which consists of 3 independent directors out of a total of 7 directors (42.86%). The chairman of the Board is an independent director which is considered an appropriate proportion with the performance of the independent directors. |
| Appointment of advisors to the Nomination and Remuneration Committee | The Board of Directors has assigned the Nomination and Remuneration Committee which consists of |

| CG Code that has no implemented | Opinion |
|--|---|
| | <p>experts from various professions to perform duties in summary as follows:</p> <ul style="list-style-type: none"> ● To select persons to replace directors and executives, if the term expires, resign or other cases. This is to be in line with the good corporate governance guidelines of the Stock Exchange of Thailand and accordance with the Articles of Association of AQ Estate Public Company Limited, The directors and executives of the Company Must be fully qualified according to the Public Limited Companies Act 1992 and the Securities and Exchange Act 1992 ● To consider the remuneration of Directors by considering the suitability of the duties, responsibility, and the Company's performance and propose to the Board of Directors . <p>In the past, the Nomination Committee can perform its duties very well. Therefore, it can be considered that the Company has an appropriate and efficient process of nomination and remuneration of directors.</p> |
| Set up the policy or operating regulations on succession plan in writing | The Company's current situation has uncertainty regarding the Company's ability to continue as a going concern. Therefore, the company has not yet set a policy. Rules for working on the succession plan in writing |

7. Corporate Governance Structure and key information about the Board of Directors, Sub-committees, Executives, Employees and Others

7.1 Corporate Governance Structure

7.1.1 Board of Directors

As at 31 December 2021, the Board of Directors of AQ Estate Public Company Limited consist of;

1) Board of Directors

| | | |
|----|---|------------------------------------|
| 1. | Mr. Auychai Kultipmontre | Chairman of the Board of Directors |
| 2. | Mr. Michael Alexander William Fernandez | Director |
| 3. | Mr. Chamnarn Wangtal | Director |
| 4. | Mr. Voravut Laithuamthaweeikul | Director |
| 5. | Mr. A Sachdev | Independent Director |
| 6. | Mr. Ekajai Tivutanond | Independent Director |
| 7. | Mr. Supachai Stitvimol | Independent Director |

2) Audit Committee

| | | |
|----|------------------------|---------------------------------|
| 1. | Mr. A Sachdev | Chairman of the Audit Committee |
| 2. | Mr. Ekajai Tivutanond | Audit Committee |
| 3. | Mr. Supachai Stitvimol | Audit Committee |

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

As at 31 December 2021, the Company had total of 7 directors which consists of 3 Executives Directors, 1 external director who is not an employee of the Company, and 3 independent Directors which is 42.86% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Limits on Authority of the Board of Directors

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

Authorized signatory

Name and number of directors who are authorized to sign on behalf of the Company are Mr. Chamnarn Wangtal or Mr. Voravut Laithuamthaweeul or Mr. Michael Alexander William Fernandez, Any two of the three mentioned directors jointly sign their names.

7.1.2 Executives

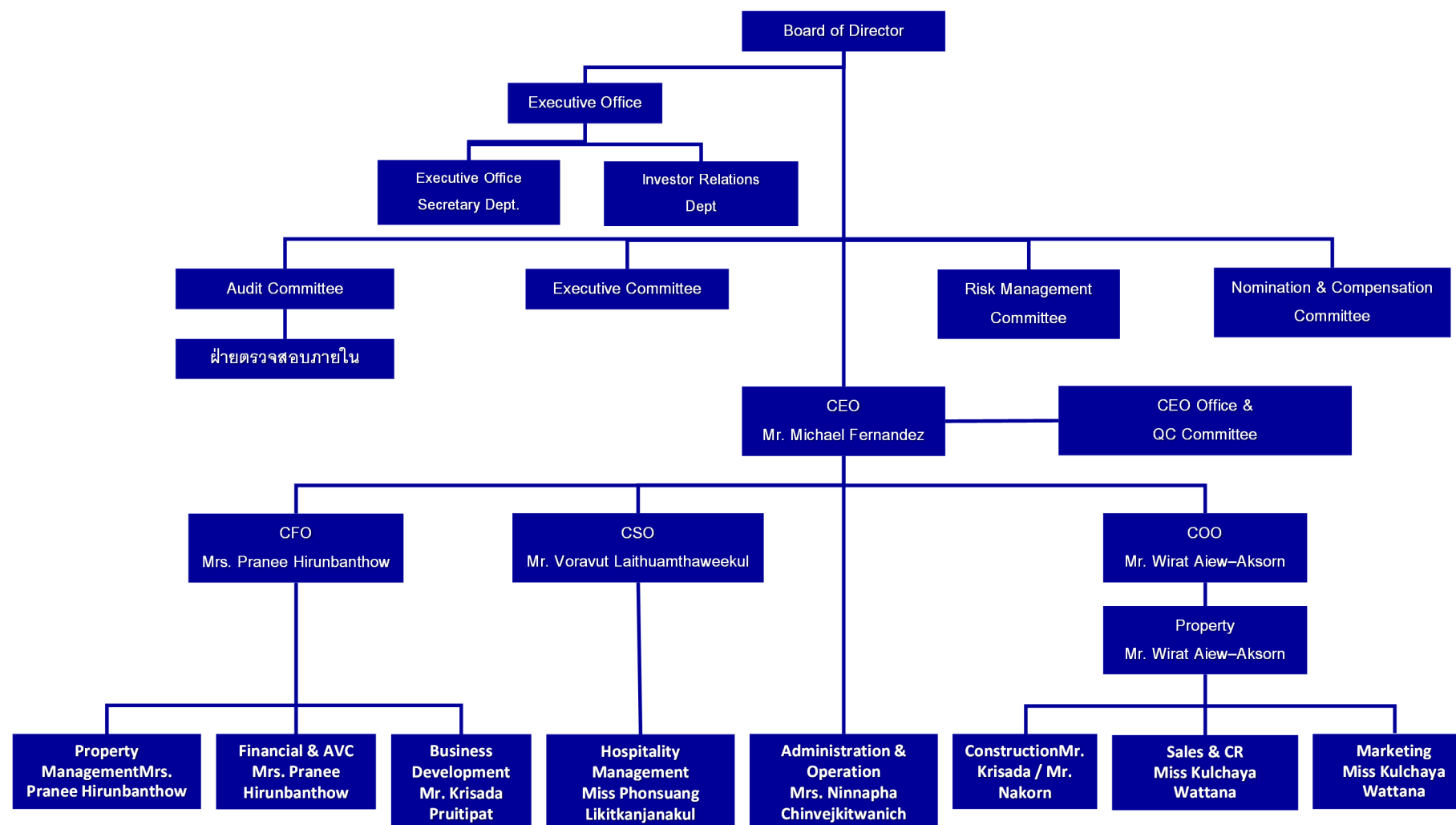
As at 31 December 2021, the management team of AQ Estate Public Company Limited has 5 Executives as follows.

| List of Executives | Position | Note |
|--|---|------|
| 1. Mr. Michael Alexander William Fernandez | Chief Executive Officer | - |
| 2. Mr. Wirat Aiew-Aksorn | Chief Operating Officer | - |
| 3. Mrs. Pranee Hirunbanthow | Chief Financial Officer / Assistant Managing Director of Operations / Vice president of Accounting and Finance | - |
| 4. Mr. Voravut Laithuamthaweeul | Executive Committee | |
| 5. Mr. Chamnarn Wangtal | Executive Committee | - |

Information about the management team is in attachment 1.

Management structure

AQ Estate Public Company Limited and its subsidiaries as at 31 December 2021



7.2 Information about the Board of Directors

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

1) Board of Directors

As at 31 December 2021 the Board of Directors consisted of 7 directors as follows.

| No. | List of Directors | Position | Note |
|-----|---|------------------------------------|--|
| 1. | Mr. Auychai Kultipmontre | Chairman of the Board of Directors | - |
| 2. | Mr. Michael Alexander William Fernandez | Director | - |
| 3. | Mr. Chamnarn Wangtal | Director | - |
| 4. | Mr. Voravut Laithuamthaweeikul | Director | Appointed 1 Mar 2021 |
| 5. | Mr. A Sachdev | Independent Director | - |
| 6. | Mr. Ekajai Tivutanond | Independent Director | Appointed 17 Sep 2021 |
| 7. | Mr. Supachai Stitvimol | Independent Director | Appointed 15 Nov 2021 |
| 8. | Miss Kulchaya Wathana | Director | Resigned 23 Feb 2021 |
| 9. | Mr. Sittiwate Jewsittipapai | Independent Director | Resigned 13 Aug 2021 |
| 10. | Miss Papasorn Mongkholmafai | Independent Director | Resigned 10 Nov 2021 |
| 11. | Dr. Suthad Chankingthong | Director | Not approved by the shareholders at the meeting on April 30, 2021. |

As at 31 December 2021, the Company had total of 7 directors which consists of 3 Executives Directors, 1 external director who is not an employee of the Company, and 3 independent Directors which is 42.86% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

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

The Structure of Appointment the Board of Directors

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

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

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

Scope with authority of the Board of directors

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

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

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

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

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

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

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

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

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

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

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

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

7.3 Information about Sub-committees

7.3.1 Audit Committee

As at 31 December 2021 the Audit Committee consisted of 3 members as follows.

| No. | List of Committee | Position | Note |
|-----|------------------------------|---------------------------------|-----------------------|
| 1. | Mr. A Sachdev | Chairman of the Audit Committee | - |
| 2. | Mr. Ekajai Tivutanond | Audit Committee | Appointed 17 Sep 2021 |
| 3. | Mr. Supachai Stitvimol | Audit Committee | Appointed 15 Nov 2021 |
| 4. | Mr. Sittiwate Jewsittiprapai | Audit Committee | Resigned 13 Aug 2021 |
| 5. | Miss Papasorn Mongkholmafai | Audit Committee | Resigned 10 Nov 2021 |

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

Scope of duties and responsibilities of the Audit Committee

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

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

Performance by the first paragraph, the audit committee shall have responsibility to the board of directors of the company directly and the boards of directors still have their responsibilities to the operation of the company to the outsiders.

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

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

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

7.3.2 Executive Committee

As at 31 December 2021, the Executive Committee consisted of 3 members as follows.

| No. | List of members | Position | Note |
|-----|--|-------------------------|--|
| 1. | Mr. Michael Alexander William Fernandez | Chief Executive Officer | Appointed 21 Feb 2020 |
| 2. | Mr. Chamnarn Wangtal | Executive Committee | Appointed 3 Dec 2020 |
| 3. | Mr. Voravut Laithuamthaweekul | Executive Committee | Appointed 1 Mar 2021 |
| 4. | Miss Kulchaya Wathana | Executive Committee | Resigned 23 Feb 2021 |
| 5. | Dr. Suthad Chankingthong | Executive Committee | Not approved by the shareholders at the meeting on April 30, 2021. |

Scope of power, duty and responsibility of the executive committee

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

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

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

Scope of authority Executive Committee and Chief Executive Officer

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

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

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

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

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

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

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

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

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

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

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

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

7.3.3 Nomination and Remuneration Consideration Committee

As at 31 December 2021 the Nomination and Remuneration Consideration Committee which was appointed by resolution of the Board of Directors Meeting No. 4/2014 on 5 March 2014, consisted of 2 members as follows.

| No. | List of members | Position | Note |
|-----|--------------------------------|---|--|
| 1. | Mr. A Sachdev | Nomination and Remuneration Consideration Committee | - |
| 2. | Mr. Voravut Laithuamthaweeikul | Nomination and Remuneration Consideration Committee | Appointed 1 Mar. 2021 |
| 3. | Miss Kulchaya Wathana | Nomination and Remuneration Consideration Committee | Resigned 23 Feb 2021 |
| 4. | Dr. Suthad Chankingthong | Chairman of the Nomination and Remuneration Consideration Committee | Not approved by the shareholders at the meeting on April 30, 2021. |

Duties and Responsibilities

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

Nomination

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

Remuneration

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

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

7.3.4 Risk Management Committee

As at 31 December 2021, the Risk Management Committee which was appointed by resolution of the Board of Directors Meeting No. 4/2014 on 5 March 2014, consisted of 3 members as follows

| No. | List of members | Position | Note |
|-----|--|---|------|
| 1. | Mr. Michael Alexander William Fernandez | Chairman of the Risk Management Committee | - |
| 2. | Mr. A Sachdev | Risk Management Committee | - |
| 3. | Mr. Chamnarn Wangtal | Risk Management Committee | - |

7.3.5 Purchasing Committee

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

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

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

The approval must be reported to Chief Executive Officer acknowledge

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

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

The approval must be reported to Executive Board acknowledge.

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

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

The approval must be reported to Board of Director acknowledge

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

- 1) The Chief Operating Officer is able to authorize the financial amount not more than 10 million Baht
- 2) The Chief Executive Officer is able to authorize the financial amount more than 10 million Baht but not more than 20 million Baht.
- 3) The Executive Boards is able to authorize the financial amount more than 20 million but not more than 50 million Baht.
- 4) The Board of Directors is able to authorize more than 50 million Baht. The approval must be reported to Board of Director acknowledge.

- 5) The Managing Director authorizes sale of land or property and other operations including regular business of the company.

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

7.4 Information about Executives

As at 31 December 2021, the management team of AQ Estate Public Company Limited has 5 Executives as follows.

| List of Executives | Position | Note |
|--|---|------|
| 1. Mr. Michael Alexander William Fernandez | Chief Executive Officer | - |
| 2. Mr. Wirat Aiew-Aksorn | Chief Operating Officer | - |
| 3. Mrs. Pranee Hirunbanthow | Chief Financial Officer / Assistant Managing Director of Operations / Vice president of Accounting and Finance | - |
| 4. Mr. Voravut Laithuamthaweeikul | Executive Committee | |
| 5. Mr. Chamnam Wangtal | Executive Committee | - |

Information about the management team is in attachment 1.

7.4.1 Executive remuneration

1) Monetary remuneration

In 2021, the Company paid remuneration consisted of salary and bonus to 5 executives total of Baht 18,872,065.00 as follows.

| Executives remuneration | Baht |
|---------------------------------------|----------------------|
| Salary | 15,376,000.00 |
| Bonus | - |
| Remuneration for Special Projects | 180,000.00 |
| Meeting allowance | - |
| Reception Expenses | 760,000.00 |
| Consulting fees (internal management) | 2,556,065.00 |
| Total | 18,872,065.00 |

2) Other remuneration

● Provident Fund and Social Insurance Fund

The Company has provided a provident fund for the Executives by paid contributions at 5% of salary. In 2021, the Company paid contributions for provident fund and social insurance fund for the Executives of Baht 16,650 and Baht 340,000 respectively.

7.5 Information about Employees

1) Number of employees

As at 31 December 2021 the Company and its subsidiaries had total staff of 313 people. In 2021, the Company paid remuneration to employees that consists of salary, overtime pay, social security, provident fund, total amount of Baht 207.09 million. These include the portion that the subsidiaries has paid employees in the same way with the company total of Baht 83.78 million.

| Primary line | Number of employees (persons) | |
|--|-------------------------------|-----------------|
| | The Company | 11 subsidiaries |
| Operations / Services staff (persons) | 87 | 221 |
| Executive staff (persons) | 5 | - |
| Total | 92 | 221 |
| Employees remuneration (million Baht) | 123.31 | 83.78 |

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

2) Personnel development policy

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

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

7.6 Other important information

7.6.1 The person supervising accounting

The Board of Directors Meeting dated 30 November 2018, approved to appoint Mrs. Pranee Hirunbanthow as the Chief Financial Officer as well as being directly responsible for controlling and supervising the Company's accounting until now. The qualifications of the supervisor in accounting are shown in Attachment 1.

7.6.2 The Company Secretary

The Board of Directors Meeting in the year 2013 appointed Mr. Apirath Intrachoo to the position of Company Secretary with responsible according to the Securities and Exchange Act (No. 4) BE 2551 which is responsible for the preparation and storage of Director registration, notice of the Board meeting, minutes of the Board meeting and annual report of the Company, Notice of the Shareholders meeting and minutes of the Shareholders meeting, storage the stakeholders report that report by Directors or Executives as well as other actions as notification of the Capital Market Commission defined, on behalf of the Company or the Board of Directors. The qualifications of incumbent as Company Secretary are shown in Attachment 1.

Responsibilities of the Company Secretary

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

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

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

7.6.3 Head of Internal Audit

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

However, the consideration and approval of the appointment, removal, transfer the incumbent head of internal audit of the company must be approved by the Audit Committee. The qualifications of the person holding the position of Head of Internal Audit are shown in Attachment 3.

7.6.4 Head of Investor Relations

The Board of Directors recognizes the significance of correct, complete, timely, transparent, and thorough information disclosure, and assigns the Chief Executive Officer and Company Secretary acts as Investor Relations to communicate with investors, shareholders, analysts, media, and other organizations concerned. Investors can access all information relating to the Company by contacting Ms. Saranros Kaewwiangchai at Tel. 02 0035519 Email Address: sarunrot@aqestate.com

7.6.5 Auditor Fee

The Annual General Meeting of shareholders 2021 on April 30, 2021 approved the appointment of auditors and audit fees for the year 2021 by appointing the auditor of Karin Audit Company Limited as the Company's auditor with the names as follows:

The Auditors of AQ Estate Public Company Limited and its subsidiaries as follows:

- | | | |
|-------------------------------|----------------------------|--------|
| 1. Ms. Kannika Wipanurat, | CPA registration No. 7305 | and/or |
| 2. Mr. Jirote Sirirorote, | CPA registration No. 5113 | and/or |
| 3. Ms. Nonglak Pattanabandith | CPA registration No.4713 | and/or |
| 4. Mrs.Sumana Senivongse | CPA registration No. 5897 | and/or |
| 5. Mr. Konim Linphrachaya | CPA registration No. 3675 | and/or |
| 6. Mr. Mongkon Laoworapong | CPA registration No. 4722 | and/or |
| 7. Ms. Kojchamon Sunhuan | CPA registration No. 11536 | |

The auditors of the 12 subsidiaries are as follows:

- | | | |
|-------------------------------|----------------------------|--------|
| 1. Mr. Jadesada Hungsapruek | CPA registration No. 3759 | and/or |
| 2. Mr. Worapol Wiriyakulapong | CPA registration No. 11181 | and/or |
| 3. Mr.Pojana Asavasontichai | CPA Registration No. 4891 | and/or |

- | | | |
|-----------------------------------|----------------------------|--------|
| 4. Mr. Wichian Proongpanish | CPA registration No. 5851 | and/or |
| 5. Mr. Supoj Mahantachaisakul | CPA registration No. 12794 | and/or |
| 6. Ms. Kanwarat Saksriborworn | CPA registration No. 13273 | and/or |
| 7. Mr. Somchai Lertyonguyth | CPA registration No.13314 | and/or |
| 8. Ms.Bongkotrat Suamsiri | CPA registration No. 13512 | and/or |
| 9. Mr. Thanathit Raksathianraphap | CPA registration No.13646 | |

or auditor assigned by Karin Audit Company limited and audit fee of AQ Estate Public Company Limited and its subsidiaries (13 companies). The expenses are divided into auditing fees for the year 2021 in amount of THB 6,475,000 (Audit fee). The above audit fee does not include other service fees and expenses related to financial statements audit which will be paid according to the actual payment (Non-Audit fee).

(1) Audit fee

| Companies | Audit fee (Baht) | | | |
|---|------------------|---------------------|---------------------|---------------------|
| | Quarterly | Total | Yearly | Total |
| Consolidated financial statements | 250,000.00 | 750,000.00 | 300,000.00 | 1,050,000.00 |
| AQ Estate PLC | 270,000.00 | 810,000.00 | 900,000.00 | 1,710,000.00 |
| AQ Village Co., Ltd. | 40,000.00 | 120,000.00 | 290,000.00 | 410,000.00 |
| AQ Marketing Service Co., Ltd. | 26,000.00 | 78,000.00 | 126,000.00 | 204,000.00 |
| AQ Property Management Co., Ltd. | 26,000.00 | 78,000.00 | 126,000.00 | 204,000.00 |
| Allied Technologies International Co., Ltd. | 31,000.00 | 93,000.00 | 220,000.00 | 313,000.00 |
| Thanont Property Co., Ltd. | 30,000.00 | 90,000.00 | 210,000.00 | 300,000.00 |
| Free Zone Asset Co., Ltd. | 25,000.00 | 75,000.00 | 100,000.00 | 175,000.00 |
| Vitoonthanakorn Co., Ltd. | 36,000.00 | 108,000.00 | 157,000.00 | 265,000.00 |
| Baan Chidthara Co.,Ltd. | 10,000.00 | 30,000.00 | 70,000.00 | 100,000.00 |
| Aquarius Hotel & Resort Co.,Ltd. | 70,000.00 | 210,000.00 | 280,000.00 | 490,000.00 |
| Aquarius Estate Co., Ltd. | 63,000.00 | 189,000.00 | 336,000.00 | 525,000.00 |
| Villa Nakarin Co.,Ltd. | 35,000.00 | 105,000.00 | 140,000.00 | 245,000.00 |
| The Tarna Align Resort Co., Ltd. | 45,000.00 | 135,000.00 | 350,000.00 | 485,000.00 |
| Total | | 2,871,000.00 | 3,605,000.00 | 6,476,000.00 |

(2) Non-audit fee

In 2021 the Company paid non-audit fee which includes transportation cost and office supplies for the auditor total of Baht 118,922.

8. Report on key performance in corporate governance

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

8.1.1 Recruiting, developing and evaluating the performance of the Board of Directors

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

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

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

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

Nomination of Directors and Appointment

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

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

- 1) Each shareholder has one vote per one share, one vote.

2) Each shareholder must use all his votes to elect one or several persons as directors, in the case of the election of several directors, the votes to break any much impossible.

3) The persons receiving the highest vote down. Was elected as directors or board of directors shall be elected at the time. In the case of a person who was elected in descending order of votes equal to the maximum number of guests. Or be elected at that time. To the chairman a casting votes.

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

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

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

8.1.2 Meeting attendance and Remuneration

(1) Meeting attendance

In 2021, the Company has organized 11 Board of Directors Meeting, Annual General Meeting of Shareholders 2021 and Extraordinary General Meeting of Shareholders No.1/2021, with details of meeting attendance of directors as follows:

| List of directors | Position | Meeting | | | Note |
|---|--|--|---|---|--|
| | | Board Meeting (Attendance /Right to attend) | AGM 2021 (Attendance /Right to attend) | EGM No. 1/2021 (Attendance /Right to attend) | |
| Mr. Auychai Kultiptomtre | Chairman of the Board of Directors | 9 | 1/1 | 1/1 | - |
| Mr. Michael Alexander William Fernandez | Director / Chief Executive Officer | 10 | 1/1 | 1/1 | - |
| Mr. Chamnarn Wangtal | Director | 11 | 1/1 | 1/1 | - |
| Mr. Voravut Laithuamthaweeikul | Director | 10 | 1/1 | 1/1 | Appointed 1 Mar 2021 |
| Mr. A Sachdev | Independent Director / Chairman of the AC | 11 | 1/1 | 1/1 | - |
| Mr. Ekajai Tivutanond | Independent Director / Audit Committee | 6 | - | 1/1 | Appointed 17 Sep 2021 |
| Mr. Supachai Stitvimol | Independent Director / Audit Committee | 1 | - | - | Appointed 15 Nov 2021 |
| Miss Kulchaya Wathana | Director | - | - | - | Resigned 23 Feb 2021 |
| Mr. Sittiwate Jewsittipapai | Independent Director / Audit Committee | 3 | 1/1 | - | Resigned 13 Aug 2021 |
| Miss Papasorn Mongkholmafai | Independent Director / Audit Committee | 7 | 1/1 | 1/1 | Resigned 10 Nov 2021 |
| Dr. Suthad Chankingthong | Director | 1 | 1/1 | - | Not approved by the shareholders at the meeting |

(2) Remuneration of Directors

The Annual General Meeting of Shareholders for the year 2021 on 30 April 2021 approved the remuneration of directors in accordance with the resolution of the Nominating and Remuneration Committee for the year 2021 of Baht 3,500,000.

1) Monetary remuneration

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

| List of Directors | Position | Directors Remuneration (Baht) | | | Note |
|---------------------------------|--|-------------------------------|----------------------|---------------------|---|
| | | Attendance fee | Monthly remuneration | Total | |
| 1. Mr. Auychai Kultipmontre | Chairman of the Board of Directors | - | 840,000.00 | 840,000.00 | - |
| 2. Mr. Michael Fernandez | Director Chief Executive Officer | - | - | - | - |
| 3. Mr. Chamnam Wangtal | Director | - | - | - | - |
| 4. Mr. Voravut Laithuamthaweeul | Director | - | - | - | Appointed 1 Mar 2021 |
| 5. Mr. A Sachdev | Independent Director / Chairman of the AC | 60,000.00 | 600,000.00 | 660,000.00 | - |
| 6. Mr. Ekajai Tivutanond | Independent Director / Audit Committee | 24,000.00 | 91,666.67 | 115,666.67 | Appointed 17 Sep 2021 |
| 7. Mr. Supachai Stitvimol | Independent Director / Audit Committee | 6,000.00 | 38,333.33 | 44,333.33 | Appointed 15 Nov 2021 |
| 8. Miss Kulchaya Wathana | Director | - | - | - | Resigned 23 Feb 2021 |
| 9. Mr. Sittiwate Jewsittipapai | Independent Director / Audit Committee | 24,000.00 | 185,000.00 | 209,000.00 | Resigned 13 Aug 2021 |
| 10. Miss Papasorn Mongkholmafai | Independent Director / Audit Committee | 54,000.00 | 257,500.00 | 311,500.00 | Resigned 10 Nov 2021 |
| 11. Dr. Suthad Chankingthong | Director | - | - | - | Not approved by the shareholders at the meeting |
| Total | | 168,000.00 | 2,012,500.00 | 2,180,500.00 | |

2) Other remuneration

In 2021, the Company did not pay other remuneration to Directors.

8.1.3 Supervision of Subsidiary and Affiliated Companies

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

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

8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

(1) Conflict of interest

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

- Items may have a conflict of interest: When the committee acknowledge there is a conflict of interest and related transaction and consider appropriate all have to follow the guidelines of the SET by entering transaction with a third party; (Arm's Length Basis) , and has revealed the details. Value, Partners The reasons and necessity in the annual report and in the year 2021 , the company does not have a conflict of interest in the list. .
- Monitoring Company's inside information
- Define executives reported changes in securities pursuant to section 59 of the Securities and Exchange Act 1992.
- The Company not allow Executives or agencies which has internal information to expose internal information to third parties or who are not involved.

(2) Control on the use of inside information

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

(3) Anti-Corruption

1. Anti-Corruption Policy

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

2. Scope of Enforcement and Harmonization of Laws

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

situation of each company. The Company will establish channels and processes as well as co-ordinating communications as deemed appropriate.

3. Anti-corruption Policy

3.1 Objective

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

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

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

3.2 Anti-Corruption Policy

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

3.3 Operational Guidelines

The Company has included anti-corruption operational guidelines in its Code of Conduct and Business Ethics to the effect that the Company opposes corruption and will never commit bribery for business gain. The Company will co-operate with and support the anti-corruption measures of

government and the private sector. The Company will not solicit, accept, or agree to accept cash, gifts or other benefits from customers or other parties, except in the case of customary practices. The Company will co-operate with the government and private sectors in exchanging useful knowledge and experiences in anti-corruption and in joining anti-corruption activities. The Company aims at and is committed to cultivating value for concerned parties so that they continue to co-operate on anti-corruption undertakings, and are determined to put into practice the anti-corruption program.

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

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

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

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

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

(4) Whistleblowing

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

8.2 Report on the performance of the Audit Committee in the past year

(1) Attendance of Audit Committee Meeting

In 2021, the Company held 5 Audit Committee meetings with details of the Audit Committee's attendance as follows:

| List of Audit Committee | Position | Meeting | | Note |
|-----------------------------|--------------------|-------------------|---------------------|-----------------------|
| | | Number of meeting | Number of attending | |
| Mr. A Sachdev | Chairman of the AC | 5 | 5 | - |
| Mr. Ekajai Tivutanond | Audit Committee | 1 | 1 | Appointed 17 Sep 2021 |
| Mr. Supachai Stitvimol | Audit Committee | - | 1 | Appointed 15 Nov 2021 |
| Mr. Sittiwate Jewsittipapai | Audit Committee | 3 | 3 | Resigned 13 Aug 2021 |
| Miss Papasorn Mongkholmafai | Audit Committee | 3 | 3 | Resigned 10 Nov 2021 |

(2) Performance of the Audit Committee

In the year 2021, the Audit Committee held meetings of 5 times to perform its duties as assigned by the Board of Directors independently. There are no restrictions on the information and the cooperation of the Company as well. Under the requirements of the stock exchange of Thailand. Each meeting invitation by participating managers discusses the agenda as well as relevant as there has been consultation with management and the internal auditors and the external auditors, as appropriate. The meeting with the external auditor is independent of the Executive meeting of the Company.

The Audit Committee supports the Board of Directors to implement the responsibility to be a success. The track and encourage good governance. The performance and operation of the Audit Committee with a mission summarized as follows.

1. **Control Environment** The Company has determined that there is an environment of good internal control. The organizational structure and clear lines of command right. Including targeting business and measurable success indicators (Key Performance Indicators: KPI) to evaluate the efficiency of operations following the goals of the organization. Including the rules Charts and manual operation of the system is written as a guide for practitioners.

The Company also cultivated, executives and employees of the company are aware of good corporate governance by the assigned policy is good governance. Business Ethics: business with honesty, the facts about the quality of the goods. Do the contracts or agreements that have been

negotiated with the client, then the production of the goods or services are provided by quality, regardless of the impact on customers. Product pricing, fair, and not create environmental pollution, wastewater, Toxic air Product or service quality, By planting trees to create shade with residents. Provide a club. Gym, swimming pool, and the other to provide residents with recreational, perfect health and happy life. The company also has responsibility for the project within the community and social activities of the community.

The Board of directors, all employees must also have a code of conduct for shareholders. By duties with integrity. Use your skills and abilities to the full. To manage the assets of any loss or depreciation. Non-benefits for themselves or others from duty. Status report and results of operations of the Company to complete the Questionnaire. It also requires ethics for customers. The need to clarify the terms and conditions of products and services. Ad with the correct information. The company also promotes the training of all staff on an annual basis. To know about the product. The service is great, so is customer satisfaction. And a step in the construction of the Company.

2. **Risk Assessment** The importance of risk management, which is regarded as an important mechanism and management tools that will make the organization achieve the objectives and targets defined. By the risk management policy, which focuses on the development of the risk management system according to the guidelines of good governance (Good Corporate Governance) without the company having to consider the issues and risks. Employment in construction, and high-concept and direction. Solutions to control and reduce risk by allowing multiple contractors to come to tender for construction work in each category which has a Board of Directors, purchasing/procurement, as the administrator, and consider action. Consists of executives from each Division, including the internal audit department. Both these contractors are selected for their experience, the expertise required. In the past, the portfolio quality. Personnel in the operation and the low price of the Company's budget.
3. **Control Activity** The Management policies, measures and methods to be used in practical applications and when reviewing the performance of various departments within the organization. Operators have to comply with both internal and external organizations, such as laws, regulations, orders, standards, policies, plans, and how the company has set. Most of the units are now operational efficiency is the approval authority to review the reconciliation of the audited results of operations, "but sometimes the job potential errors up. This was mainly caused by the mistakes of others (Human Error) when it is detected, then the operators will continue to improve and fix it immediately. If the error is serious, the operators will be punished by heavy measures and rules of

the company. In recent years, the project has employees who do not comply with the rules, resulting in errors that cause damage to the company. Therefore punish out as well as have issued a warning to the project manager with the book as supervisors.

4. **Information and Communication** The Company has to focus on information systems and data communication. Promote and develop continuously. So that the information is accurate and current. The performance of individual units has used the system Oracle to assist in the control of responsibility. This system has the function of classification work that can cross-check each other in the same department and between departments. So in practice, it cannot work only one person which is to reduce the risk in operation, such as payment system cannot pay again. As well as all of the check as a check payable by the recipient, and identified with A/C PAYEE ONLY. The company also has an annual budget to control costs. Using the system Oracle in budget control makes each unit cannot be used over budget. When any agencies need to use more budget to do with the approval and explain why you want to use it. The information technology has also brought the document storage system Alfresco used as channels of communication within the organization to publish the policy. Regulations, orders, and guide the practice. As well as information thoroughly the entire organization.
5. **Monitoring** The Company has to provide a system of internal control, covering all the aspects such as accounting and financial operations. The practice of law/regulations. And take care of the property. The internal audit tracking performance as the goal. Report to the Committee. The external auditor with the audit committee of the company every quarter. The financial audit of the company under the accounting standards adopted by general and under the standard office of the Securities and Exchange Commission. (SEC) as well as the Stock Exchange.
6. **Consider the External Auditor in the year 2021.** In the past year, the Audit Committee is satisfied with the result of the auditors who know. Professional and get suggestions about the internal control system and risk as well as operational independence.

In summary, the Audit Committee's duties as assigned by the Board of Directors, using abilities fully and act independently. There are no restrictions on all news from the Committee. Executives, employees and related persons

The Audit Committee is confident that the company is committed to developing, operating system updates are continuously improved which will have a push for the organization to have a good management system is based on the principles of good corporate governance Transparency in the work. And maintain the interests of the people involved all parties.

8.3 Report on the performance of other sub-committees

8.3.1 Executive Committee

(1) Attendance of Executive Committee Meetings

In 2021, the Company held 37 Executive Committee meetings with details of the meeting attendance of the Executive Directors as follows:

| List of members | Position | Meeting | | Note |
|---|-------------------------|-------------------|---------------------|--|
| | | Number of meeting | Number of attending | |
| Mr. Michael Alexander William Fernandez | Chief Executive Officer | 37 | 37 | Appointed 21 Feb 2020 |
| Mr. Chamnarn Wangtal | Executive Committee | 37 | 37 | Appointed 3 Dec 2020 |
| Mr. Voravut Laithuamthaweeikul | Executive Committee | 37 | 37 | Appointed 1 Mar 2021 |
| Miss Kulchaya Wathana | Executive Committee | - | - | Resigned 23 Feb 2021 |
| Dr. Suthad Chankingthong | Executive Committee | - | - | Not approved by the shareholders at the meeting on April 30, 2021. |

(2) Performance of the Executive Committee

The Executive Committee has performed its duties and responsibilities as stipulated in the Executive Committee Charter and as assigned by the Board of Directors. In the year 2021, the Executive Committee held a total of 37 meetings. The key points can be summarized as follows:

- To supervise the Company's routine business following the policies and budgets approved by the Board of Directors for efficiency. This includes setting up business plans, directions, strategies within the framework of laws and the scope of powers set by the Board of Directors.
- Do any other business as the Board of Directors assign, including approval of the Company's operations according to the scope of powers that the Board of Directors has given which will be reviewed regularly
- Consider presenting matters beyond its jurisdiction to the Board for consideration.

8.3.2 Nomination and Remuneration Committee

(1) Attendance of the Nomination and Remuneration Committee Meeting

In 2021, the Company held 3 meetings of the Nomination and Remuneration Committee with details of the meeting attendance of the Nomination and Remuneration Committee as follows:

| List of members | Position | Meeting | | Note |
|-------------------------------|---|-------------------|---------------------|--|
| | | Number of meeting | Number of attending | |
| Mr. A Sachdev | Nomination and Remuneration Consideration Committee | 3 | 3 | - |
| Mr. Voravut Laithumthaweeikul | Nomination and Remuneration Consideration Committee | 3 | 3 | Appointed 1 Mar 2021 |
| Miss Kulchaya Wathana | Nomination and Remuneration Consideration Committee | - | - | Resigned 23 Feb 2021 |
| Dr. Suthad Chankingthong | Chairman of the Nomination and Remuneration Consideration Committee | - | - | Not approved by the shareholders at the meeting on April 30, 2021. |

(2) Performance of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has performed its duties and responsibilities as defined in the Charter and as assigned by the Board of Directors. During the year 2021, the Nomination and Remuneration Committee held 3 meetings, summarized as follows.

- (1) The Nomination and Remuneration Committee are responsible for the selection of persons to replace directors and executives if the term expires, resign or other cases. This is to be in line with the good corporate governance guidelines of the Stock Exchange of Thailand and accordance with the Articles of Association of AQ Estate Public Company Limited, The directors and executives of the Company Must be fully qualified according to the Public Limited Companies Act 1992 and the Securities and Exchange Act 1992 and proposed to the Board of Directors to consider and approve as follows.

- Consider the term of directors, and approve the nominations who will serve as the new directors.

- (2) The Nomination and Remuneration Committee considered the remuneration of Directors by considering the suitability of the duties, responsibility, and the Company's performance and propose to the Board of Directors to consider and approve as follows.

- Consider and approve the remuneration of the Board of Directors for the year 2021.

8.3.3 Risk Management Committee

(1) Attendance of the Risk Management Committee meeting

In 2021, the Company has organized a meeting of the Risk Management Committee 1 time with details of the meeting attendance of the Risk Management Committee members as follows:

| List of members | Position | Meeting | | Note |
|--|---|-------------------|---------------------|------|
| | | Number of meeting | Number of attending | |
| Mr. Michael Alexander William Fernandez | Chairman of the Risk Management Committee | 1 | 1 | - |
| Mr. A Sachdev | Risk Management Committee | 1 | 1 | - |
| Mr. Chamnarn Wangtal | Risk Management Committee | 1 | 1 | - |

(2) Performance of the Risk Management Committee

The Risk Management Committee performs its duties and responsibilities as stipulated in the Risk Management Committee Charter and as assigned by the Board of Directors.

9. Internal Control and Related Transactions

9.1 Internal Control

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

1) Controls to the Management's operation.

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

2) Information and communication systems

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

3) Monitoring and evaluation

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

4) Risk management.

The company has defined the objectives of the organization which clearly covers what the organization wants to achieve the objectives associated with the activity level, the important work of

the Organization and in accordance with the objectives and associated plans, strategy of the organization. Executive corporate risks identified and covered in the level of critical activities.

5) Shareholders' rights

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

In the year 2021, the company held a shareholders meeting 2 times were the annual general meeting of shareholders 2021 and the EGM No.1/2021 that the company has delivered invitation letter, along with supporting information, data and meeting agenda provided to shareholders prior to the meeting date, The Company was informed to shareholders approximately 14 working days prior to the meeting date. Each agenda was present together with committee commenced by minute of meeting. So that the shareholders can trace back. The Company was agree to shareholders to present a proxy in case the shareholders was unable to attend the meeting. In the other hand the company has published minute of meeting information to the shareholders ' meeting was listed in the company's website, shareholders can submit questions about the company's operation through the website before the date of the shareholders ' meeting.

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

The Board of Directors' meeting No. 1 held on 28 February 2022 by independent director and audit committee includes 3 members attended the meeting. The Board has assessed the Company's internal control system by questioning information from the management and inspection documents from the management including the assessment of the management and preparation of the report of the Audit Committee. The conclusion after an assessment of the internal control of the company in various five components: (1) Internal organization control (2) risk assessment (3) The operational control (4) Information and Communication system, and (5) Tracking and trace back system.

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

However, the auditor, Ms. Kannika Wipanurat, Certified Public Accountant, Registration No. 7305 from Karin Audit Company Limited who is an auditor of quarterly and annual financial statements for 2021 Qualified opinion with an emphasis of matters in Independent Auditor's Report as follows.

Qualified Opinion

I have audited the accompanying financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

As discussed in Note 14.2 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2021, amount of Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern. The resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.

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

9.1.2 The opinion of the Audit Committee

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

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

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

However, the consideration and approval of the appointment, removal, transfer the incumbent head of internal audit of the company must be approved by the Audit Committee. The qualifications of the person holding the position of Head of Internal Audit are shown in Attachment No.3.

9.2 Related Party Transaction

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

-None-

9.2.2 Measures for transactions with related parties

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

9.2.3 Policy and trends for transactions in the future

The company has a policy not to cause related transactions in the future. Except the transactions continued from the past such as collection of liabilities and repayment of debts to persons who may have conflict and project management services, construction contract, sales administration, advertising to persons who may have conflicts carrying out the project named "Krisda Nakorn".

However, the Company has a policy not to allow other people except the Company and its subsidiaries use the name "Krisda Nakorn" to carry out the project anymore.

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

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

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

In 2021, the Company has no transactions between persons with conflict of interest.

Part 3

Financial Statements

10. Report of the Board of Directors' Responsibility in Financial Statement

The Company's Board of Directors is responsible for financial statements of AQ Estate Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Ms. Kannika Wipanutrat, the Certified Public Accountant from Karin Audit Company Limited who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

The Company's Board of Directors appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of AQ Estate Public Company Limited and its subsidiaries as at 31 December 2021 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations.

(Mr. Chamnarn Wangtal)

Director

(Mr. Voravut Laithuamthaweekul)

Director

(Mr. Michael Alexander William Fernandez)

Director

11. INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of AQ Estate Public Company Limited

Qualified Opinion

I have audited the accompanying financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

As discussed in Note 14.2 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2021, amount of Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern. The resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, I have determined the matter described below to be the key audit matters to be communicated in my report.

Cost of property development for sale and considering the adequacy of allowance for diminution in value

Risk

The Group has to determine the expected net realizable value of inventories. As disclosed in Note 10 to the financial statements, there are indications of impairment in accordance with Thai Financial Reporting Standards. This impairment test has significant implications for audits. The Group's net book value before less allowance for diminution in value of inventories as at December 31, 2021, was Baht 1,289 million, representing 21.60% of total assets, and also the process of the management must be very discretionary and depending on the assumptions, which can change according to economic conditions and competition in the market.

Auditor's Risk Response

My key audit procedures included testing the incremental costing that should be recorded as cost of inventories by checking the relevant accounting records, review basis of allowance for diminution in value of inventories, the consistency of the criteria used, analysis detail of sales items during the period after the date of the financial statements to compare with the cost of each project cost, review the estimated recoverable amount provided by the management or the independent appraiser.

Impairment of Property, Plant and Equipment

Risk

The Group has to perform impairment test of property, plant and equipment as described in the Note 19 to the financial statements if there is an indication of impairment in accordance with Thai Financial Reporting Standards. The impairment test is significant for audit. As at December 31, 2021, the Group had a net book value of property, plant and equipment before allowance for impairment of Baht 1,550 million, representing 25.98% of total asset. Moreover, the assessment process of management is complicated and required more judgment, and also the assessment is subject to assumptions that may change according to economic situation and future market conditions.

Auditor's Risk Response

My key audit procedures included using an expert to assess assumptions. I focused on the sufficiency of data disclosure of the Group in relation to the assumptions that are the most important to sensitivity of impairment test and also have significant impact to recoverable amounts of property, plant and equipment.

Provision of contingent liabilities from lawsuit

Risk

The Group has disclosed the policy on contingent liabilities in accordance with the law or other liabilities, in Note 25 to the financial statements. I considered estimation of legal liabilities or other contingent liabilities was a significant risk for audit. As at December 31, 2021, the Group had a net book value of Baht 3,033 million, representing 89.86% of total liabilities. The assessment process of management is required more judgment, and also is subject to assumptions that can be changed based on the forced sales value of the collateral.

Auditor's Risk Response

My key audit procedures included testing the estimate of damages from a court case, testing the increase in cost accounting records which is necessary to sell the collateral land under the property management contract with examining the accounting documents related, testing the expected costs may be incurred from the sale of the land as collateral by estimating of selling price on the forced sales value of the land collateral. The estimated selling price of collateral land is provided by the management by independent appraisers to evaluate sales force. I have evaluated reliably and appropriately on consideration of provision of contingent liabilities from lawsuit.

Impairment of other non-current financial assets

Risk

As discussed in Note 16 to the financial statements, the balance of other non-current financial assets of Baht 2,102 million representing 35.23% of total assets, which is significant to the statement of financial position. In considering the impairment loss, the management had to exercise significant judgement with respect to the projections of future operating performance and the determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of provision for impairment of other non-current financial assets.

Responsibility to risks

- Comparison part of cash flow projections and economic growth assumptions with the company's operating plans. To assess the management's judgment in projecting the expected future cash flows.
- Comparison long-term growth rates with forecasts of economic and industrial sectors. and the assumptions and methods that the Company's management by used to calculate the fair value of other non-current financial assets.
- Understand and assess the appropriateness of the methods used in the assessment. including the assumptions used in the valuation.
- Evaluate the competence, independence and objectivity of independent valuer.
- Verify the accuracy of the accounting records.
- Check the evidence of the transfer of ordinary shares, such as a copy of the list of shareholders stock transfer instrument.
- Assessing the appropriateness and sufficiency of disclosures in accordance with Thai Financial Reporting Standards.

Significant uncertainties associated with going concern

As discussed in Note 1 to the financial statements that, On August 26, 2015, the Company was judged by Criminal Division for Holders of Political Positions of the Supreme Court. ("the Supreme Court") to jointly pay damages amounting to Baht 10,004.47 million to a government bank. On October 17, 2018, the Company has sold the collateral to the purchaser for Baht 8,914.07 million. The circumstances mentioned in Note 1 to the financial statements, represent the material uncertainties related to events that may cast significant doubt upon the entity's ability to continue as a going concern. However, my opinion has not changed because of this matter.

Emphasis of matter

Without qualifying my opinion on the conditions. I draw attention to;

- (1) As discussed in Note 1 to the financial statements that, On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported

the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower (the 19th defendant) and the subsidiary of the 19th defendant have mortgaged their land.

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

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

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

The first group was the criminal cases of Persons Holding Political Positions in decided case No. Aor-Mor.55/2015 by confiscating of land auction of Golden Technology Industrial Park Company

Limited at total of 1,768 rai. The value property of auction buyer was Baht 4,019.62 million. The buyer had placed the deposit of Baht 201 million.

The remaining would be paid within February 1, 2019 and on January 24, 2019, the buyer paid Baht 3,818.62 million. The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho.59/2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of Baht 1,261.02 million, deposit of Baht 65 million and on September 15, 2020, the buyer paid Baht 1,196.02 million. The petitioner, K&V SRS Co., Ltd., held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition and the court made an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account on August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account. (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

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

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

On August 24, 2020, the Company received a notice to repay the debt. According to the decided case No.Aor-Mor.55/2015, The Company still has a debt obligation under the aforementioned

judgment pending with Krung Thai Bank, amount Baht 8,368,732,100, Krungthai Bank wishes to collect all the debts and the Company must pay Baht 8,368,732,100 within 30 days from the date the Company received this letter. The Company has sent a letter to Krung Thai Bank dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case No. Aor-mor. 55/2015 or pay as principal in the civil court in decided case No. Thor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders. The Company reserves the right to take any action in accordance to the law or protect the legitimate rights in all cases, if Krung Thai Bank take any action that causes damage to the Company to the end.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on

Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My

conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 and separate financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kannika Wipanurat

(Ms. Kannika Wipanurat)

Certified Public Accountant, Registration No. 7305

Karin Audit Company Limited

Bangkok

February 28, 2022

12. Financial Statements and Notes

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

(Unit: Thousand Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | As at December 31, | As at December 31, | As at December 31, | As at December 31, |
| | | 2021 | 2020 | 2021 | 2020 |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 7 | 100,337 | 111,157 | 6,175 | 19,873 |
| Trade and other current receivables | 8 | 179,770 | 256,440 | 627,568 | 874,397 |
| Short-term loans | 9 | - | 412,145 | 1,413,371 | 1,806,119 |
| Inventories | 10 | 1,005,553 | 1,679,755 | 484,862 | 1,001,967 |
| Current tax assets | | - | - | - | - |
| Other current financial assets | 11 | 310,000 | 1,072,160 | 310,000 | 1,072,160 |
| Other - current assets | 12 | 395,000 | - | 247,000 | - |
| Non current asset or disposal groups classified as held for sale | 13 | - | 115,060 | - | - |
| Total current assets | | 1,990,660 | 3,646,717 | 3,088,976 | 4,774,516 |
| NON - CURRENT ASSETS | | | | | |
| Investments in subsidiaries | 14 | - | - | 7,661 | 35,473 |
| Deposit financial institution under pledged | 15 | 57,010 | 72,041 | 13,819 | 50,264 |
| Other non current financial assets | 16 | 2,102,454 | 900,000 | 2,102,454 | 900,000 |
| Investment in ordinary share with condition repurchase | 9 | 312,959 | - | 312,959 | - |
| Trade accounts and other non - current receivable | | 3,089 | 3,229 | 539 | 508 |
| Long - term loans | 17 | - | - | - | - |
| Investments property | 18 | 9,271 | 8,454 | 259,288 | 264,793 |
| Property, plant and equipment | 19 | 985,890 | 1,059,019 | 13,997 | 22,235 |
| Right-of-use assets | 20 | 147,678 | 225,932 | 5,252 | 8,641 |
| Other intangible assets | 21 | 1,048 | 1,067 | 46 | 61 |
| Other non - current assets | 23 | 357,476 | 790,977 | 43,093 | 35,991 |
| Total non - current assets | | 3,976,875 | 3,060,719 | 2,759,108 | 1,317,966 |
| TOTAL ASSETS | | 5,967,535 | 6,707,436 | 5,848,084 | 6,092,482 |

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

| (Unit: Thousand Baht) | | | | | |
|---|-------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | As at December 31, | As at December 31, | As at December 31, | As at December 31, |
| | Note | 2021 | 2020 | 2021 | 2020 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Bank overdrafts and short - term borrowings from financial institutions | | - | 2,961 | - | - |
| Trade and other current payable | 24 | 144,047 | 344,435 | 186,673 | 180,845 |
| Current portion of long - term debts | 1, 26 | 35,200 | 17,823 | 21,093 | 1,073 |
| Current portion of liabilities under lease agreements | 27 | 18,136 | 59,760 | 3,688 | 3,456 |
| Short - term loans | | 990 | 990 | - | - |
| Current provisions for employee benefits | 28 | - | 425 | - | 425 |
| Other current provisions | 1, 25 | 3,033,085 | 3,036,602 | 2,986,835 | 2,986,584 |
| Current financial liabilities | | 25,482 | 25,482 | - | - |
| Total current liabilities | | 3,256,940 | 3,488,478 | 3,198,289 | 3,172,383 |
| NON - CURRENT LIABILITIES | | | | | |
| Long - term debts | 1, 26 | 11,572 | 23,418 | - | - |
| Liabilities under lease agreements | 27 | 45,690 | 48,124 | 2,055 | 5,608 |
| Trade and other non - current payable | | 3,670 | 2,972 | 2,611 | 434 |
| Deferred tax liabilities | 22 | 5,666 | 5,988 | - | - |
| Non - current provisions for employee benefits | 28 | 5,440 | 4,730 | 3,503 | 3,150 |
| Other non current provisions | 14.2 | 46,168 | 46,168 | 46,168 | 46,168 |
| Total non current liabilities | | 118,206 | 131,400 | 54,337 | 55,360 |
| TOTAL LIABILITIES | | 3,375,146 | 3,619,878 | 3,252,626 | 3,227,743 |
| SHAREHOLDERS EQUITY | | | | | |
| Share capital | 29 | | | | |
| - Authorized share capital | | | | | |
| 294,012.03 million common share, Baht 0.50 par value | | | 147,006,013 | | 147,006,013 |
| 162,117.14 million common share, Baht 0.50 par value | | 81,058,571 | | 81,058,571 | |
| - Issued and paid up share capital | | | | | |
| 85,324.81 million common shares, Baht 0.50 per share | | 42,662,405 | 42,662,405 | 42,662,405 | 42,662,405 |
| Discount on common shares | | (32,759,548) | (32,759,548) | (32,759,548) | (32,759,548) |
| Premium on common shares from capital reduction | | 153,537 | 153,537 | 153,537 | 153,537 |
| Discount from decrease in shareholding in subsidiary | | (47,939) | (47,939) | - | - |
| Deficit | | (7,416,064) | (6,920,952) | (7,460,936) | (7,191,655) |
| Total shareholder equity of parent - net | | 2,592,391 | 3,087,503 | 2,595,458 | 2,864,739 |
| Non - controlling interests | | (2) | 55 | - | - |
| Total shareholders equity - net | | 2,592,389 | 3,087,558 | 2,595,458 | 2,864,739 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | | 5,967,535 | 6,707,436 | 5,848,084 | 6,092,482 |

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

(Unit: Thousand Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|------------|-------------------------------|------------|
| | Notes | 2021 | 2020 | 2021 | 2020 |
| REVENUES | | | | | |
| Revenues from sales of property | | 968,306 | 406,552 | 500,481 | 134,545 |
| Revenues from hotel business | | 67,124 | 98,522 | - | - |
| Revenues from property rental operations and related services | | - | 20,618 | - | - |
| Total revenues | | 1,035,430 | 525,692 | 500,481 | 134,545 |
| COSTS | | | | | |
| Costs of property sold | | (1,173,252) | (341,828) | (531,642) | (111,603) |
| Costs of service from hotel business | | (157,517) | (192,727) | - | - |
| Cost of property rental operations and related services | | - | (9,382) | - | - |
| Total cost | | (1,330,769) | (543,937) | (531,642) | (111,603) |
| Gross profit (loss) | | (295,339) | (18,245) | (31,161) | 22,942 |
| Other income | 30 | 235,300 | 60,415 | 293,409 | 328,204 |
| Profit (loss) before expenses | | (60,039) | 42,170 | 262,248 | 351,146 |
| Distribution costs | | (52,429) | (43,168) | (34,426) | (16,136) |
| Administrative expenses | | (365,675) | (379,434) | (496,386) | (783,699) |
| Total expenses | | (418,104) | (422,602) | (530,812) | (799,835) |
| Loss before financial cost and income tax | | (478,143) | (380,432) | (268,564) | (448,689) |
| Finance cost | | (10,357) | (11,408) | (717) | (740) |
| Loss before income tax | | (488,500) | (391,840) | (269,281) | (449,429) |
| Income (expense) income tax | | (6,661) | (49) | - | - |
| Loss for the year | | (495,161) | (391,889) | (269,281) | (449,429) |
| Other comprehensive loss for the year - Net tax | | - | - | - | - |
| Total comprehensive loss for the year | | (495,161) | (391,889) | (269,281) | (449,429) |
| Loss for the period attributable to : | | | | | |
| Owners of the parent | | (495,112) | (391,761) | (269,281) | (449,429) |
| Non - controlling interest | | (49) | (128) | - | - |
| | | (495,161) | (391,889) | (269,281) | (449,429) |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the parent | | (495,112) | (391,761) | (269,281) | (449,429) |
| Non - controlling interests | | (49) | (128) | - | - |
| Total comprehensive loss for the year | | (495,161) | (391,889) | (269,281) | (449,429) |
| Basic loss per share : Owners of the parent | | | | | |
| (equivalent to par value of Baht 0.50 per share) | 33 | (0.0058) | (0.0046) | (0.0032) | (0.0053) |
| Weighted average number of shares | | | | | |
| (In Thousand Shares) | | 85,324,811 | 85,324,811 | 85,324,811 | 85,324,811 |

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

| | (Unit: Thousand Baht) | | | | | | |
|--|--|------------------------------------|---|---|-------------|--|--------------------------------------|
| | Consolidated Financial Statements | | | | | | |
| | Issued and Paid-up Share Capital | Premium (Discount) on Shares | Premium on Common Shares from Capital Reduction | Discount from Increase in Shareholding in Subsidiary | Deficit | Total shareholders' equity of the Company | Total Share holders equity-net |
| Balance as at January 1, 2020 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,529,191) | 3,479,264 | 3,479,447 |
| Total comprehensive income for the year | - | - | - | - | (391,761) | (391,761) | (391,889) |
| Balance as at December 31, 2020 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,920,952) | 3,087,503 | 3,087,558 |
| Balance as at January 1, 2021 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (6,920,952) | 3,087,503 | 3,087,558 |
| Total comprehensive income for the year | - | - | - | - | (495,112) | (495,112) | (495,161) |
| Decreased from the loss of control in the subsidiary | - | - | - | - | - | - | (8) |
| Balance as at December 31, 2021 | 42,662,405 | (32,759,548) | 153,537 | (47,939) | (7,416,064) | 2,592,391 | 2,592,389 |

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

| | (Unit: Thousand Baht) | | | | |
|---|--|---------------------------------|---|--------------------------------|--------------------------------------|
| | Separate Financial Statements | | | | |
| | Issued and Paid-up Share Capital | Premium (Discount) on Shares | Premium on Common Shares from Capital Reduction | Retained earnings (Deficit) | Total Share holders equity-net |
| Balance as at January 1, 2020 | 42,662,405 | (32,759,548) | 153,537 | (6,742,226) | 3,314,168 |
| Total comprehensive income for the year | - | - | - | (449,429) | (449,429) |
| Balance as at December 31, 2020 | 42,662,405 | (32,759,548) | 153,537 | (7,191,655) | 2,864,739 |
| Balance as at January 1, 2021 | 42,662,405 | (32,759,548) | 153,537 | (7,191,655) | 2,864,739 |
| Total comprehensive income for the year | - | - | - | (269,281) | (269,281) |
| Balance as at December 31, 2021 | 42,662,405 | (32,759,548) | 153,537 | (7,460,936) | 2,595,458 |

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

| | | (Unit: Thousand Baht) | | | |
|---|------|-----------------------------------|-----------|-------------------------------|-----------|
| | | Consolidated financial statements | | Separate financial statements | |
| | Note | 2021 | 2020 | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Loss for the year - Net | | (495,161) | (391,889) | (269,281) | (449,429) |
| Adjustments of reconcile net profit (loss) to cash received (paid) | | | | | |
| Adjusted tax (income) expense | | 6,661 | 49 | - | - |
| Adjusted financial cost | | 10,357 | 11,408 | 717 | 740 |
| Adjusted interest income | | (157,330) | (12,032) | (256,606) | (125,645) |
| Adjusted trade and other current receivables (increase) decrease | | 30,919 | (110,529) | 20,045 | 12,435 |
| Adjusted trade and other non-current receivable decrease | | 140 | 3,973 | (31) | 593 |
| Adjusted inventories decrease | | 755,036 | 306,645 | 566,428 | 97,103 |
| Adjusted financial asset (increase) | | (310,000) | - | (310,000) | - |
| Adjusted restricted deposit with bank decrease | | 15,031 | 22,341 | 36,445 | 207 |
| Adjusted other non current assets (increase) decrease | | 193,716 | (25,498) | 1,201 | (1,201) |
| Adjusted trade and other current payable increase (decrease) | | (197,239) | 96,630 | 78,802 | (44,148) |
| Adjusted trade and other non-current payable increase | | 698 | 487 | 2,177 | 434 |
| Depreciation, losses and amortization | | 88,192 | 95,752 | 10,863 | 12,119 |
| Adjusted provision for liabilities increase (decrease) | | (11,229) | (4,263) | 251 | (481) |
| Adjust credit loss | | 11,011 | 8,348 | 199,515 | 353,279 |
| Adjusted with litigation damage reserves increase (decrease) | | 9,315 | 45,713 | - | 274 |
| Adjusted provisions for employee benefits | | 710 | 785 | 353 | 380 |
| Adjusted other income | | (3,385) | (2,753) | (127) | (115) |
| Adjusted amortized expenses | | 5,023 | 8,668 | 384 | 60 |
| Adjusted by (reversal) of allowance of credit loss diminution of value in inventories | | (80,834) | (24,431) | (49,323) | (6,277) |
| Adjusted by (reversal) of allowance for loss investment in subsidiaraes | | - | - | (14,293) | 90,007 |
| Adjusted by (profit) loss from sales of property, plant, equipment | | (5,644) | 793 | (6,489) | (17) |
| Adjusted by allowance of credit loss diminution of value in other non current asset | | 244,300 | 22,237 | - | - |
| Adjusted with loss from sale property, plant, equipment and leasehold rights | | - | 5,148 | - | - |
| Payment provisions for employee benefits | | (425) | (1,209) | (425) | (786) |
| Adjusted allowance for loss from asset held for sale | | - | 25,114 | - | - |
| Adjusted by loss from disposal of investment in subsidiary | | (4,578) | - | 131,605 | - |
| Adjusted by impairment loss on right-of-use assets | | 67,200 | - | - | - |
| Adjusted by loss from impairment investment property | | (8,730) | - | - | - |
| Total adjustment of reconcile net profit (loss) | | 163,754 | 81,487 | 142,211 | (60,468) |
| Cash provided by (used in) operating activities | | | | | |
| Cash paid for income tax | | (12,155) | (8,090) | (8,303) | (2,608) |
| Net cash provided by (used in) operating activities | | 151,599 | 73,397 | 133,908 | (63,076) |

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

| (Unit: Thousand Baht) | | | | | |
|---|------|-----------------------------------|----------|-------------------------------|-----------|
| | | Consolidated financial statements | | Separate financial statements | |
| | Note | 2021 | 2020 | 2021 | 2020 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Cash paid for deposit common stock installment | | (395,000) | - | (247,000) | - |
| Cash paid increase investment in ordinary share in the subsidiary | | - | - | (181,500) | - |
| Cash received from sales ordinary shares in the subsidiary | | 92,000 | - | 25,000 | - |
| Cash received from sales of property, plant and equipment | | 12,981 | 17 | 12,981 | 17 |
| Cash paid for purchase of property, plant and equipment | | (3,463) | (1,175) | (206) | (90) |
| Cash paid for intangible assets | | (233) | (254) | - | (73) |
| Cash paid for short-term loans | | - | - | (927,441) | (432,962) |
| Cash recived from shrot term loan | 9 | 154,131 | - | 1,079,668 | 486,864 |
| Interest income | | 1,688 | 29,035 | 74,909 | 28,633 |
| Net cash provided by (used in) investing activities | | (137,896) | 27,623 | (163,589) | 82,389 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Cash bank overdrafts and short - term borrowings from financial institutions decrease | | (2,961) | (33) | - | - |
| Cash recived from long term loan | | 20,000 | - | 20,000 | - |
| Cash paid for long-term loans | | (14,489) | (8,635) | - | - |
| Cash paid for decrease liabilities that occurs from lease | | (15,504) | (9,202) | (3,321) | (2,968) |
| Interest paid | | (6,776) | (8,452) | (696) | (722) |
| Net cash flows provided by (used in) financial activities | | (19,730) | (26,322) | 15,983 | (3,690) |
| Cash and cash equivalents net decrease - Net | | (6,027) | 74,698 | (13,698) | 15,623 |
| Cash and cash equivalents at beginning of the year | | 111,157 | 36,459 | 19,873 | 4,250 |
| Cash decrease from non controlling interest in the subsidiary | | (4,793) | - | - | - |
| Cash and cash equivalents at end of the year | | 100,337 | 111,157 | 6,175 | 19,873 |

Supplemental disclosure of cash flows information :

Non cash transactions

- As at December 31, 2021, the subsidiary classified property, plant and equipment as investments property of Baht 0.90 million due to change objective to rental.
- As at December 31, 2021, the Company received liabilities short term loan from the non-related company that the debt was settled by revaluation of the securities with ordinary shares of companies that are not listed on the stock exchange amounting to Baht 312.96 million. which the company deducted accrued interest of Baht 54.95 million and principal on short-term loans of Baht 258.01 million.(Note 9)
- As at December 31, 2021 the Company received liability of promissory note from the non-related company. The non-related company repayment was settled by revaluation of the securities by ordinary shares of the non-related company that are not on the stock exchange "amount of Baht 1,202,454 million, which the company brought to deduct in the amount of Baht 17.45 million and" the principal of short-term loans in the amount of Baht 1,072,160 million (Note 16).
- As of December 31, 2021, the Company sold its investment in a subsidiary. Some of the proceeds sold were loaned to the subsidiary for Baht 67 million.

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH AND CASH EQUIVALENTS

As at December 31, 2021 and 2020 as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Cash | 1,140 | 1,407 | 77 | 239 |
| Cash at bank - savings accounts | 39,509 | 45,686 | 1,420 | 1,147 |
| Cash at bank - current accounts | 7,481 | 3,815 | 4,678 | 517 |
| Cash at bank - fixed accounts | 34,207 | 42,279 | - | - |
| Check in transit | - | 17,970 | - | 17,970 |
| Promissory note | 18,000 | - | - | - |
| Total | 100,337 | 111,157 | 6,175 | 19,873 |

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

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2021

1. GENERAL

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

1.1 Status of the Company

- a) On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions (“the Supreme Court”) sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Company Limited (“Golden”) (the 19th defendant) and K & V SRS Garden Home Company Limited (“Garden Home”) the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of land net of commission fee on sales would be Baht 8,924.30 million and in year 2016. The management expects that the forced sale value of land would be Baht 5,800 million. The Legal Execution Department has set a date for the sale of collateral on December 27, 2017 however on that date, the Enforcement Officer has been notified of the order refraining from enforcement of the Supreme Court Criminal Division of Political Position (“Supreme Court”), dated December 25, 2017. The abstention of the case will be effective until the Supreme Court to change the order so, the Enforcement Officer has rescinded the sale of collateral under the order of the Supreme Court. The Supreme Court has no order to enforce the case because the third defendant filed a petition to stay execution to the Supreme Court on December 21, 2017. The Supreme Court held a hearing on the petition on December 25, 2017 and has ordered the copy of the petition to the Enforcement Officer and all stakeholders for acknowledge and they can filing an objection period related parties know the partner involved to object to the petition within 15 days from the date of receiving a copy of the petition and also to postpone the hearing of case to investigate the petition on 5 and 8 March 2018 and ordered to stop the execution during the Supreme Court ruling on the petition until the Supreme Court orders otherwise changed. The Supreme Court Criminal Division politicians had canceled the execution of the lawsuit on that day March 5, 2018 in accordance with the docket on December 25, 2017 and cancel hearing date

on March 8, 2018. On April 9, 2018, the Legal Execution Department has set a date for the sale of collateral on the first times on June 6, 2018 and second on June 27, 2018, the third on July 18, 2018 and the fourth on August 8, 2018. The initial price, is set by the Committee of set the price of assets, amounted to Baht 8,950.78 million. The initial price will be equal to the price set by the committee in the first auction. If anyone bid, the Legal Execution officer will reduce the initial price 10% at each time but will not be lower than 70% of the first price. In case of sale with collateral, the Legal Execution officer will deduct the current debt form the referred price and round up as the announcement. On July 26, 2018, the Supreme Court's Criminal Division for Persons Holding Political Position ordered for the black case no. Aor Mor Kor 1/2018 to cancel the suspension order for legal execution according to the report of the proceeding dated May15, 2018 and to allow the legal execution officer to process for the land auction except for the disputed land. On September 14, 2018, that Company received the announcement from the Legal Execution Department dated August 17, 2018 and the Legal Execution officer announced the public auction for the assets in the case for 4 schedules as following schedules 1 on October 17, 2018, schedules 2 on November 7, 2018, schedules 3 on November 28, 2018 and schedules 4 on December 19, 2018, On October 17, 2018, the public auction and it sold the collateralized assets to the purchaser at the price of Baht 8,914.07 million. At the present, the Legal Execution officer is preparing of accounts and the Bidders has filed an application for the postponement of the period of payment to be on February 1, 2019. The properties sold at the auction were divided into 3 groups as follows:

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

The second group was the civil suit in decided case No.4007/2009 and undecided case No. Tho.59/2018. Krisadamahanakorn Public Company was the plaintiff prosecuted Golden Technology Industrial Park (Golden), the defendant on land deposit. The land of this case seized at auctioned property for sale in the amount of 659-3-60 rai, land ownership belongs to the Golden Company. The auction buyer purchased price of Baht 1,261.02 million, deposit of Baht 65 million. On September 15, 2020 the auction buyer has be paid Baht 1,196.02 million. The petitioner, K&V SRS Company Limited held by Golden 99.97%, filed the request to revoke auction by claiming that the auction was unlawful. The Company filed the objection on January 24, 2019 to such petition, and the court made an appointment to hear civil court order on March 20, 2019. The court sentenced that the petitioner was only Golden Company shareholder. The petitioner therefore did not become stakeholder in the case. In addition, the petition to revoke auction in this case concerning or affecting the petitioner which was the judgment debtor in middle bankruptcy case. The petitioner claimed that the petitioner could not repay debt to the creditor completely and were damaged thereby deemed to defend the debtor property. When the petitioner was sentenced by court to be bankrupt, the power to defend lawsuit regarding property of petitioner was the authority of official receiver only. The petitioner had no authority to file petition in the case. The trial court result dismissed petition. The court of Appeals filed same as civil court, the court read the verdict on March 12, 2020. Subsequently, on July 21, 2020, the Krung Thai Bank Public Company Limited filed a petition against the order of the executing officer

to suspend payment. It is the branch undecided case No. Kor Chor. 245/2017, the branch decided case No. Khor Chor. 38/2018. The court appointment on the date of the hearing of the petition on September 14, 2020. The plaintiff's lawyer filed an objection in the case that the executing officer issued an order standing under the property average account on August 5, 2020. The court scheduled a hearing for the petition on October 12, 2020 and submitted an objection to the petition of Krung Thai Bank Public Company Limited on August 31, 2020. On the date of the hearing of the petition on September 14, 2020, the court has dismissed the plaintiff's claim and canceled the scheduled hearing date on October 12, 2020 and to determine the executing officer to pay money to the person in the average account. (means payment to Krung Thai Bank Public Company Limited according to the receiving-pay account), the plaintiff's lawyer subsequently filed an appeal against the order of the Court of First Instance on October 12, 2020, which is currently being considered by the Appeal Court.

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

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

Company) and called the second objector which will appoint witnesses on April 25, 2019 and April 26, 2019. The court appointed the witness examination on May 14, 2019. The case result was dismissed by the court.

- b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Company Limited (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.
- c) On October 16, 2015, the Company, "Golden" and Progress Property Management Company Limited ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition, the board of directors meeting No.12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore, the officer will report to the court to lift this bankruptcy case according.

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

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

On June 17, 2019, the plaintiff appealed the judgment and on July 18, 2019, the three defendants filed a petition, Later, on June 4, 2020, the Supreme court read the judgment of the Court of Appeals, which reversed judgment that the 1st defendant transfer the shares held by Golden Technology Industrial Park Company Limited amount to 5,440,000 shares return to the plaintiff. If 1st defendant does not take action, the judgment shall be taken of the court instead of intention. Any other request to cancels costs fee for both court on July 1, 2020, the lawyers of the three defendants filed a petition to extend the period on the 1st and the court permit to extend the period till the date on August 4, 2020. And as at July 31, 2020, AQ Estate Public Company Limited with the three defendants filed a petition to extend the period on the 2nd that the court permit to extend the period till the date on September 3, 2020. The three defendants not to filed a petition. The case had terminated.

On August 3, 2018, Case NO. P.4393/2018. AQ Estate Public Company Limited sue Golden Technology Industrial Park Company Limited and Progress Property Company Limited (co-defendant) to be a civil case, to refund advance which AQ has paid reservation according to the property management agreement, amounting of Baht 74,999,995. On August 6, 2019, the co-defendant filed a petition to postpone the case, claiming that the Golden company was sued by the

Krung Thai Bank in bankruptcy cases. The bankruptcy court will consider on August 20, 2019. Therefor the civil court has agreed to wait for the outcome of the bankruptcy case and then postponed the appointment to hear the results on September 17, 2019. Later, the Krung Thai Bank bankruptcy case of discontinued Golden Technology Industrial Park Company Limited, so the civil case will be continuing. The courts on January 14, 2021, sentenced the case, the defendant is Golden Company pay to AQ Estate Public Company Limited amount Baht 52,381,259.93 million plus 7.5% of interest per year. At present, the plaintiff is satisfied with the verdict and does not wish to appeal. As for the defendant and the petitioner, the appeal has been filed with the court and the plaintiff has filed an appeal against the court. The case is currently being considered in the appeal. The Court scheduled to hear the judgment and/or the Court of Appeal's order on March 17, 2022.

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

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

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

On January 5, 2017, the bank informed the Company and Golden that the bank cannot accept the proposals of the Company regarding debt restructuring. And on April 5, 2017, the bank informed (1) Golden has enter the debt restructuring as civil black case number Tor.268/2006 in whole amount,

under the condition of Por-Kor-Sor.007/2017 dated on January 5, 2017 within April 2017. (2) The Company has following the judgmental of the Supreme Court's Criminal Division for Persons Holding Political Positions as case red number. Aor-Mor.55/2015 and repayment for damage fee amount of Baht 10,004,467,480 to the bank within June 2017. If there have non proceeding, the bank might proceed the legal execution for every case.

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be enough for payment of damages to the bank and/or mutually discuss the terms and conditions for the payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

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

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

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

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

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

As disclosed in Note 29 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12-14, 2017 and Baht 1,925 million on July 17-21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2021 as follows:

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

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

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

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

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

The Company has sent a letter to Krungthai Bank Public Company Limited dated September 15, 2020 stating that the bank has to perform in accordance with the contract and agreement as well as according to the Bank's regulations. All proceeds from the auction are used to pay damages in the case of the Supreme Court's criminal cases of political positions division as the decided case No. Aor Mor. 55/2015 or pay as principal in the civil court in decided case No. Tor. 2687/2007. The claims for the Company to pay debt and to solve for bankruptcy according to the reference book, it was an act of wrong doing with the intention of causing damage to the Company and all its shareholders The Company reserves the right to take any action in according to the law or protect the legitimate rights in all cases, if Krungthai Bank Public Company Limited take any action that causes damage to the Company to the end. Because the case is not over yet as a result, the Company is unable to reverse the provisions that it has set aside for.

- e) On September 25, 2019, AQ Estate Public Company Limited sued Krung Thai Bank Public Company Limited (the 1st defendant) and others, totaling 13 persons to be a civil case, financial statements revision for 1st quarter 2019 of Krung Thai Bank to claim the refund of Baht 3,898,704,840 to pay for damages in lawsuit of the Supreme Court's Criminal Division for persons Holding Political Positions according to Black Case No. Aor-Mor. 3/2012, according to Red Case No. Aor-Mor. 55/2015, if the defendant fails to comply with payment of damages amount. The court are meeting of settlement of issue and define prosecution guidelines or the courts meeting schedule the hearing date on November 18, 2019. The totaling of defendant filed to expand the time on February 9, 2020. The lawyer has comment to the court should be consider trend and judgment for conditional in contract on August 10, 2017. The court determines an appointment to decide the law or an appointment pointing to two places on February 11, 2022 and determine of the date of plaintiff witness hearing on March 22-23, 2022 and the defendant witness hearing on March 24, 29-31, 2022.

2. BASIS FOR INTERIM FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Coronavirus disease 2019 Pandemic

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

2.2 Basis for interim financial statements preparation

These company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the securities and Exchange commission under the securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements. In case, the conflict or difference in interpretation between two languages so, force to the financial statement according to Thai law.

2.3 Principles of consolidation

The consolidated financial statements include the accounts of AQ Estate Public Company Limited and the following direct and indirect subsidiaries for which more than 50% of capital shares with voting right are owned by the Company:

The consolidated financial statements include the financial statements of the AQ Estate Group as follows:

| | | | Proportionate of Share (%) | |
|----------------------------------|---|-----------------|----------------------------|-------------------|
| | | Type of Holding | December 31, 2021 | December 31, 2020 |
| Subsidiaries | | | | |
| AQ Village Co., Ltd. | Recreational services and provides hotel and resort | Direct | 99.94 | 99.94 |
| AQ Marketing Service Co., Ltd. | Sale management services | Direct | 99.94 | 99.94 |
| AQ Property Management Co., Ltd. | Management of commercial space | Direct | 99.93 | 99.93 |

| | | | Proportionate of Share (%) | |
|--|---|-----------------|----------------------------|-------------------|
| | Type of Business | Type of Holding | December 31, 2021 | December 31, 2020 |
| Allied Technologies International Co., Ltd. | Real estate trading | Direct | 99.90 | 99.90 |
| Thanont Property Co., Ltd. | Real estate trading | Direct | 99.80 | 99.80 |
| Free Zone Asset Co., Ltd.* | Real estate for rent and services | Direct | - | 99.98 |
| Aquarius Estate Co., Ltd. | To sell, acquire, provide services and operate in real estate | Direct | 99.99 | 99.99 |
| Villa Nakarin Co., Ltd. | Real estate trading | Direct | 99.99 | 99.99 |
| The Tarna Align Resort Co., Ltd. | Hotel services | Direct | 99.82 | 99.82 |
| Vitoonthanakorn Co., Ltd. (Subsidiary held through Thanont Property Co., Ltd.) | Real estate trading | Indirect | 99.99 | 99.99 |
| Baan Chidthara Co., Ltd. (Subsidiary held through AQ Village Co., Ltd.) | Recreational services and provides hotel and resort | Indirect | 99.99 | 99.99 |
| Aquarius Hotel & Resort Co., Ltd. (Subsidiary held through Aquarius Estate Co., Ltd.) | To sell, acquire, provide service and operate in real estate | Indirect | 99.99 | 99.99 |

Significant transactions among the AQ Estate Group have been eliminated in these consolidated financial statements.

The financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.

Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and under equity in the consolidated statements of financial position.

*Selling investment and terminated a subsidiary since October 29, 2021 (Note 14.4)

2.4 The judgments and estimates Currency use in operation and present the financial statements

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3. ESTIMATION

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognized in the financial statements is included in the following notes :

| | |
|------------|--|
| Note 14 | Business combination |
| Note 14.2 | Provisions |
| Note 18,19 | Depreciation of buildings, equipment and investment properties |
| Note 22 | Deferred taxation and utilization of tax losses |
| Note 25 | Other current liabilities provisions |
| Note 28 | The assumptions of discount rate, future salary increase rate, staff turnover rate, mortality rate and disability rate |
| Note 34 | Fair value measurement of financial instrument |

4. NEW FINANCIAL REPORTING STANDARDS

a) FINANCIAL REPORTING STANDARDS THAT BECAME EFFECTIVE IN THE CURRENT YEAR

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 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 believes that adoption of these amendments will not have any significant impact on the Company financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022.

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Financial instruments

The initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Company may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

For trade receivables and asset from contract, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Trade and other current receivables

Trade and other current receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

5.2 Cash and Cash Equivalents

Cash on hand is kept for general use purpose within the AQ Estate Group. Cash equivalents are savings deposits and current accounts, highly liquid investments that are readily convertible to known amount of cash that are subject to an insignificant risk of change in value.

5.3 Inventory Valuation

Inventories of real estate business are valued at the lower of cost by using specific method or net realizable value.

Inventories of service business are values at the lower of cost by using the moving average method or net realizable value.

Cost of inventory for real estate business comprises all cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.

Cost of service business comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

The AQ Estate Group provides an allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

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

5.4 Land Held for Future Development

Land held for future development are stated at the lower of cost or net realisable value.

Land held for future development represents land for future development which includes cost of land, costs of land development and related interest as referred to above.

The AQ Estate Group recognize impairment loss if there are circumstances indicating that the recoverable amounts may be less than the net book values.

5.5 Non current asset or disposal asset groups classified as held for sale

Disposal assets (liabilities) groups classified as held for sale

Disposal assets (liabilities) groups is classified as held for sale if its carrying value will be recovered principally through a sale transaction rather than through continuing use, such asset (liabilities) is available for immediate sale in its present and its sale is highly probable.

Disposal assets (liabilities) groups classified as held for sale is measured at the lower of it carrying value and fair value less costs to sell.

5.6 Investments in shares

Investments in subsidiaries and associates in the separate financial statements of The AQ Estate Group are accounted for using the cost method (if any). Investments in associates in the consolidated financial statements are accounted for using the equity method.

The cost of investments disposed of during the year is determined by the weighted average method (if any).

5.7 Investment Property

Investment property is property, including property held under an operating lease which would otherwise qualify as investment property, which is held to earn rental income, for capital appreciation or for both.

Investment property is measured initially at cost and subsequently measured at fair value. However, managements will review the fair value to reflect market conditions at the end of the reporting period. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted. Any change in fair value is recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

5.8 Property, Plant and Equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of comprehensive income.

Depreciation

The AQ Estate Group depreciates their Buildings and equipment by the straight-line method over the following estimated useful lives:

| | Years |
|--|-----------|
| Buildings and building improvements | 3, 5 - 48 |
| Sport club and others | 5, 20 |
| Furniture, fixtures and office equipment | 3 - 5, 20 |
| Vehicles | 5 |

5.9 Leases

Leases - where the Company is the lessee

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

The Company assesses the lease term for the non - cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

a) Right-of-use asset

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

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

b) Lease liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

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

5.10 Goodwill

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

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

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

5.11 Intangible Assets

Intangible assets that are acquired by the AQ Estate Group are stated at cost less accumulated amortization and allowance for loss on impairment of assets.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite.

Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follows:

| | Years |
|-------------------|-------|
| Software licenses | 5 |

5.12 Impairment of non financial asset

The carrying amounts of the Group assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash - generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non - financial asset is the greater of the asset's value in use or fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash - generating unit to which the asset belongs.

Reversals of impairment

An impairment loss recognized in prior years in respect of other non - financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The Group performs impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group determines the devaluation of such assets based on net realizable value. The determination of what is devaluation requires the management to exercise judgment.

5.13 Accounting estimates

Preparation of financial statements in conformity with Thai Financial Reporting Standards required the management to make several estimation and assumption which affected the amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

The judgments, estimates and assumptions including the key sources applied in the financial statements. As the same those applied in the annual financial statements for the year ended December 31, 2020.

5.14 Provision

A provision is recognized when the AQ Estate Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

5.15 Provision for Employee Retirement Benefit

Employee benefits

a) Short - term employee benefits

Short - term employee benefit obligations, which include salaries, wages, bonuses, and contributions to the social security fund, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Post - employment benefits

The Company records post - employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530 (1987)) and a defined benefit plan (obligations for retired employees under the Thai Labor Protection Act B.E. 2541 (1998)).

- Defined contribution plan

A defined contribution plan contribution plan is a post - employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the years during which services are rendered by employees.

- Defined benefit plan

A defined benefit plan is a post - employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years. Such benefits are discounted to determine its present value using the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by an independent actuary using the Projected Unit Credit Method.

The Company recognised immediately all actuarial gains or losses arising from defined benefit plans in profit or loss.

c) Other long - term employee benefits

The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years, that benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the year in which they arise.

d) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognized costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of reporting year, then they are discounted.

5.16 Use of Judgments and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used. The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Use of judgment

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Consolidation: whether the AQ Estate Group has de facto control over an investee
- Lease classification

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Current and deferred taxation
- Utilization of tax losses
- Business combination
- Valuation of investment properties
- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments

5.17 Revenues and Expenses Recognition

a) Revenue from sales of real estate

Revenues from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally, upon delivery of the goods. Revenues from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of “Unearned income” in the statement of financial position.

b) Revenue from sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and price promotions to customers.

c) Rental income

Rental income is recognised in the statement of comprehensive income on an accrual basis over the term of the lease. Initial expenses are recorded as a part of total rental as lease agreement.

d) Revenue from hotel business

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

e) Service income

Service income is recognised over time when services measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Unbilled receivables” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Company’s and its subsidiaries’ right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advance received from customers” in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

f) Revenue from hotel management services

Revenue from hotel management services is recognised over time when services have been rendered taking into account the stage of completion.

g) Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

h) Dividend income

Dividend income are recognised when the right to receive the dividends is established.

i) Expenses

Expenses are recorded based on an accrual basis.

5.18 Construction Contracts

The AQ Estate Group recognizes revenue from construction contracts by recognizes construction revenue over time where the stage of completion is measured using an input method. The percentage of completion is computed based on the estimation by the AQ Estate Group's project engineer together with the consideration of actual cost of work performed and the estimated total cost of the project. The estimated total cost is determined by The AQ Estate Group's project engineers or its responsible person, which is subject to change. The related actual costs are taken up as incurred on an accrual basis. Expected loss on each project is provided and charged as expense in the period when the estimated total costs of the project exceed its total contracted income.

5.19 Costs of Land and Houses Sold and Residential Condominium Units Sold

Costs of land and houses sold and residential condominium units sold consist of cost of land, land improvement, design fees, public utilities, constructions and direct related interest and other related cost.

In determining the costs of land and houses sold and residential condominium units sold the AQ Estate Group's, total development costs (taking into account actual costs incurred to date) are attributed to land and houses sold on the basis of the salable area and residential condominium units sold on the basis of the salable price and area.

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

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognized when the ownerships have been transferred.

5.20 Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

5.21 Finance Costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

5.22 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

5.23 Income Taxes

The income tax charge is based on profit for the period and considers deferred taxation. Deferred income taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in the AQ Estate Group. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the AQ Estate Group expects to recover or settle the carrying amount of their assets and liabilities. At the statement of financial position date.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the AQ Estate Group re-assesses unrecognized deferred tax assets. The AQ Estate Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The AQ Estate Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

5.24 Gain (Loss) per Share Attributable to Owners of the Parent

Gain (Loss) per share attributable to owners of the parent is determined by dividing gain (loss) for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year.

5.25 Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments and geography segments of the Group's operations.

5.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. TRANSACTIONS WITH RELATED PARTIES

A significant portion of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships. The significant transactions with related parties as included in the consolidated financial statements are determined at the price as stipulated in the agreement or mutual negotiation (Some of the transactions are supported by contracts and some are not supported, some areas of businesses and advertising management services, which are the specific services, do not have referenced market price), which basis may be different from those determined for transactions with unrelated companies.

Key management personnel mean persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director of the AQ Estate Group. (whether executive or otherwise)

The significant transactions between the AQ Estate Group and their related parties for each of the years ended December 31, 2021 and 2020 are as follows

| | | | (Unit: Thousand Baht) | |
|---|----------------------------------|-----------------------------|-----------------------|---------|
| | | | Separate | |
| | | | Financial Statements | |
| | Relationship | Policy of Pricing | 2021 | 2020 |
| Management fee income | Direct and indirect subsidiaries | Contract agreement | 13,600 | 17,200 |
| Land rental income | Direct subsidiary | Contract agreement | 12,000 | 12,000 |
| Vehicles rental income | Direct subsidiary | Contract agreement | 40 | 60 |
| Telephone income | Direct subsidiary | Actual charge | 209 | 235 |
| Electricity income | Direct subsidiary | Actual charge | 252 | 219 |
| Interest income | Direct subsidiary | Interest rate MLR per annum | 50,328 | 114,001 |
| Sales management services | Direct subsidiary | 3% of sales | 2,480 | 4,618 |
| Utilities expenses | Direct subsidiary | Negotiated agreement | 1,644 | 1,951 |
| Vehicles Rental | Direct and indirect subsidiaries | Contract agreement | 102 | 202 |
| Management project (Included in the cost of project under development) | Direct subsidiary | Negotiated agreement | 169 | 317 |
| Electricity Bill | Indirect subsidiaries | Actual charge | 1,491 | 1,289 |
| Water Bill | Indirect subsidiaries | Actual charge | 120 | 126 |

The balances with related parties as at December 31, 2021 and 2020 are as follows:

| | | (Unit: Thousand Baht) | |
|---|-------------------|-----------------------|-----------------------|
| | | Separate | |
| | | Financial Statements | |
| | Relationship | 2021 | 2020 |
| <u>Trade account receivables - subsidiary companies</u> | | | |
| Allied Technologies International Co., Ltd. | Direct subsidiary | 177,179 | 177,179 |
| Thanont Property Co., Ltd. | Direct subsidiary | 66,038 | 66,038 |
| Total | | <u>243,217</u> | <u>243,217</u> |
| <u>Interest receivables from subsidiary companies – net</u> | | | |
| <u>(Present under trade and other current receivables)</u> | | | |
| AQ Marketing Service Co., Ltd. | Direct subsidiary | 109,912 | 109,912 |
| Thanont Property Co., Ltd. | Direct subsidiary | 370,622 | 365,000 |
| AQ Village Co., Ltd. | Direct subsidiary | 21,537 | 21,537 |
| Allied Technologies International Co., Ltd. | Direct subsidiary | 51,516 | 51,516 |
| AQ Property Management Co., Ltd. | Direct subsidiary | 6,088 | 6,088 |
| Free Zone Assets Co., Ltd.* | Direct subsidiary | - | 24,274 |
| Aquarius Estate Co., Ltd. | Direct subsidiary | 504,357 | 469,629 |
| Villa Nakarin Co., Ltd. | Direct subsidiary | 117,025 | 108,154 |
| The Tarna Align Resort Co., Ltd. | Direct subsidiary | 2,296 | 1,189 |
| Total | | <u>1,183,353</u> | <u>1,157,299</u> |
| Less Allowance for credit losses | | <u>(921,018)</u> | <u>(703,985)</u> |
| Net | | <u><u>262,335</u></u> | <u><u>453,314</u></u> |

| | | (Unit: Thousand Baht) | | | |
|---|---------------------|-------------------------------|----------|------------|---------------|
| | | Separate Financial Statements | | | |
| | Relationship | Balance as at | | | Balance as at |
| | | December 31, | | | December 31, |
| | | 2020 | Increase | (Decrease) | 2021 |
| <u>Other account receivables and advances to subsidiary companies – net</u> | | | | | |
| Allied Technologies International Co., Ltd. | Direct subsidiary | 56,015 | 1,284 | (11,770) | 45,529 |
| AQ Village Co., Ltd | Direct subsidiary | 65,027 | 12,664 | (8,987) | 68,704 |
| Thanont Property Co., Ltd. | Direct subsidiary | 76,077 | - | - | 76,077 |
| Aquarius Estate Co., Ltd. | Direct subsidiary | 2,574 | 270 | (2,731) | 113 |
| Vitoonthanakorn Co., Ltd | Indirect subsidiary | 856 | 1,332 | (428) | 1,760 |
| Villa Nakarin Co., Ltd. | Direct subsidiary | 28,248 | 5,136 | (17,976) | 15,408 |
| Baan Chidthara Co., Ltd. | Indirect subsidiary | 375 | 214 | - | 589 |
| Aquarius Hotel & Resort Co., Ltd. | Indirect subsidiary | 2,573 | 666 | (2,915) | 324 |
| AQ Marketing Service Co., Ltd. | Direct subsidiary | 7,067 | 2,861 | (935) | 8,993 |
| The Tarna Align Resort Co., Ltd. | Direct subsidiary | 422 | 219 | (640) | 1 |
| AQ Property Management Co., Ltd. | Direct subsidiary | 8,368 | 3,088 | (10,137) | 1,319 |
| Total | | 247,602 | 27,734 | (56,519) | 218,817 |
| Less Allowance credit losses | | (123,043) | (34,311) | 43,361 | (113,993) |
| Net | | 124,559 | (6,577) | (13,158) | 104,824 |

| | | (Unit: Thousand Baht) | | | |
|---|-------------------|---------------------------------------|-----------|------------|---------------------------------------|
| | | Separate Financial Statements | | | |
| | Relationship | Balance as at December 31, 2020 | Increase | (Decrease) | Balance as at December 31, 2021 |
| <u>Short - term loans to subsidiary companies – net</u> | | | | | |
| AQ Marketing Service Co., Ltd. | Direct subsidiary | 314,578 | 105,180 | (94,020) | 325,738 |
| Thanont Property Co., Ltd. | Direct subsidiary | 220,797 | 22,250 | (45,350) | 197,697 |
| AQ Village Co., Ltd. | Direct subsidiary | 655,422 | 17,560 | (2,300) | 670,682 |
| Allied Technologies International Co., Ltd. | Direct subsidiary | 123,006 | 393,950 | (427,446) | 89,510 |
| AQ Property Management Co., Ltd. | Direct subsidiary | 127,710 | 12,337 | (1,500) | 138,547 |
| Free Zone Assets Co., Ltd.* | Direct subsidiary | 52,605 | 75,400 | (128,005) | - |
| Aquarius Estate Co., Ltd. | Direct subsidiary | 1,318,526 | 63,823 | (203,015) | 1,179,334 |
| Villa Nakarin Co., Ltd. | Direct subsidiary | 329,567 | 199,690 | (23,900) | 505,357 |
| The Tarna Align Resort Co., Ltd. | Direct subsidiary | 32,174 | 37,251 | - | 69,425 |
| Total | | 3,174,385 | 927,441 | (925,536) | 3,176,290 |
| Less Allowance for credit losses | | (1,780,411) | (715,279) | 732,771 | (1,762,919) |
| Net | | 1,393,974 | 212,162 | (192,765) | 1,413,371 |

The Company and subsidiaries mutually agree to charge interest rate 5.25% per annum on loan for use in normal operations.

The aging analyses of trade account receivables - other account receivables, advance to subsidiaries companies, loans and interest receivables from subsidiaries companies as at December 31, 2021 and 2020 are as follows:

| | | (Unit: Thousand Baht) | |
|----------------------------------|--|-------------------------------|-------------|
| | | Separate Financial Statements | |
| | | 2021 | 2020 |
| Overdue not over 1 year | | 622,871 | 519,473 |
| Overdue more than 1 year | | 4,198,804 | 4,303,030 |
| Total | | 4,821,675 | 4,822,503 |
| Less Allowance for credit losses | | (2,797,930) | (2,607,439) |
| Net | | 2,023,745 | 2,215,064 |

The Company provides allowance for doubtful accounts for such transactions by considering historical collection experience for each account receivable and will reverse the allowance to “Bad debt recoveries” upon collection.

| | | (Unit: Thousand Baht) | |
|---|---------------------|-------------------------------|---------|
| | | Separate Financial Statements | |
| | Relationship | 2021 | 2020 |
| <u>Trade account payables - subsidiary company</u> | | | |
| Allied Technologies International Co., Ltd. | Direct subsidiary | 37,083 | 37,083 |
| <u>Other account payables - subsidiary companies</u> | | | |
| AQ Marketing Service Co., Ltd. | Direct subsidiary | 64,505 | 61,311 |
| AQ Property Management Co., Ltd. | Direct subsidiary | 12,148 | 12,461 |
| Free Zone Assets Co., Ltd.* | Direct subsidiary | - | 642 |
| Vitoonthanakorn Co., Ltd. | Indirect subsidiary | 126 | 105 |
| Allied Technologies International Co., Ltd. | Direct subsidiary | 1,795 | 1,795 |
| AQ Village Co., Ltd. | Direct subsidiary | 240 | 240 |
| Aquarius Estate Co., Ltd. | Direct subsidiary | 3,272 | 729 |
| Total | | 82,086 | 77,283 |
| <u>Accrued interest expenses - subsidiary companies</u> | | | |
| (Present under trade accounts and other current payable) | | | |
| Thanont Property Co., Ltd. | Direct subsidiary | 24,854 | 24,854 |
| Total Trade accounts and other current payable - subsidiary companies | | 144,023 | 139,220 |

| | | (Unit: Thousand Baht) | |
|---|-------------------------------|-------------------------------|---------------------------------|
| | | Separate Financial Statements | |
| | Balance as at January 1, 2021 | Change | Balance as at December 31, 2021 |
| <u>Liabilities under lease agreements</u> | | | |
| Liabilities under lease agreements | 5,244 | (1,907) | 3,337 |
| Deferred interest | (472) | (273) | (745) |
| Liabilities under lease agreements - Net | 4,772 | (2,180) | 2,592 |

| | | (Unit: Thousand Baht) |
|------------------------------------|--|-------------------------------|
| | | Separate Financial Statements |
| Lease liabilities are as follows : | | |
| Current lease liabilities | | 1,748 |
| Non-current lease liabilities | | 1,390 |
| Total | | 3,138 |

IMPORTANT CONTRACT WITH RELATETED PARTIES

1. The Company contract for rent office AQ SQUARE 1th floor and 2nd floor (Office) seminar room with Vitoonthanakorn Co., Ltd. Amounting to 1,588.82 square meter for 3 years. Since October 1, 2020 until September 30, 2023 for rental fee amount of Baht 158,882 exclude value added tax.
2. The Company contract for hire business management with the subsidiaries has 9 contracts amounting of Baht 13.60 million (excluding vat) for 1 year. Since January 1, 2021 until December 31, 2021.
3. The Company contract for rent square with the subsidiaries amounting of Baht 1 million per month. Received rental for the quarter for 3 years. Since January 1, 2020 until December 31, 2022.

Guarantee

As at December 31, 2021 and 2020 the company doesn't have guarantee on the subsidiaries credit facilities.

The monetary remuneration of executives, which is a related party transection for each of the years ended December 31, 2021 and 2020 are as follows:

| Type of compensation | (Unit: Thousand Baht) | | | |
|-----------------------------|-----------------------|--------|----------------------|--------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Salary and compensation | 18,329 | 26,200 | 18,329 | 26,200 |
| Meeting Allowance | 168 | 162 | 168 | 162 |
| Management benefit expenses | 18,497 | 26,362 | 18,497 | 26,362 |

*Terminated a subsidiary since October 29, 2021 (Note 14.4)

7. CASH AND CASH EQUIVALENTS

As at December 31, 2021 and 2020 as follows:

| | (Unit : Thousand Baht) | | | |
|---------------------------------|-----------------------------------|---------|-------------------------------|--------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Cash | 1,140 | 1,407 | 77 | 239 |
| Cash at bank - savings accounts | 39,509 | 45,686 | 1,420 | 1,147 |
| Cash at bank - current accounts | 7,481 | 3,815 | 4,678 | 517 |
| Cash at bank - fixed accounts | 34,207 | 42,279 | - | - |
| Deposit in Transit | - | 17,970 | - | 17,970 |
| Promissory note* | 18,000 | - | - | - |
| Total | 100,337 | 111,157 | 6,175 | 19,873 |

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

As at December 31, 2021 and 2020 the company have the promissory note as follows:

| | (Unit : Thousand Baht) | |
|-----------------------|-----------------------------------|------|
| | Consolidated Financial Statements | |
| | 2021 | 2020 |
| Amount (Million Baht) | 18 | - |
| No. of bills | 1 | - |
| Maturity date | January 12, 2022 | - |
| Interest rate | 10% | - |
| Commitment | None | - |

*According to the resolution of the Executive Committee Meeting of the Company No. 29/2021 held on October 11, 2021, it was resolved to approve a subsidiary (Allied Technology International Company Limited) to invest in promissory notes of non related companies amount of Baht 50 million, 3 months period. The date of issuance of promissory note on October 12, 2021 maturity date on January 12, 2022 with 10 million ordinary shares of a non related company at par value Baht 10 per share equivalent to Baht 100 million as collateral.

As of December 31, 2021 a subsidiary received a partial payment of promissory notes of Baht 32 million, with a balance of Baht 18 million.

Subsequently, on January 12, 2022 a subsidiary received payment under the balance of promissory notes in full. And returned the collateral under the contract to the non related company.

8. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE

As at December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Other companies – net | | | | |
| - Trade account receivables – net | 8,750 | 3,588 | - | - |
| - Other receivables – net | 171,020 | 252,852 | 17,192 | 53,307 |
| Total | 179,770 | 256,440 | 17,192 | 53,307 |
| Related companies – net (Note 6) | | | | |
| - Trade account receivables – net | - | - | 243,217 | 243,217 |
| - Other receivables – net | - | - | 367,159 | 577,873 |
| Total | - | - | 610,376 | 821,090 |
| Trade account and other account receivables – net | 179,770 | 256,440 | 627,568 | 874,397 |

The aging analyses of trade and other account receivables - other companies as at December 31, 2021 and 2020 are as follows

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Trade account receivables - other companies | | | | |
| Within credit term | 29 | 29 | - | - |
| Overdue | | | | |
| - Not over 3 months | 4,558 | 2,930 | - | - |
| - Over 3 months to 6 months | 1,189 | 1,220 | - | - |
| - Over 6 months to 12 months | 2,063 | 1,565 | - | - |
| - Over 12 months | 1,203 | 4,358 | - | - |
| Total trade account receivables | 9,042 | 10,102 | - | - |
| <u>Less</u> Allowance for credit losses | (292) | (6,514) | - | - |
| Net | 8,750 | 3,588 | - | - |
| Other current receivables | | | | |
| Other receivables | 9,885 | 57,704 | 217 | 319 |
| Revenue department receivables | 30,439 | 31,212 | - | - |
| Advance payment for construction | 19,696 | 23,005 | 18,986 | 19,671 |
| Accrued interest receivables | 445 | 29,999 | 397 | 29,996 |
| Prepaid expenses | 3,120 | 3,846 | 1,684 | 2,148 |
| Deposit of land (Note 8.1) | 102,300 | 90,500 | - | - |
| Others | 16,338 | 17,954 | 6,299 | 2,541 |
| Total | 182,223 | 254,220 | 27,583 | 54,675 |
| <u>Less</u> Allowance for credit losses | (11,203) | (1,368) | (10,391) | (1,368) |
| Net | 171,020 | 252,852 | 17,192 | 53,307 |
| Trade account and other receivables related companies (Note 6) | - | - | 610,376 | 821,090 |
| Trade account and other receivables - net | 179,770 | 256,440 | 627,568 | 874,397 |

8.1 Deposit of land

On May 21, 2019, the subsidiary contract for deposit of land with a non-related person amount of 1 title deed square 1 ngan 35 square wah by agree to pay deposit for purchase land Baht 5 million term in 3 periods as follow ;

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

On February 21, 2019, the subsidiary contracts for the land sale and purchase agreement with a non-related person Amounting to Baht 108 million, terms of payment transactions are divided into 2 installment as follow ;

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

Installment 2 the remaining price amount of Baht 97,000,000, payable within 1 year from the date of the contract to purchase this land by paying as a cashier cheque or transferring to the seller's account. By the purchase agreement and registration of the transfer of ownership of land at the Bangkok Land Office, Phra Khanong Branch. (Approved by the resolution of the board of directors meeting No. 1/2020 on February 21, 2020.). As at December 31, 2021, the subsidiary company paid land for purchase and sale agreement amounting to Baht 102.30 million and has obligation under such agreement amounting to Baht 5.70 million.

As at February 15, 2021, the Company made a letter requesting an extension of the payment period in the 2nd installment contract for another 6 months. Which will expire on August 15, 2021 and as at August 11, 2021. The Company made a letter requesting an extension of the payment period in the 2nd installment contract for another 3 months. Which will expire on February 28, 2022. At present, the subsidiary has not transfer ownership of land.

On August 10, 2021, the subsidiary received a notice requesting payment of interest from the land seller, by specifying the Company had postponed the transfer of ownership that causing the seller of the land to suffer damages arising from the interest burden. Therefore, Allied Technologies International Co., Ltd. help to receive the interest burden arising from the postponement of the transfer of ownership of this land in the amount of Baht 7.68 million and the subsidiary has already paid interest on August 13, 2021 in full amount.

9. SHORT- TERM LOANS

As at December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------|----------------------|-----------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Short-Term Loans to non-related parties | - | 412,145 | - | 412,145 |
| Short-Term Loans to related parties (Note 6) | - | - | 1,413,371 | 1,393,974 |
| Total Short-Term Loans | - | 412,145 | 1,413,371 | 1,806,119 |

Movements during for the years ended December 31, 2021 of short - term loans to non - related was as follows:

| | (Unit: Thousand Baht) | |
|---|-----------------------|----------------------|
| | Consolidated | Separate |
| | Financial Statements | Financial Statements |
| Short-Term Loans to non related parties | | |
| As at January 1, 2021 | 412,145 | 412,145 |
| Increase (Decrease) | (412,145) | (412,145) |
| As at December 31, 2021 | - | - |

According to the resolution of the Board of Directors' meeting No.12/2020 held on December 23, 2020 the Company has approved to extend the period of bills of exchange due within December 31, 2020, total 1 bill amount of Baht 412.14 million, interest rate 6% per annum to be March 31, 2021. In the meantime, Krungthai Land Development Company Limited has presented assets to pay off debt instead.

According to the resolution of the Board of Directors' meeting No.2/2021 held on May 14, 2021, there was approval the proposal of the third party that the Company send the letter to follow repayment on March 22, 2021 and the Company received reply of letter on May 5, 2021. The detail is following Clause 1, the third party to extends maturity date September 30, 2021. Clause 2, the third party would like to bring the collateral to settle the debt and the Company will repayment the whole of value amount Baht 412.14 million with interest. On May 25, 2021, the Company has a letter to consent the proposal to the third party.

As at June 4, 2021, the Company received a reply letter from the third party that acknowledgment of the extension on loan agreement to be maturity date on September 30, 2021 and to bring the collateral for shares of the third party company that non listed company of 646,368 shares to be paid by using the price of Baht 484.18 per share, which is the base case price Baht 312,958,458.24 after receiving some interest and principal payment. The total remaining by the third party will find securities or cash to pay full and asked to the Company to reconsider its shares if the collateral is not under the court injunction order to suspend the payment of dividend. (According to the resolution of the Board of Directors' meeting No.20/2021 dated July 5, 2021. The Company resolved to approving the settlement as proposed by third party.)

According to the Board of Directors' meeting No. 5/2021, dated September 17, 2021, it was resolved to approve the entering into the repaying the debt transactions And on September 17, 2021, the company enter to agreement for repaying debts by bringing the shares of two individual who hold in a company to pay the debt according to the value of the shares under the contract amount of Baht 312,958,458.24 (whole stock transferred instrument on September 20, 2021) calculated total share amount of 646,368 share. The value of shares under the agreement is Baht 484.18 per share and the company has repaid the principal and accrued interest until September 30, 2021 amount of Baht 154.35 million for the whole company. Following to agreement for repaying debts to set the date the transaction is completed are :

- 1) Sent a copy minutes of the Board of Directors' meeting and/or minutes of the shareholders' meeting on debt (which has been duly signed by the debtor's authorized director) which has resolved to approve the entering transactions under an agreement. As required by the debtor's regulations and related regulations.
- 2) Sent the share transfer instrument other person who has ownership of such shares and another person who has ownership of such shares that has signed as a transferor to transfer the shares under the agreement to the creditor or the person designated by the creditor. The debtor agrees that will affix or pay the stamp duty for the share transfer instrument in full as required by law. The debtor completed the transaction on September 20, 2021.

However, under the agreement for repaying the debt which condition are repurchase or redemption to the debtor that the company may be able to use within one year from the date of completion of the transaction at the price per share equal to the value of the shares under the agreement.

The Company records the acquired shares as "Investment in ordinary shares with repurchase conditions" in the statement of financial position.

10. INVENTORIES

As at December 31, 2021 and 2020 are as follows:

| | (Unit : Thousand Baht) | | | |
|--|-----------------------------------|-----------|-------------------------------|-----------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <u>Inventories in real estate business</u> | | | | |
| Cost | 1,096,731 | 1,849,166 | 453,275 | 1,019,703 |
| Less: allowance of declining value | (196,072) | (265,506) | (23,113) | (63,736) |
| Net | 900,659 | 1,583,660 | 430,162 | 955,967 |
| <u>Inventories in food and beverage business</u> | | | | |
| | 11,994 | 14,595 | - | - |
| Total | 912,653 | 1,598,255 | 430,162 | 955,967 |
| <u>Land held for development</u> | | | | |
| Balance as at January 1, | 180,586 | 180,586 | 139,779 | 139,779 |
| Addition | - | - | - | - |
| Balance as at December 31, | 180,586 | 180,586 | 139,779 | 139,779 |
| Allowance for declining value | (87,686) | (99,086) | (85,079) | (93,779) |
| Land held for development-net | 92,900 | 81,500 | 54,700 | 46,000 |
| Total inventories - net | 1,005,553 | 1,679,755 | 484,862 | 1,001,967 |

As at December 31, 2021 and 2020, the partial of land held for development at cost amount of Baht 5.02 million with net book value amount of Baht 5.02 million are pledged at the Court for litigation.

During the year ended December 31, 2021, the AQ Estate Group have following movements in real estate under development.

| | (Unit : Thousand Baht) | |
|--|------------------------|----------------------|
| | Consolidated | Separate |
| | Financial Statements | Financial Statements |
| Balance as at January 1, 2021 | 1,583,660 | 955,967 |
| Recorded cost of construction and utility cost during the year | 68,323 | 14,535 |
| Recorded cost of loan to cost of asset during the year | 1 | 1 |
| Purchase during the year | - | - |
| Sale land during the year* | (491,480) | (491,480) |
| Transferred to be cost of goods sold during the year | (329,279) | (89,484) |
| Write-down of merchandises recognized as a part of cost of sales during the year | 51,773 | 27,790 |
| Inventory reversal value | 17,661 | 12,833 |
| Balance as at December 31, 2021 | 900,659 | 430,162 |

Movements in the allowance for loss on diminution in value of projects for the year ended December 31, 2021 are summarized below.

| | (Unit : Thousand Baht) | |
|--|--------------------------------------|----------------------------------|
| | Consolidated Financial Statements | Separate Financial Statements |
| Balance as at January 1, 2021 | 265,506 | 63,736 |
| Add Allowance of diminution in value of inventories | 7,813 | - |
| Less Reversal of allowance of diminution in value of inventories | (77,247) | (40,623) |
| Balance as at December 31, 2021 | 196,072 | 23,113 |

As at December 31, 2021, the reversal of allowance of diminution in value of inventories amount of Baht 196.07 million in Consolidated Financial Statements and amount of Baht 23.11 million in Separate Financial Statements.

In 2021, The Group has engaged several independent asset valuation companies for appraisal projects that are under development. Comparing the data with the market and the cost method. Some projects value lower than the book value. The Group have already recorded the allowance for diminution in the financial statements.

The AQ Estate Group have mortgaged certain land and structures thereon to secure loans as discussed in Note 26.2 and pledged at Court for litigation of the AQ Estate Group, of which net book values as follows:

| | (Unit : Thousand Baht) | | | |
|----------------------------------|-----------------------------------|---------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 200 |
| Loans from financial institution | | | | |
| (Note 26.2) | 280,540 | 265,515 | - | - |
| Loans from non related | | | | |
| (Note 26.2) | 101,644 | - | 101,644 | - |
| Pledged at Court for litigation | 5,019 | 5,019 | 5,019 | 5,019 |
| Total | 387,203 | 270,534 | 106,663 | 5,019 |

*Sale land during the year

According to the resolution of the Board of Directors Meeting No. 6/2021, held on September 30, 2021 it was resolved to approve the sale of inventories (vacant land within the project) totaling 3 title deeds with an area of 46,888.50 square wah to an unrelated company. which has a selling value as follows:

| Net selling price | Cost price | Appraised value dated March 22, 2021 |
|---------------------|---------------------|--------------------------------------|
| Baht 380.02 million | Baht 491.48 million | Baht 293.05 million |

(Net of selling expenses Baht 19.98 million)

The company recognized a total loss of Baht 88.88 million (the company had previously set aside an allowance for impairment of inventories in the financial statements amount of Baht 22.58 million).

| | |
|---|--|
| Payment terms are as follows: | Payment |
| 1. Payment on the contract date of Baht 5 million | Received |
| 2. Payment on the transfer date of Baht 45 million (the ownership was transferred on November 26, 2021) | Received |
| 3. Payment in 2 promissory notes, amounting to Baht 350 million, with the payment in installments as follows: | |
| 3.1 Promissory notes in the amount of Baht 150 million, due on February 28, 2022 at an interest rate of 1% per annum. | Received partial payment of Baht 40 million on 15 and 20 December 2021, the rest is not due yet* |
| 3.2 Promissory notes in the amount of Baht 200 million, due on August 22, 2022 at an interest rate of 1% per annum. | Not yet due* |

*Displayed under other current financial assets (Note 11)

In which the purchaser has taken the collateral of the share certificate of a company that is not listed on the stock exchange which has a book value of Baht 350 million. Throughout the period of the promissory note under Clause 3.1 and the collateral for share certificates of the company listed on a stock exchange. Which has a book value of 200 million baht throughout the period of the promissory note under clause 3.2

The Company has transferred the ownership of the said land to the buyer on November 26, 2021.

On April 28, 2016 and May 18, 2016, the Company has entered into the commission fee and the sole agency with a local non – related company to sell collateral land of the lawsuit as discussed in Note 1. The commission fee is 2.5% of the total agreed purchase price and the sole agent fee is 1.5% of the total agreed purchase price but not over than amount of Baht 150 million. Such the company will receive the payment of those fees only when successfully sale of such land. However, on June 16, 2016 this company changed the payment term of sole agent fee by asking the Company to make a payment on a monthly basis amount of Baht 1.50 million per month for 4 months since June to September 2016, totaling Baht 6.0 million. Total monthly sole agent fee is considered as a part of sole agent fee to be paid to such company. At present, the lawsuit (Black Case Phor. 4393/2561) is pending the court of appeal.

11. OTHER CURRENT FINANCIAL ASSETS

Movement other current financial assets as at December 31, 2021 and 2020 are as follows:

| | (Unit : Thousand Baht) |
|----------------------------------|--|
| | Consolidated /Separate Financial Statements |
| | Bill |
| Balance as at January 1, 2021 | 1,072,160 |
| Increase during period (Note 10) | 310,000 |
| Decrease during period (Note 16) | (1,072,160) |
| Balance as at December 31, 2021 | 310,000 |

As at December 31, 2021 and 2020 the company have the promissory note as follows:

| | (Unit : Thousand Baht) | |
|-----------------------|--|-------------------|
| | Consolidated/Separate Financial Statements | |
| | December 31, 2021 | December 31, 2020 |
| Amount (Million Baht) | 310 | - |
| No. of bills | 2 | - |
| Maturity date | February 28, 2022 and August 22, 2022 | - |
| Interest rate | 1% | - |
| Commitment | None | - |

12. OTHER CURRENT ASSETS

As at December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Deposits of land | 850,109 | 850,109 | 850,109 | 850,109 |
| <u>Less</u> Allowance for credit losses | (850,109) | (850,109) | (850,109) | (850,109) |
| Total | - | - | - | - |
| Common stock installment | 395,000 | - | 247,000 | - |
| Other current assets – Net | 395,000 | - | 247,000 | - |

- 12.1 On June 4, 2021, the Company entered into a preliminary memorandum of understanding on the sale of ordinary shares which operates the business of generating electricity from solar energy with unrelated persons. The Company intends to purchase and sale transaction of ordinary shares in each target company an amount not exceeding 51% of the total number of shares of each target company. The price to be traded is about Baht 2,000 to Baht 3,000 million. On June 14, 2021, the company has deposited of Baht 47 million (there is a contract according to the approval resolution No. 17/2021 as at June 1, 2021). On September 23 and 29, 2021, the Company increase deposit

amount of Baht 90 million and Baht 110 million, respectively. (According to the resolution of the Board of Directors Meeting No. 4/2021, date August 13, 2021.) The currently, the company is studying information for investment decision making.

- 12.2 On October 11, 2021 a subsidiary (Villa Nakarin Company Limited) entered into a preliminary memorandum of understanding to study for investment in non-market companies. with unrelated persons, The said company is licensed to operate a personal loan business under the supervision of the Ministry of Finance. which such business may help to promote the Company's real estate business The subsidiary (Villa Nakarin Co., Ltd.) intends to enter into the purchase and sale of ordinary shares in companies that are not in the said market for 100% of the total number of shares of the companies that are not in the market. The purchase price is approximately Baht 100 to 400 million, and on October 12, 2021 a subsidiary (Villa Nakarin Company Limited) has deposited a refundable deposit of Baht 20 million (approved by the Executive Board Meeting No. 29/2021 October 11, 2021). Subsequently, on December 9, 2021 the subsidiaries entered into an additional memorandum of understanding with the company has an objective to purchase 500,000 ordinary shares of the company that is not in the said market or equal to 100 percent of the total number of shares and the subsidiary receives an offer from the shareholders. of the said company Informed that there was an acquisition of additional leasehold rights and to give the subsidiary the right to invest by paying additional deposits (the company accepted the transfer of leasehold rights from a natural person who is a relative of the director and shareholder of the Company and its subsidiaries) as a result of the acquisition of such leasehold rights in the amount of Baht 140 million.

And according to the resolution of the Board of Directors Meeting No. 10/2021, dated December 9, 2021 it was approved to deposit the above reimbursable deposit in the total amount of Baht 160 million. (December 9, 2021 to January 11, 2022) and the shareholders of the said company have taken collateral shares. (Ordinary shares in the said company which are owned by the shareholders) amounting to 474,999 shares, representing 94.99 percent of the total ordinary shares of the said company. In addition, the subsidiary has entered into a memorandum of understanding to extend the transaction period with the said company within March 31, 2022, or any other agreed date.

13. NON CURRENT ASSET OR DISPOSAL ASSET GROUPS CLASSIFIED AS HELD FOR SALE

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

company has received the contract amount of Baht 75 million and amount of one promissory notes Baht 25 million each dated November 17, 2021 (Note 8).

During the year 2020, the Group's management has assessed that it is highly probable that the agreement will be completed. As a result, the Company has reclassified related assets and liabilities of the project as assets and liabilities held-for-sale in the consolidated statement of financial position and measured them at the lower than between carrying amount and fair value less costs of sell. The lower amount is the fair value less costs of sell. However, an unrelated company has not received the transfer of the leasehold right from the subsidiary due to the lessor has demanded a large amount of compensation from an unrelated company for giving consent to the transfer of leasehold rights. An unrelated company expressed his intention to make an offer to purchase all of the subsidiary's shares that the Company holds instead of receiving the transfer of the leasehold rights under the condition that the subsidiary will not have any debt, loan and outstanding interest payments.

According to the resolution of the Board of Directors Meeting No. 7/2021, held on October 20, 2021, it was resolved to approve the sale of 1,824,998 shares of the subsidiary, at a price of approximately Baht 54.79 per share, totaling Baht 100 million, deducting the paid-up amount of Baht 75 million under the contract to purchase and sell right of land and buildings. For the rest, the Company will receive from an unrelated company in the amount of Baht 25 million.

Disposal groups classified as held for sale comprised:

| | (Unit : Thousand Baht) |
|--|------------------------|
| | Consolidated |
| | Financial Statements |
| | December 31, 2020 |
| Investments property | 140,071 |
| Property, plant and equipment | 104 |
| Allowance an impairment of asset held for sale | (25,115) |
| Total | 115,060 |

Movements non current asset or disposal asset groups classified as held for sale

| | (Unit : Thousand Baht) |
|---|------------------------|
| | Consolidated |
| | Financial Statements |
| | 2021 |
| Balance as at January 1, 2021 | 115,060 |
| Increase (Decease) | - |
| <u>Less</u> Allowance for loss on impairment of asset held for sale | - |
| Transfer out | (115,060) |
| Balance as at December 31, 2021 | - |

14. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2021 and 2020 were as follows:

| | Paid-up Share Capital (Million Baht) | Percentage of Ownership (%) | | (Unit: Thousand Baht) | |
|--|--|--------------------------------|-------|-------------------------------|-----------|
| | | 2021 | 2020 | Separate Financial Statements | |
| | | | | Cost Method | |
| | | | | 2021 | 2020 |
| Allied Technologies International Co., Ltd. | 100 | 99.90 | 99.90 | 100,315 | 100,315 |
| Thanont Property Co., Ltd. | 25 | 99.80 | 99.80 | 23,612 | 23,612 |
| AQ Property Management Co., Ltd. | 1 | 99.93 | 99.93 | 1,000 | 1,000 |
| AQ Marketing Services Co., Ltd. | 1 | 99.94 | 99.94 | 1,000 | 1,000 |
| AQ Village Co., Ltd. | 1 | 99.94 | 99.94 | 999 | 999 |
| Free Zone Asset Co., Ltd.* | 1 | 99.98 | 99.98 | - | 42,105 |
| Aquarius Estate Co., Ltd. | 54 | 99.99 | 99.99 | 480,998 | 480,998 |
| Villa Nakarin Co., Ltd. | 270 | 99.99 | 99.99 | 170,232 | 170,232 |
| The Tarna Align Resort Co., Ltd. | 139 | 99.82 | 99.82 | 125,480 | 125,480 |
| Total | | | | 903,636 | 945,741 |
| Less Allowance for impairment of investments | | | | (895,975) | (910,268) |
| Net | | | | 7,661 | 35,473 |

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

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

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

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

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

The Board of Directors' meeting No. 9/2014 held on September 26, 2014 has approved the investment in Villa Nakarin Co., Ltd. amount of 2.70 million shares with totaling approximately amount of Baht 170 million or price per share of Baht 62.96 from a former shareholder representing 99.99% of the total paid-up shares. Costs consisted of first payment at Baht 124.06 million and the compensation from operation result afterwards the Company. Agreed to pay the compensation to the seller at 80% of profit after deducting cost of goods sold, selling and administrative expenses and other expense as specified in the agreement. Which shall be determined when the project is completed and sold or not more than 30

months commencing from the agreement date. Due to on March 31, 2017 (At present during under negotiation extend for a while.) The management of the Company has estimated such compensation to former shareholders of at amount of Baht 46.17 million. On October 1, 2014 the Company paid for the shares at amount of Baht 119.79 million and recorded liabilities at amount of Baht 50.44 million registered to transfer of shares with the Ministry of Commerce on October 6, 2014.

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

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

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

| | (Unit: Thousand Baht) | | |
|--|---|---|--------------------------------------|
| | Net carrying amount as at acquisition date | Adjust valuation of purchasing price | Book value as at acquisition date |
| Assets | | | |
| Cash and cash equivalents | 30,092 | - | 30,092 |
| Other account receivables | 23,102 | - | 23,102 |
| Inventories | 424,000 | (61,477) | 362,523 |
| Other current assets | 695 | - | 695 |
| Assets held for sale | 30,000 | - | 30,000 |
| Restricted deposit with bank | 4,697 | - | 4,697 |
| Equipment | 13 | - | 13 |
| Total assets | 512,599 | (61,477) | 451,122 |
| Liabilities | | | |
| Trade account payables | 72,760 | - | 72,760 |
| Advances received from customers | 30,000 | - | 30,000 |
| Other current liabilities | 6,250 | - | 6,250 |
| Long - term loans from financial institution | 171,880 | - | 171,880 |
| Total liabilities | 280,890 | - | 280,890 |
| Assets-net | 231,709 | (61,477) | 170,232 |

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

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

The details of value asset from new acquisition are following:

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

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

14.4 Investment in subsidiary (Free Zone Asset Co., Ltd.)*

According to the resolution of the Board of Director's meeting No. 2/2021 on September 11, 2021, has approved the subsidiary (Free Zone Asset Co., Ltd.) sold shares increasing capital register amount of 1,815,000 shares at a par value of Baht 100 per share amount of Baht 181,500,000 to the Company. To be the expense of liquidity in the business operations of subsidiary and/or repayment of debt to the creditors of the subsidiary.

According to the Board of Directors' meeting No. 7/2021, held on October 20, 2021, passed a resolution that the Company sold all shares of a subsidiary that the Company Holding 100% of shares, which operate real estate rental business by selling to the non related company, the sale of such shares will result in the subsidiary terminated the subsidiary of the Company with details as follows:

The Board of Directors approved the sale of all shares of the subsidiary company in the amount of 1,824,998 shares at a price of approximately Baht 54.79 per share, totaling Baht 100,000,000. The subsidiary shall not be liable for any outstanding loan liabilities and accrued interest due to the subsidiary has a loan burden and accrued interest with the Company in the amount of Baht 181,584,511.91 (which is divided into loans amount of Baht 106,999,570.91 , interest Baht 74,584,941) and the subsidiary has restrictions on finding funding from financial institutions or other sources It is necessary to increase the registered capital of Baht 181,500,000 to meet the selling conditions. The Board of Directors meeting's No.4/2021 on August 13, 2021, and the Extraordinary General Meeting of Shareholders No. 2/2021 of the subsidiary on September 11, 2021, resolved to approve the increase of registered capital in the amount of Baht 181,500,000 and the subsidiary has registered the capital increase successfully on September 20, 2021. After the capital increase, The subsidiary has a registered capital of Baht 182,500,000, divided into 1,825,000 ordinary shares with a par value at Baht 100 per share, of which the Company holds 1,824,998 shares. The said capital increase the subsidiary has been used to pay off liabilities to the Company until there is no other debt with the Company.

Summary of important information as follows:

1. Value of consideration in the amount of Baht 100 million.
2. Payment terms The payment was made in cash of Baht 50 million, 2 promissory notes of Baht 25 million. No. 1 due date on May 17, 2021 amount of Baht 25 million totaling Baht 75 million, and the second promissory note due on November 17, 2021, amount of Baht 25 million.
3. Criteria for determining the price of consideration It is an agreed purchase price based on an additional negotiated present value of the cash flow method.

According to the share purchase agreement dated October 29, 2021, the Company agreed to sell its shares in the subsidiary at a price of Baht 100 million according to the land and building sublease transfer agreement for 14 buildings (before considering the contract to sell an investment in the subsidiary company) on November 16, 2021, specifying the duty of the transferor to pay the tenant's opportunity cost during the demolition and construction of a new building is not more than Baht 8 million, which the Company's management has negotiated with the tenant. The Company agrees to pay compensation for damages as follows. said the amount of Baht 8 million (acknowledged by the Board of Directors Meeting No. 9/2020 on October 15, 2020). Currently, the Company has paid the said expenses. The Company received payment for the sale of ordinary shares in full amount and registered the transfer of shares on October 29, 2021, causing the said company to cease to be a subsidiary.

Details of sales of investments in Free Zone Asset Co., Ltd.* as at October 29 ,2021 are as follows:

| | (Unit : Thousand Baht) | |
|--|---|-------------------------------------|
| | Consolidated Financial Statements | Separate Financial Statements |
| Cash received from sales of investments in subsidiary (Net from opportunity loss to lessee) | 92,000 | 92,000 |
| Less: Net assets/ cost | (87,422) | (223,605) |
| Gain (loss) on sales of investment in subsidiary | 4,578 | (131,605) |

Details of assets and liabilities relating to Free Zone Asset Co., Ltd. as at October 29 ,2021 are as follows:

| | (Thousand Baht) |
|--|--|
| | Consolidated /Separate Financial Statements |
| Cash and cash equivalents | 4,793 |
| Trade and other current receivables | 10 |
| Investment Property | 116,613 |
| Property, plant and equipment | 33 |
| Other non – current assets | 656 |
| Trade and other current payables | (4,929) |
| The portion of the lease liabilities due within 1 year | (29,746) |
| Less non-controlling interests | (8) |
| Net assets after less non-controlling interests | 87,422 |
| Cash received from sale of investment in subsidiary (Net from opportunity loss to lessee) | 92,000 |
| Net cash received from sale of investment in subsidiary | 4,578 |

15.RESTRICTED DEPOSIT WITH BANKS

As at December 31, 2021 and 2020, the Group had restricted deposits with financial institutions in the consolidated financial statement of Baht 57.01 million and Baht 72.04 million, respectively in the separate financial statement of Baht 13.82 million and Baht 50.26 million, respectively. Used to collaterals for letters of guarantee issued by the banks.

16. OTHER NON CURRENT FINANCIAL ASSETS

| Consolidated/Separate Financial Statements | | | | | | | |
|---|----------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Holding Portion | | Paid-up Capital | | Cost Method | | Receive dividends | |
| As at | As at | As at | As at | As at | As at | As at | As at |
| December | December | December | December | December | December | December | December |
| 31, | 31, | 31, | 31, | 31, | 31, | 31, | 31, |
| 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| (%) | (%) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) |
| Investment in securities fair value through profit (loss) | | | | | | | |
| 1).Wind Energy | | | | | | | |
| Holding Co., Ltd. | 1.38 | 1.38 | 1,088,373 | 1,088,373 | 900,000 | 900,000 | - |
| 2).Green Earth Power | | | | | | | |
| (Thailand) Co., Ltd. | 10 | - | 2,252,716 | - | 1,202,455 | - | - |
| Net | | | | | 2,102,455 | 900,000 | - |

- 1) On September 3, 2018 the Company entered into the agreement to buy and sell ordinary shares of a non-related person. The Company has objective to purchase and acquire the ordinary share not less than 1.5 million shares, total amount non exceed Baht 900 million. The Company paid for the whole shares.

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

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

During the year 2020, the such company has announced two times for interim dividend payments pursuant to an interim dividend payment notice of the company. At the rate of Baht 1.4 and Baht 10 per share, representing a dividend payment of Baht 2.10 million and Baht 15 million, and during the

year 2021, the said company has announced two dividend payments according to the notice of the interim dividend dated. August 5, 2021, paid on April 9, 2021 and

July 15, 2021 at the rate of Baht 1, Baht 17 and Baht 1 per share, representing a dividend to be received of Baht 1.5 million and Baht 25.5 million. get dividends due to the lawsuit of the former shareholder (according to the number of shares held by the Company) has not yet expired.

On June 18, 2021, the Company issued a letter requesting to repurchase the ordinary shares of the company under the purchase agreement to the seller of shares. According to the above share purchase agreement the Company, as a purchaser of shares, agrees to purchase the contractual shares and all rights related to the contractual shares. (Including but not limited to Right to receive dividends and/or any money that the shareholders of the Company should have on the date of completion of the transaction or thereafter) without any obligation from the completion of the purchase, according to Clause 2.2 of the Share Purchase Agreement. in the shares under the contract, as the seller agree to buy back the contracted shares from the buyer at the price equal to the purchase price of the shares, i.e., Baht 900,000,000 plus interest at the rate of 3% per annum from the date the seller receives the payment as prescribed. in the share purchase agreement, following clause 7.3 of the share purchase agreement. As a result of on August 20, 2019, the Southern Bangkok Civil Court in Black Case No. Por 1103/2019 has ordered that Wind Energy Holding Company Limited from paying dividends to shareholders, including Shares under the contract that you have sold to the Company as well. As a result, the Company does not receive dividends according to the rights that the company has as a shareholder of the Company. Currently, has not yet received the letter from the seller.

2) Green Earth Power (Thailand) Co., Ltd. (non listed company)

The meeting of the Board of Directors of AQ Estate Public Company Limited (the "Company") No. 6/2021 convened on September 30, 2021 has resolved to approve the Company is entering into a debt settlement transaction in accordance with the bill of exchange (BE) of unrelated company whereby unrelated company has proposed to use 2,252,716 ordinary shares of the non listed company (equivalent to 10 percent of the registered capital of the non listed company having a par value Baht 533.78 per shares total value of Baht 1,202,454,746.48 to settle the debt under the bill of exchange (BE) of Baht 1,202,449,223.38. This debt amount comprises a principal of Baht 1,072,160,010.50 and debt interests at the rate of 6.50 percent per year of Baht 130,294,735.88. (Including the portion of interest that has stopped recognizing since 2020 in the amount of Baht 112.84 million)

The value of Baht 533.78 per share is the share price offered by unrelated company to the Company for settlement debt. Such offered price is a value within the range of Baht 271 - 597 per share or totaling Baht 609,436,080 - 1,344,090,213 which is based on the price of the company to appraised on June 7, 2021 by financial advisor after having been transferred shares. The non listed company will hold 2,252,716 ordinary shares or equivalent to 10 percent of the registered capital of the non listed company. The Company's Board of Directors views that the offered price by a company is range Baht 271 - 597 analysis by financial advisor, therefore The Company's Board of Directors are acceptable to approves enter into the transaction.

The outstanding debt under the bill of exchange (BE) as of September 30, 2021 amounts to Baht 1,202,449,223.38 comprising a principal of Baht 1,072,160,010.50 and debt interests at the rate of 6.50 percent per year of Baht 130,294,735.98 (Including the portion of interest that has stopped recognizing since 2020 in the amount of Baht 112.84 million t) subject to the following key conditions precedent:

1.The unrelated company have been receive transferred share. The non listed company amount of 2,252,716 shares such shares being fully paid-up from the company who have ownership for the settlement of the debt under the bill of exchange (BE) The unrelated company and the company who ownership that have the same major shareholder. The unrelated company has entered into an agreement with the company who have ownership of shares to bring the share held by the company who have ownership of share. The not listed company to settle outstanding debts from bill of exchange to another the unrelated company and

2.The share transfer shall have obtained the consent, waiver, or approval from the contractual parties or any third party in accordance with important documents relating to the entering this transaction.

Under the settlement agreement on December 15, 2021 the Company, as a creditor and an unrelated company, as a debtor, entered into a settlement agreement. By the date of the contract to repay the debt, the debtor confirms to the creditor that the debtor's debt under the bill of exchange is equal to the outstanding debt.

- Outstanding debts consist of the amount of debt still owed under the bill of exchange. This includes, but is not limited to, principal and accrued interest calculated to the transaction completion date, as follows:

| | |
|--|-----------------------|
| Principal | 1,072,160,010.50 Baht |
| The cumulative interest was calculated to the date the transaction was completed | 145,426,799.35 Baht |
| Total outstanding liabilities | 1,217,586,809.85 Baht |

- Order of payment, the value of the shares under the contract shall be used to repay the outstanding debts in the order of repayment as follows:

| No. | Overdue debt | Amount of share | The amount of the contracted share value to be repaid. |
|--------|--|-----------------------|--|
| One | The principal amount of the outstanding debt according to the bill of exchange that is due | 1,072,160,010.50 Baht | 1,072,160,010.50 Baht |
| Second | The cumulative interest on the outstanding debts on the bills of exchange that are due | 145,426,799.35 Baht | 130,294,735.98 Baht |
| Total | | 1,217,586,809.85 Baht | 1,202,454,746.48 Baht |

- Outstanding debt as of the completion of the transaction The difference between the outstanding debt and the value of the shares under the contract to pay off the outstanding debt. will be equal to Baht 15,132,063.37, which will remain unpaid and can be charged interest according to the bill of exchange with a fixed interest rate of 6.5% per annum

Which is due And the debtor is obliged to pay debts owed under bills of exchange to creditors in accordance with the methods specified in the contract for repayment of debt.

Payment of outstanding debts.

Under the terms and conditions of this contract and when each party has fully complied with the condition's precedent, The creditor and debtor agree that they will take the following actions to settle any outstanding debt as of the completion date of the transaction.

1. The debtor will pay the outstanding debt by proceeding to transfer the ownership of the shares according to the contract. including all rights related to the shares under the contract without any obligation except under the share pledge agreement to the creditor or the person designated by the creditor for repaying the debt
2. As soon as the conditions in clause 1 are fulfilled and on the date, the transaction is completed, the debtor is obliged to deliver the documents to the creditor in full. shall be deemed that the debtor has paid the outstanding debt to the creditor. and it shall be deemed that the debtor has been released and has no obligation to pay the outstanding debt in the amount of debt equal to the value of the shares under the contract

The value of the shares under the contract

1. Unless the creditor and debtor agree otherwise in writing. The creditor and debtor agree that the shares under the contract are worth 533.78 Baht per share or the total amount equal to Baht 1,202,454,746.48.
2. The debtor agrees to pay any taxes and duties, including but not limited to withholding taxes, stamp duties, and any other charges. related to transactions under the settlement agreement.

The transaction is complete. Subject to the conditions precedent When each party has fully complied with the conditions precedent as specified in the precedent and/or has been waived by the relevant parties The completion of the transaction shall take place on December 30, 2021 at the debtor's office or at any other date, time or place as may be agreed upon by the parties ("Date of Transaction Completion"). Completion must occur by December 31, 2021 on the transaction completion date. The debtor is obliged to deliver the following documents to the creditor.

1. Deliver a copy of the Board of Directors' meeting minutes. Minutes of the debtor's shareholders' meeting (which has been signed to certify the correctness by the authorized director of the debtor) has approved the transaction under the debt settlement agreement in accordance with the regulations and relevant regulations of the debtor.
2. Deliver a copy of the share transfer instrument which has been signed to certify the correctness by the authorized director of the debtor which another unrelated company signed as the transferor and

the debtor signs as a transferee to transfer the shares of a company that is not on the stock exchange This includes the contractual shares given to the debtor. The debtor agrees that he will affix or pay the stamp duty for the said transfer instrument in full as required by law.

3. Deliver the share transfer instrument that the debtor has signed as the transferor to transfer the shares according to the settlement agreement to the creditor or the person specified by the creditor. The debtor agrees that he will affix or pay the stamp duty for the said transfer instrument in full as required by law.

4. Deliver a copy of the share register book of companies that are not listed on the stock exchange. (which has been signed for authenticity by the authorized director of the company that is not listed on the stock exchange) which shows that the creditor or the person to whom the creditor is designated as a shareholder under the settlement agreement is effective from the date of completion of the transaction onwards.

5. Deliver the waiver letter signed by the shareholders of 3 companies that are not listed in the stock exchange for the transfer of shares under the settlement agreement to the creditors. The waiver letter must be satisfactory to the creditor.

6. Deliver the new contract between the shareholders of the non-listed company signed by and/or binding by the existing shareholders of the 4 non-listed companies.

7. Deliver a copy of the Board of Directors' meeting minutes. and/or minutes of shareholders' meetings of companies that are not listed on the stock exchange (which has been signed to certify authenticity by the authorized director of the non-listed company) to know the transfer of shares of non-listed companies and approve the amendment of the articles of association of companies that are not listed on the stock exchange in accordance with the

8. A new mandatory copy of a company that is not listed on the stock exchange According to the new contract between the shareholders of an unregistered company with the Department of Business Development Ministry of Commerce

9. A copy of the list of new shareholders (Form Bor Or Jor. 5) specifying the creditor or the person who designated the creditor to be the shareholder under the contract. which has been selected by the Department of Business Development Ministry of Commerce

If the transaction is not completed by December 31, 2021 the debtor is obliged to place collateral with the creditor as collateral for the debtor's repayment under the bill of exchange. with a collateral value of not less than Baht 3,000,000,000. The collateral must be deposited by March 31, 2022. The collateral property and details of the collateral must satisfy the creditor.

Prerequisite

- Completion of the transaction will occur only when each party has fulfilled the conditions precedent as stated. and/or has been waived by the relevant counterparty before or on the date the transaction is completed. The parties are obliged to comply with the conditions

precedent, agreeing to use their best efforts in good faith to complete the precedent before or within the date the transaction is completed.

- Except for the conditions precedent as stated in Clause 1 and 7 of the Preceding Conditions. The creditor or debtor may issue a waiver on or before the completion of the transaction to waive any or all of the precedent conditions, with or without conditions to the contracting party requesting a waiver
- The debtor and the creditor agree to notify the other party promptly in writing of any event that will or may cause a precedent to be fulfilled before or on the date of completion of the transaction.
- If the precedent conditions are not fully complied with and/or have been waived by the relevant counterparty before or on the date the transaction is completed. The creditor will not act in any action. In order to complete the transaction under the Settlement Agreement, the creditor may exercise the right to set a new completion date. This shall not exceed seven days from the date of completion of the transaction as agreed by the parties or undertaken to complete the transaction to the extent possible without prejudice to any rights that the creditor has under the foreclosure agreement. pay off debt or may exercise the right to terminate the contract for repayment of debt without prejudice to any rights that the creditor should have under the repayment contract

Actions before the transaction are complete.

Except for the pledge of shares under the contract for repayment of debt under the share pledge agreement and unless prior written consent has been obtained from the creditor from the date of entering into the settlement agreement until the date the transaction is completed, the debtor agrees to prevent Another unrelated company sells, transfers or creates any encumbrance in the shares under the contract to any person other than the creditor.

Action after the transaction are completed.

Within the date the transaction is completed. The creditor is obliged to act as a counterparty in the share pledge agreement. to pledge shares according to the contract with the Company responsible for the construction of the project or Enter into a new share pledge agreement according to the settlement agreement with the said company.

Within 1 month from the date the transaction is completed. (Currently, in processes) The creditor has the right to assess the value of the new contract shares based on the fact that the contract shares are divided into 1,080,648 shares, which are shares that are fully paid at par. and shares of 1,172,068 shares, which are unpaid shares at the par value of Baht 56.72, not fully paid-up shares according to the pre-assessment valuation. pay off debt ("appraisal after the settlement of assets") in the event that the result of the valuation after the settlement of assets causes the value of the shares under the contract to have less value Baht 1,202,454,746,48. The debtor will compensate the difference to the creditor by paying in cash or in shares of companies that are not listed on the stock exchange or

other assets approved by the creditors. The difference will be paid to the creditor within 1 month from the date the creditor notifies the result of the appraisal after the repayment of the assets. In the event that the debtor pays the difference later than the stipulated. The debtor must pay interest on the overdue payment difference to the creditor at the rate of 6.5% per annum until the date of payment of the difference in full.

Subsequently, on December 30, 2021 according to the resolution of the Board of Directors' Meeting No. 11/2021, it was resolved to approve the cancellation of the remaining debt after the repayment of the assets as a request by an unrelated company to cancel the outstanding debt. Baht 15.13 million due to delays beyond the control of an unrelated company.

The Company has hired an independent appraiser to determine the share price of a company that the debtor repays debt, which invests in a company that operates solar power business in Myanmar. by considering the income method (Income Approach) by calculating the future revenue value equal to the amount of electricity capacity that agreed with the parties in the power purchase agreement equal to the contractual age plus the expected age of the contract renewal. The independent appraiser took into account the feasibility analysis of the future electricity demand in Myanmar. Risk consideration (Risk Premium) using the discount rate Related Tax Rates as well as the amount of money that must be maintained for the assets used in the production of electricity The Company recognizes the profit from the settlement of such debts in the income statement for the year 2021 amount of Baht 112.84 million, details are as follows:

| | (Unit: Million Baht) |
|---------------------------------|-------------------------------|
| | Separate Financial Statements |
| | December 31, 2021 |
| Principal (Note 11) | 1,072.16 |
| Accrued interest on account | 17.45 |
| Value of assets to be forfeited | 1,202.45 |
| Profit from debt settlement | 112.84 |

17. LONG - TERM LOAN

| | (Unit: Thousand Baht) | |
|---|-----------------------------------|-------------------|
| | Consolidated Financial Statements | |
| | December 31, 2021 | December 31, 2020 |
| Long – term loan to third party | 40,538 | 40,538 |
| <u>Less</u> Allowance for doubtful debt | <u>(40,538)</u> | <u>(40,538)</u> |
| Net | <u>-</u> | <u>-</u> |

LONG - TERM LOAN TO THIRD PARTY

In 2016, the subsidiary recognized allowance for doubtful debt of long - term loan to third party amount of Baht 30 million due to Anti - Money Laundering Office informed the subsidiary to explain for transaction of freeze asset which the borrower uses for such loan guarantee.

Case with attorney officer of department of Special Litigation 3 requested to revoke property that acquired by unlawful. Attorney office claimed that a subsidiary company (Vitoonthanakorn Co., Ltd.) mortgage land with non-related person. The court order to hear sentence on March 19, 2019. The court sentenced that such mortgaged land becomes the property of government. Currently, in the litigation.

The undecided case No Mor Yor 49/2019, the company sued Mr. Jadesada Yindee with 2 person defendants due to breach of contract and request to pay mortgage debt. The court ordered to have witness process appointment on October 17, 2019, both parties agreed to a compromise agreement and the court gave the judgment as follows:

1. Both defendants admitted that they owe the subsidiary company in amount of Baht 32,863,561.64.
2. The two defendants agreed to transfer the land, which is the title deed and the utility certificate (Nor Sor 3 Kor) in the total of 6 plots, total area of approximately 114 rai 2 ngan 40 square wah with buildings to the plaintiff. Which both defendants accepted total of land has not obligation or non-related with any violate. For the transfer land with building total 6 plot, such the plaintiff that defendants agreed to paid expense, fee and taxation only. The defendants will complete the transfer process within 30 days from October 17, 2019.
3. According to this case both defendants mortgaged land as loan collateral, mortgaged land title deed number 17056, 17078, Utilization certificate (Nor Sor 3 Kor) number 2185, and land title deed number 169326, to plaintiff. If both defendants transferred land as stated in No.2 to plaintiff within specified date (within 30 days) from today. The plaintiff has to redeem the mortgage of land to both defendants within 30 days since defendants transferred the last land plot to plaintiff.
 - 3.1 Regarding land title deed number 169326 both defendants agreed that plaintiff will redeem their mortgage after 3 years from October 17, 2019. This land was guaranteed for the three-year period that will be transferred to plaintiff immediately if any of mortgaged land as said in No.2 is seized, frozen, legal execution, or enforcement to be government property by any government agency, for example the Anti-Money Laundering Office (AMLO), the Department of Special Investigation (DSI), court, or other government or private office.
 - 3.2 If any land or all land as said in No.2 above was seized by government agency, it was considered that both defendants default payment the remaining of their debt, and both defendants allow plaintiff enforce debt payment per supplementary plaint of Baht 32,863,531.64 with interest rate at 15% per annum of principle Baht 30,000,000 since sue date until full payment to plaintiff. (By making payment to bring the appraised value of the land on the transfer date, the plot can be transferred to the plaintiff and was not confiscated or attached, as the case may be to subtract the amount Baht 32,863,561.64. If there is a lack of how much the two defendants are obliged to pay the difference to the plaintiff in full. Along with interest at a rate of 15 percent per year of the outstanding balance from the date of default until payment is completed to the plaintiff. If the two defendants do not pay or do not pay in full he plaintiff can enforce the seizure of other assets of the two defendants to be sold at auction to bring the money to complete the payment to the plaintiff.)
4. On due date as said in No.2 (within 30 days from October,17 2019) and/ or No.3, if both defendants do not follow or complete the agreement, it was considered that both defendants default payment of total debt. By using sentence of the statement, both agreed to transferred land building of 6 plots as said in No.2 and/ or No.3 to plaintiff. Any expense, transfer fee, and duty that plaintiff paid in advance,

both defendants will repay to plaintiff. If plaintiff refuse to transfer land back to defendant as said in No.3, by using this statement both defendants will pay all expenses in their own.

The case has ended because the two sides have had to compromise agreement. The defendant refused to comply with contract. Because the defendant refused to comply with the compromise agreement. Currently, the process of enforcing the land seizure lawsuit.

On October 18, 2019, the two defendants to take some land for transfer to plaintiff but the two defendants sell on consignment with outsider. The plaintiffs have filed to the Criminal case cheat payable. Ordered for the black case No.Aor 3883/2020. The Court arranged to assize on March 22, 2021. On that date, the plaintiff's lawyer had inquired the information and the Court issued an order stamping the plaintiff's lawsuit. The Court an appointment scheduled a new testimony on December 13, 2021. On that date, the two defendants' attorneys came to the court. And claimed that the two defendants had an appointment to negotiate an agreement with those interested in purchasing the land of the two defendants in Nakhon Ratchasima. And now has contacted and negotiated with the plaintiff to pay the debt to the plaintiff. And the two defendants require to pay the debt as sued to the prosecution. The court considered that to give the defendant an opportunity to find money to pay the debt to the plaintiff. Therefore, allowed to postpone the case to make an appointment to test the testimony of the two defendants and set the date for the witness hearing on April 19, 2022.

18. INVESTMENT PROPERTY

Investment property as at December 31, 2021 and 2020 were as follows:

| | (Unit: Thousand Baht) | | | |
|-----------------------------------|-----------------------|-------|----------------------|---------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Land and building - Krisada Doi | - | - | 259,288 | 264,793 |
| Leasehold right on warehouse - | | | | |
| Bankok Free Trade Zone | - | - | - | - |
| Buildings and structures - Garden | | | | |
| Asoke Rama 9 | 9,271 | 8,454 | - | - |
| Total | 9,271 | 8,454 | 259,288 | 264,793 |

During the year ended December 31, 2021 and 2020 the group have following movements in investment property are as follows:

| | (Unit : Thousand Baht) |
|--|-----------------------------------|
| | Consolidated Financial Statements |
| Leasehold right in warehouse - Bangkok Free Trade Zone | |
| At Fair value | |
| As at January 1, 2020 | 227,945 |
| The revised TFRS.16 applied as of January 1, 2020 | 28,330 |
| Additions | - |
| (Decrease) | (7,782) |
| Transferred to asset held for sale | (248,493) |
| As at December 31, 2020 | - |

| | (Unit : Thousand Baht) |
|---|-----------------------------------|
| | Consolidated Financial Statements |
| Increase (Decrease) | - |
| Transferred in (out) from asset held for sale | 248,493 |
| Amortization | (7,0763) |
| Dispose of subsidiaries during the year (Note 14.4) | (241,420) |
| As at December 31, 2021 | - |
| Allowance for loss from fair value adjustment | |
| As at January 1, 2020 | 108,422 |
| Loss from fair value adjustment for the year | (108,422) |
| As at December 31, 2020 | - |
| Transferred in (out) from asset held for sale | 108,422 |
| Increase (Decrease) | (8,730) |
| Transferred in (out) from asset held for sale | 25,115 |
| Dispose of subsidiaries during the year | (124,807) |
| As at December 31, 2021 | - |
| Net Book Value | |
| As at December 31, 2020 and 2021 | - |

| | (Unit : Thousand Baht) | | |
|----------------------------------|-----------------------------------|------------------|--------|
| | Consolidated Financial Statements | | |
| | Land | Land improvement | Total |
| Buildings and structures | | | |
| - Garden Asoke Rama 9 | | | |
| At Fair value | | | |
| As at January 1, 2020 | 5,653 | 3,981 | 9,634 |
| Increase (Decrease) | - | - | - |
| As at December 31, 2020 | 5,653 | 3,981 | 9,634 |
| Increase (Decrease) | - | - | - |
| Transferred in (out) | 603 | 425 | 1,028 |
| As at December 31, 2021 | 6,256 | 4,406 | 10,662 |
| Accumulated Amortization | | | |
| As at January 1, 2020 | - | 1,104 | 1,104 |
| Amortization charge for the year | - | 76 | 76 |
| As at December 31, 2020 | - | 1,180 | 1,180 |
| Amortization charge for the year | - | 85 | 85 |
| Transfer in(out) | - | 126 | 126 |
| As at December 31, 2021 | - | 1,391 | 1,391 |
| Net Book Value | | | |
| As at December 31, 2020 | 5,653 | 2,801 | 8,454 |
| As at December 31, 2021 | 6,256 | 3,015 | 9,271 |

The changes in net of carrying value of investment property, which presented as Separated financial statement during the years 2021 and 2020 are as follows:

| | (Unit : Thousand Baht) | | |
|--|-------------------------------|------------------|---------|
| | Separate Financial Statements | | |
| | Land | Land improvement | Total |
| Leasehold Right on Land in Project Krisada Doi At Fair value | | | |
| As at January 1, 2020 | 184,828 | 106,171 | 290,999 |
| Increase (Decrease) | - | - | - |
| As at December 31, 2020 | 184,828 | 106,171 | 290,999 |
| Increase (Decrease) | - | - | - |
| As at December 31, 2021 | 184,828 | 106,171 | 290,999 |
| Accumulated Amortization | | | |
| As at January 1, 2020 | - | 20,559 | 20,559 |
| Amortization charge for the year | - | 5,647 | 5,647 |
| As at December 31, 2020 | - | 26,206 | 26,206 |
| Amortization charge for the year | - | 5,505 | 5,505 |
| As at December 31, 2021 | - | 31,711 | 31,711 |
| Net Book Value | | | |
| As at December 31, 2020 | 184,828 | 79,965 | 264,793 |
| As at December 31, 2021 | 184,828 | 74,460 | 259,288 |

As at December 31, 2021 and 2020, the net certain investment property items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amount to Baht 4.52 million and Baht 1.70 million, respectively.

19. PROPERTY, PLANT AND EQUIPMENT

19.1 Property, plant and equipment are following:

| | (Unit : Thousand Baht) | | | | | |
|--|-----------------------------------|---|--------------------------|---|--------------------------------|-----------|
| | Consolidated Financial Statements | | | | | |
| | Land | Buildings and building improvements | Sport club and others | Furniture, fixtures and office equipment and vehicles | Asset under installation | Total |
| Cost | | | | | | |
| As at January 1, 2020 | 289,451 | 1,020,311 | 27,377 | 264,303 | 101,417 | 1,702,859 |
| Additions | - | 214 | - | 961 | - | 1,175 |
| Transfer in (out) | - | - | - | (2,426) | - | (2,426) |
| Disposals | - | (52,083) | (7,382) | (36,760) | (4,995) | (101,220) |
| As at December 31, 2020 | 289,451 | 968,442 | 19,995 | 226,078 | 96,422 | 1,600,388 |
| Additions | - | 406 | - | 3,057 | - | 3,463 |
| Transfer in (out) | (603) | (425) | - | 2,469 | - | 1,441 |
| Dispose of subsidiaries during the year | - | - | - | (2,426) | - | (2,426) |
| Disposals | (1,115) | (13,457) | (321) | (37,807) | (275) | (52,975) |
| As at December 31, 2021 | 287,733 | 954,966 | 19,674 | 191,371 | 96,147 | 1,549,891 |
| Accumulated Depreciation | | | | | | |
| As at January 1, 2020 | - | 254,396 | 17,784 | 205,155 | - | 477,335 |
| Depreciation charge for the year | - | 48,634 | 979 | 26,697 | - | 76,310 |
| Transfer in (out) | - | - | - | (2,322) | - | (2,322) |
| Disposals | - | (51,926) | (7,382) | (36,748) | - | (96,056) |
| As at December 31, 2020 | - | 251,104 | 11,381 | 192,782 | - | 455,267 |
| Depreciation charge for the year | - | 47,878 | 976 | 19,720 | - | 68,574 |
| Transfer in (out) | - | (122) | - | 2,362 | - | 2,240 |
| Dispose of subsidiaries during the year | - | - | - | (2,393) | - | (2,393) |
| Disposals | - | (7,736) | (321) | (37,581) | - | (45,638) |
| As at December 31, 2021 | - | 291,124 | 12,036 | 174,890 | - | 478,050 |
| Allowance for Impairment | | | | | | |
| As at December 31, 2021 | - | 78,700 | - | 3,475 | 3,927 | 86,102 |
| (Reversal of) impairment loss during the year | - | - | - | (248) | 97 | (151) |

(Unit : Thousand Baht)

| | Consolidated Financial Statements | | | | | |
|----------------------------|-----------------------------------|---|--------------------------|---|--------------------------------|-----------|
| | Land | Buildings and building improvements | Sport club and others | Furniture, fixtures and office equipment and vehicles | Asset under installation | Total |
| As at December 31, 2020 | - | 78,700 | - | 3,227 | 4,024 | 85,951 |
| Net Book Value | | | | | | |
| Owned assets | 289,451 | 638,638 | 8,614 | 29,821 | 92,495 | 1,059,019 |
| Assets under finance lease | - | - | - | - | - | - |
| As at December 31, 2020 | 289,451 | 638,638 | 8,614 | 29,821 | 92,495 | 1,059,019 |
| Owned assets | 287,733 | 585,142 | 7,638 | 13,254 | 92,123 | 985,890 |
| Assets under finance lease | - | - | - | - | - | - |
| As at December 31, 2021 | 287,733 | 585,142 | 7,638 | 13,254 | 92,123 | 985,890 |

(Unit : Thousand Baht)

| Separated Financial Statements | | | | | |
|----------------------------------|--------------|---|--------------------------|--|---------------|
| | Land | Buildings and building improvements | Sport club and others | Furniture, fixtures and office equipment and vehicles | Total |
| Cost | | | | | |
| As at January 1, 2020 | 6,754 | 67,294 | 27,056 | 61,513 | 162,617 |
| Additions | - | - | - | 90 | 90 |
| Disposals | - | (51,926) | (7,382) | (36,236) | (95,544) |
| As at December 31, 2020 | <u>6,754</u> | <u>15,368</u> | <u>19,674</u> | <u>25,367</u> | <u>67,163</u> |
| Additions | - | - | - | 206 | 206 |
| Transfer in | - | - | - | 43 | 43 |
| Disposals | (1,115) | (12,427) | - | (8) | (13,550) |
| As at December 31, 2021 | <u>5,639</u> | <u>2,941</u> | <u>19,674</u> | <u>25,608</u> | <u>53,862</u> |
| Accumulated Depreciation | | | | | |
| As at January 1, 2020 | - | 60,397 | 17,464 | 59,567 | 137,428 |
| Depreciation charge for the year | - | 983 | 979 | 1,082 | 3,044 |
| Disposals | - | (51,926) | (7,382) | (36,236) | (95,544) |
| As at December 31, 2020 | <u>-</u> | <u>9,454</u> | <u>11,061</u> | <u>24,413</u> | <u>44,928</u> |
| Depreciation charge for the year | - | 538 | 976 | 440 | 1,954 |
| Transfer in | - | - | - | 43 | 43 |
| Disposals | - | (7,052) | - | (8) | (7,060) |
| As at December 31, 2021 | <u>-</u> | <u>2,940</u> | <u>12,037</u> | <u>24,888</u> | <u>39,865</u> |

(Unit : Thousand Baht)

| | Separated Financial Statements | | | | |
|--------------------------------|--------------------------------|---|--------------------------|--|---------------|
| | Land | Buildings and building improvements | Sport club and others | Furniture, fixtures and office equipment and vehicles | Total |
| Net Book Value | | | | | |
| Owned assets | 6,754 | 5,914 | 8,613 | 954 | 22,235 |
| Assets under finance lease | - | - | - | - | - |
| As at December 31, 2020 | 6,754 | 5,914 | 8,613 | 954 | 22,235 |
| Owned assets | 5,639 | 1 | 7,637 | 720 | 13,997 |
| Assets under finance lease | - | - | - | - | - |
| As at December 31, 2021 | 5,639 | 1 | 7,637 | 720 | 13,997 |

As at December 31, 2021 and 2020, the net certain building and equipment items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amount to Baht 27.04 million and Baht 29.27 million, respectively. (The AQ Estate Group: amount to Baht 172.36 million and Baht 125.10 million, respectively).

19.2 Leasehold rights - net

During the year ended December 31, 2021 and 2020 the group have following movements in leasehold right as follows:

| | (Unit : Thousand Baht) |
|--|---|
| | Consolidated Financial Statements |
| Cost | |
| As at January 1, 2020 | 269,352 |
| Additions | - |
| Decrease | - |
| Transfer to right of use asset (Note 20) | (269,352) |
| As at December 31, 2020 and 2021 | - |
| Accumulated Amortization | |
| As at January 1, 2020 | 40,318 |
| Decrease | - |
| Transfer to right of use asset (Note 20) | (40,318) |
| Amortization charge for the year | - |
| As at December 31, 2020 and 2021 | - |
| Allowance on Impairment | |
| As at December 31, 2020 and 2021 | - |

| | (Unit : Thousand Baht) |
|----------------------------------|------------------------|
| | Consolidated |
| | Financial |
| | Statements |
| Impairment loss during the year | - |
| As at December 31, 2020 and 2021 | - |
| Net Book Value | |
| As at December 31, 2020 and 2021 | - |

On July 3, 2015, a subsidiary company (Aquarius estate Co., Ltd.) entered transferring leasehold right on land and structure thereon with a non-related person for hotel business for period of 7 years and 6 months 19 days at amount of Baht 28.90 million. On March 28, 2019, a subsidiary company cancel leasehold right on land and structure the contractor asked for a pending of Baht 15.41 million and 18.23 million respectively a subsidiary company amortization of leasehold right on land and structure under "Administrative expenses" in the statement of comprehensive income.

As at January 1, 2020, The Group's Company and subsidiaries transferred right-of-use amounting to Baht 75.30 million by TFRS 16 Lease.

20. RIGHT-OF-USE ASSETS

As at December 31, 2021 and 2020 as follow :

The statement of financial position included following transactions relating to leases.

| | (Unit: Thousand Baht) | | | |
|-------------------------------------|-----------------------|----------------|----------------------|--------------|
| | Consolidated | | Separated | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Right of use assets | | | | |
| Land and land improvements | 145,365 | 221,909 | - | - |
| Buildings and building improvements | - | - | 2,939 | 4,618 |
| Vehicle | 2,313 | 4,023 | 2,313 | 4,023 |
| Total right of use assets | 147,678 | 225,932 | 5,252 | 8,641 |
| Lease liabilities, net | | | | |
| Current | 18,136 | 59,760 | 3,688 | 3,456 |
| Non-current | 45,690 | 48,124 | 2,055 | 5,608 |
| Total lease liabilities, net | 63,826 | 107,884 | 5,743 | 9,064 |

Moment in right of use asset as at December 31, 2021, have following:

| | (Unit: Thousand Baht) | |
|-------------------------------------|-----------------------|----------------------|
| | Consolidated | Separated |
| | Financial Statements | Financial Statements |
| Balance as at January 1, 2021 | 225,932 | 8,641 |
| Increase | 1,192 | - |
| Amortization | (12,246) | (3,389) |
| Reserve impairment for right of use | (67,200) | - |
| Balance as at December 31, 2021 | 147,678 | 5,252 |

The statement of income included following transactions related to leases.

| | (Unit: Thousand Baht) | |
|--|-----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Depreciation for right of use | | |
| Building and building improvements | 10,536 | 1,679 |
| Vehicles | 1,710 | 1,710 |
| Total depreciation charge of right-of-use assets | 12,246 | 3,389 |

A) Leasehold right of land in Koh Larn, Chonburi

The indirect subsidiary company holds leasehold right of land approximately 81 Rais in Koh Larn, Chonburi for resort business for the remaining period 27 years (Agreement to maturity dated July 31, 2040) at book value of Baht 248 million. Based on the appraisal report of independent appraiser in July 2013, the appraised value of leasehold right is Baht 275 million. Using, the (Income Approach) method. This method is calculated basing on the discounted cash flow of the revenues for the period of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016, the Company entered into the contract with non-related party to transfer a leasehold right of beach front amount to Baht 10 million. The hold management contract requires the company to provide beach front area for hotel customer. Then the Company complied to the contract. At the present is in transferring process. On February 5, 2015, the Company entered into Letter of intent with a foreign company for entering into a hotel management agreement.

However, on March 24, 2016, such foreign company postponed entering into a hotel management agreement until the Stock of Exchange of Thailand lifts its suspension of trading of the company's shares. This matter caused the project has been suspended. On September 22, 2016, then refunded deposit payment of US dollars 60,000. The Indirect subsidiary recorded loss on deposit of Baht 2.04 million. In March 2017, the Company has engaged an independent appraiser to re-appraise the leasehold right, using (Income Approach on Profit Rent Method) determined by renting such leasehold right at the market rental rate, discounted to present value to be Baht 79.40 million. Such appraisal was based on the assumptions that the Company's the credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1(A). The market information of comparative land was not having the same area as the Company and there was no historical rental

rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment in assets. The Company recognized the impairment loss on such leasehold right as at December 31, 2021 amounting to Baht 220.93 million.

At present, the indirect subsidiary has renewed the contract to extend the construction period for another 5 years, ending on May 31, 2021. Currently, the process of negotiating the construction plan The Pattaya City needs construction cost of Baht 280 million. But Pattaya City has to ask to see if it can be accepted or not. If the city of Pattaya ordered to fix construction value added. The indirect subsidiary has to deposit additional security and have to pay a special fee to Pattaya City, originally paid Baht 400,000 per year during the construction period of 5 years plus the rent paid according to the lease agreement before submission. The subsidiary had to pay the total amount of Baht 12.3 million for drawings. The Company considered that if it had to submit a request to extend the construction period for another 5 years, the subsidiary had to pay the total amount of Baht 14.30 million and the lease term would be 14 years and construction that requires a lot of investment combined with the current situation, there are no tourists it will cause the indirect subsidiary to invest not worth the money invested. According to the Executive Committee meeting No. 18/2021 dated June 17, 2021, there was a resolution not to extend the construction period with Pattaya City. Later, at the Executive Committee meeting No. 20/2021 dated July 5, 2021, the meeting assigned the management team to negotiate with Pattaya City in order to know the guidelines that should be following. During the year, the subsidiary considered to set an allowance for impairment of leasehold rights in the statement of comprehensive income amount of Baht 67.20 million resulting in as at December 31, 2021. The subsidiary had an allowance for impairment of leasehold right was shown in the statement of financial position amounting to 220.93 million baht (from the previous showing in the statement of financial position amount of Baht 153.73 million)

21. OTHER INTANGIBLE ASSETS

| | (Unit : Thousand Baht) | | |
|--|------------------------|------------------|--------------|
| | Consolidated Financial | | |
| | Software licences | Leasehold rights | Total |
| Cost | | | |
| As at January 1, 2020 | 8,962 | 14,274 | 23,236 |
| Additions | 254 | - | 254 |
| Decrease | (31) | - | (31) |
| Transfer to right of use asset | - | (14,274) | (14,274) |
| As at December 31, 2020 | 9,185 | - | 9,185 |
| Additions | 233 | - | 233 |
| Decrease | (339) | - | (339) |
| As at December 31, 2021 | 9,079 | - | 9,079 |
| Accumulated Amortization | | | |
| As at January 1, 2020 | 7,682 | 194 | 7,876 |
| Amortization charge for the year | 454 | - | 454 |
| Decrease | (18) | - | (18) |
| Transfer to right of use asset (Note 20) | - | (194) | (194) |
| As at December 31, 2020 | 8,118 | - | 8,118 |
| Amortization charge for the year | 213 | - | 213 |
| Decrease | (300) | - | (300) |
| As at December 31, 2021 | 8,031 | - | 8,031 |
| Net Book Value | | | |
| As at December 31, 2020 | 1,067 | - | 1,067 |
| As at December 31, 2021 | 1,048 | - | 1,048 |

| | |
|---|-------------------------------|
| | (Unit : Thousand Baht) |
| | Separate Financial Statements |
| | Software licences |
| Cost | |
| As at January 1, 2020 | 4,601 |
| Additions (Decrease) | 73 |
| As at December 31, 2020 | 4,674 |
| Additions (Decrease) | - |
| As at December 31, 2021 | 4,674 |
| Accumulated Amortization | |
| As at January 1, 2021 and as at December 31, 2020 | 4,613 |
| Amortization charge for the year | 15 |
| As at December 31, 2021 | 4,628 |
| Net Book Value | |
| As at December 31, 2020 | 61 |
| As at December 31, 2021 | 46 |

22. DEFERRED INCOME TAX ASSETS AND LIABILITY

Tax income (expenses) for each of the years ended December 31, 2021 and 2020 consisted of:

| | | | | |
|---|------------------------|-------------|----------------------|----------|
| | (Unit : Thousand Baht) | | | |
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Current income tax | | | | |
| Current income tax for taxable profits for the year | - | - | - | - |
| Adjusted from last year | (6,661) | - | - | - |
| Deferred income tax | | | | |
| Deferred income tax assets and liability | (322) | - | - | - |
| Tax income (expense) | (6,661) | (49) | - | - |

Reconciliations between Tax income (expense) and accounting gain (loss) multiplied by the applicable tax rate for each of the years ended December 31, 2021 and 2020 are as follows:

| | (Unit : Thousand Baht) | | | |
|--|-----------------------------------|-----------|--------------------------------|-----------|
| | Consolidated Financial Statements | | Separated Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Accounting profit (loss) before tax | (488,500) | (391,840) | (269,281) | (449,429) |
| Income tax rate at 20% | 97,700 | 78,368 | 53,856 | 89,886 |
| Add (less) : Tax effect of exempted income and non-deductible expenses | (92,987) | (82,450) | 2,711 | (32,904) |
| Unrecognition of deferred income tax assets | 1,948 | 4,033 | (56,567) | (56,834) |
| Tax income (expense) | 6,661 | (49) | - | - |

The details of deferred income tax assets and liability as at December 31, 2021 and 2020 are as follows:

| | (Unit : Thousand Baht) | | | |
|--------------------------------------|-----------------------------------|---------------------|----------------------------|-------------------|
| | Consolidated Financial Statements | | | |
| | Recorded as (expense) income in | | Other comprehensive income | |
| | December 31, 2020 | Profit for the year | for the year | December 31, 2021 |
| | | | | |
| Deferred income tax liability | | | | |
| - Intangible Asset | - | - | - | - |
| - Property, plant and equipment | (3,221) | 255 | - | (2,966) |
| - Right-of-use asset | (2,767) | 67 | - | (2,700) |
| Total | (5,988) | 322 | - | (5,666) |

Unrecognized Deferred Income Tax Assets

As at December 31, 2021 and 2020, the AQ Estate Group did not recognize deferred income tax assets for a temporary difference item, use tax deduction and certain temporary differences amount of Baht 1,602.27 million and Baht 1,597.26 million, respectively (for the separate amount of Baht 1,754.66 million and Baht 1,698.09 million, respectively) since it is not probable that future taxable profit will be available against which the AQ Estate Group and the Company can utilize the benefit therefore.

23. OTHER NON – CURRENT ASSETS

As at December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|-------------------|-----------------------|----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Land | 295,574 | 729,874 | - | - |
| Withholding taxes | 12,155 | 12,008 | 8,303 | 2,608 |
| Income tax refund | 49,747 | 47,894 | 34,790 | 32,182 |
| Other | - | 1,201 | - | 1,201 |
| Total | 357,476 | 790,977 | 43,093 | 35,991 |

23.1 Other non - current assets of the subsidiary as land that delayed construction in Phuket and projects under construction that delayed the construction of the project at Rattana Thibet present by cost in the consolidated financial statement, as at December 31, 2021 and 2020 amount of Baht 295.57 million, appraised value based on reports of the independent appraise in the year 2019, using value Market method amount of Baht 369.10 million.

23.2 On August 2, 2021, the subsidiary entered into an agreement to purchase and sell assets of a project under construction that has delayed construction with an unrelated company at a total price of Baht 190 million. Approved according to the resolution of the Board of Directors Meeting No. 3/2021 dated July 9, 2021. The project has a book value of Baht 434.30 million. (net of allowance for decreased inventories amount of Baht 106.64 million), the Company recognized loss from sales of such projects during the year 2021 of Baht 244.30 million and the Company received cash the full contract and completed the registration of the transferred of ownership at Land Department.

24. TRADE AND OTHER CURRENT PAYABLES

As at December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Trade and other current payable | | | | |
| Non-related companies | | | | |
| Trade payables - net | 12,878 | 30,520 | 622 | 776 |
| Other current payables - net | 131,169 | 313,915 | 40,028 | 40,849 |
| Total trade accounts and other current payable - net | 144,047 | 344,435 | 42,650 | 41,625 |
| Trade payables - Net | | | | |
| Trade payables | 11,576 | 16,309 | 182 | 63 |
| Construction payables | 1,302 | 14,211 | 440 | 713 |
| Total trade payables - net | 12,878 | 30,520 | 622 | 776 |
| Other current payable - net | | | | |

| | (Unit: Thousand Baht) | | | |
|------------------------------------|-----------------------|---------|----------------------|---------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Advance payment | 19,297 | 153,906 | 2,454 | 2,788 |
| Accrued expense | 14,064 | 16,977 | 3,115 | 2,310 |
| Deposit received | 34,661 | 59,880 | 14,178 | 15,723 |
| Creditors revenue | 44,322 | 41,364 | 16,544 | 14,365 |
| Unearned income | 820 | 897 | - | - |
| Other payables | 18,005 | 40,891 | 5,737 | 5,663 |
| Total other current payables - net | 131,169 | 313,915 | 42,028 | 40,849 |
| Trade and other current payables | | | | |
| - related parties (Note 6) | - | - | 144,023 | 139,220 |
| Trade and other current payables | | | | |
| - net | 144,047 | 344,435 | 186,673 | 180,845 |

25. PROVISION FOR CURRENT OTHER LIABILITIES

Provision for Litigation

As discussed in Note 1, on November 16, 2015, the Board approved the management of the Company estimated compensation on such damage and recorded in the consolidated and the separate financial statements of comprehensive income for the year ended December 31, 2015 at amount of Baht 1,630.50 million (net of the collateral value). As the actual compensation will substantially depend on the Company's ability to sell such collateral land at the estimated price. During of 2016 the Company recorded additional permutation of Baht 3,056.20 million per selling this pledged land. The Company paid damages to Krung Thai Bank amounting to Baht 1,635.74 million and during of year end, 2017 to December 31, 2021 the Company recorded additional of Baht 6.68 million per selling this land.

Advance for lawsuit

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

26. LOANS TERM DEBTS

As at December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------|----------------------|---------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Liabilities under debt restructuring agreements (Note 26.1) | 1,093 | 1,073 | 1,093 | 1,073 |
| Long - term loans (Note 26.2) | 45,679 | 40,168 | 20,000 | - |
| Total | 46,772 | 41,241 | 21,093 | 1,073 |
| <u>Less</u> Current portion of long - term debts | | | | |
| - Liabilities under debt restructuring agreements | (1,093) | (1,073) | (1,093) | (1,073) |
| - Long - term loans | (34,107) | (16,750) | (20,000) | - |
| Total | (35,200) | (17,823) | (21,093) | (1,073) |
| Net | 11,572 | 23,418 | - | - |

26.1 Liabilities under debt restructuring agreements

Movements in the loans considered as default, liabilities under debt restructuring for the years ended December 31, 2021 are as follows:

| | (Unit: Thousand Baht) | |
|---------------------------------|-----------------------|----------------------|
| | Consolidated | Separate |
| | Financial Statements | Financial Statements |
| Balance as at January 1, 2021 | 1,073 | 1,073 |
| Increase | 20 | 20 |
| Balance as at December 31, 2021 | 1,093 | 1,093 |

26.2 Long - term loans

Movements in the loans considered as default, long - term loans for the years ended December 31, 2021 are as follows:

| | (Unit: Thousand Baht) | |
|---------------------------------|-----------------------|----------------------|
| | Consolidated | Separate |
| | Financial Statements | Financial Statements |
| Balance as at January 1, 2021 | 40,168 | - |
| Increase | 20,000 | 20,000 |
| Repayment | (14,489) | - |
| Balance as at December 31, 2021 | 45,679 | 20,000 |

As at December 31, 2021 and 2020, the AQ Estate Group's credit facilities bear interest at the rates ranging between MLR+0.25 to MLR+0.75 per annum. The subsidiary has collateral (Note 10), leasehold right (Note 20 and 19) and former director of Subsidiary (The Tarna Align Resort Co., Ltd.) collateral.

On November 4, 2021, the Company entered into loan agreement with non related company on credit limit amount of Baht 30 million. As at December 31, 2021, the Company has received a loan amount of Baht 20 million. Interest rate is 9.20 percent. The Company agrees to payment only interest on the balance of the loan on a monthly basis to the lender and agrees to repay the loan to the lender from time to time within 3 years from the date of making contract. The Company has collateral for the loan by using inventories (Note 10). Subsequently, on January 24, 2022, the Company received additional loan amounting to Baht 10 million.

27. LIABILITIES UNDER FINANCE LEASE CONTRACTS

As at December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|--|-----------------------------------|----------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Liabilities under finance lease contracts | 108,104 | 177,688 | 6,063 | 9,887 |
| <u>Less</u> Deferred interest | (44,278) | (69,804) | (320) | (823) |
| | 63,826 | 107,884 | 5,743 | 9,064 |
| <u>Less</u> Current portion of liabilities under | | | | |
| finance lease | 21,402 | 85,155 | 3,959 | 3,958 |
| Deferred interest | (3,266) | (25,395) | (271) | (502) |
| | 18,136 | 59,760 | 3,688 | 3,456 |
| Net | 45,690 | 48,124 | 2,055 | 5,608 |

Movement in the liabilities under finance lease contracts for the years ended December 31, 2021 are as follows:

| | (Unit: Thousand Baht) | | | | |
|--|-----------------------------------|----------|------------|---|-------------------|
| | Consolidated Financial Statements | | | | |
| | January 1, 2021 | increase | (decrease) | Disposal the subsidiary during the year | December 31, 2021 |
| <u>Liabilities under finance lease contracts</u> | | | | | |
| Liabilities under finance lease contracts | 177,688 | | | | 108,104 |
| | | 1,364 | (21,580) | (49,368) | |
| Deferred interest | (69,804) | (172) | 6,076 | 19,622 | (44,278) |
| <u>Liabilities under finance lease contracts -</u> | | | | | |
| Net | 107,884 | 1,192 | (15,504) | (29,746) | 63,826 |

(Unit: Thousand Baht)

| | Separate Financial Statements | | | |
|--|-------------------------------|----------|------------|----------------------|
| | January 1, 2021 | Increase | (decrease) | December 31, 2021 |
| <u>Liabilities under finance lease contracts</u> | | | | |
| Liabilities under finance lease contracts | 9,887 | - | (3,824) | 6,063 |
| Deferred interest | (823) | - | 503 | (320) |
| Liabilities under finance lease contracts - | | | | |
| Net | 9,064 | - | (3,321) | 5,743 |

28. PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

As at December 31, 2021 and 2020 are as follows:

| | (Unit : Thousand Baht) | | | |
|---|-----------------------------------|---------|-------------------------------|-------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Provision for employee retirement benefit | | | | |
| as at January 1, | 5,155 | 5,579 | 3,575 | 3,981 |
| Current service costs | 572 | 634 | 258 | 275 |
| Interest expense | 138 | 151 | 95 | 105 |
| Payment of employee benefits | (425) | (1,209) | (425) | (786) |
| Provision for employee retirement benefit | | | | |
| as at December 31, | 5,440 | 5,155 | 3,503 | 3,575 |

Expenses recognized in the profit (loss) for each of the years ended December 31, 2021 and 2020 and as follows;

| | (Unit : Thousand Baht) | | | |
|-----------------------|-----------------------------------|------|-------------------------------|------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Current service costs | 572 | 634 | 258 | 275 |
| Interest expense | 138 | 151 | 95 | 105 |
| Total | 710 | 785 | 353 | 380 |

Actuarial assumptions are as follows;

| | Consolidated Financial Statements | |
|--|-----------------------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Discount rate (% per annum) | 2.47 - 3.02 | 2.47 - 3.02 |
| Average salary increase rate (% per annum) | 4.45 - 4.55 | 4.45 - 4.55 |
| Turnover Rate (% per annum) | Age range | Age range |
| Retirement age (year) | 60 | 60 |

| | Separate Financial Statements | |
|--|-------------------------------|-------------------|
| | December 31, 2021 | December 31, 2020 |
| Discount rate (% per annum) | 2.47 | 2.47 |
| Average salary increase rate (% per annum) | 4.45 - 4.55 | 4.45 - 4.55 |
| Turnover Rate (% per annum) | Age range | Age range |
| Retirement age (year) | 60 | 60 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021 are summarized below:

| | (Unit : Thousand Baht) | | | |
|----------------------|---|---------------|-------------------------------|---------------|
| | Change of the present value of the employee benefit obligations increase (decrease) | | | |
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | Increase 0.5% | Decrease 0.5% | Increase 0.5% | Decrease 0.5% |
| Discount rate | (149) | 156 | (86) | 89 |
| Salary increase rate | 226 | (217) | 139 | (133) |
| Turnover rate | (256) | 271 | (170) | 179 |

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2021, the maturity analyses of benefit payments are as follows:

| | (Unit : Thousand Baht) | |
|--------------------------|-----------------------------------|-------------------------------|
| | Consolidated Financial Statements | Separate Financial statements |
| Within 1 year | - | - |
| Over 1 and up to 5 years | 4,372 | 2,879 |
| Over 5 years | 4,620 | 2,352 |

29. SHARE CAPITAL, DISCOUNT ON COMMON SHARE AND STOCK WARRANTS

29.1 Authorized share capital, Issued and paid - up share capital

- 1.1) According to the resolution of General Meeting of shareholders for year 2014 of the Company on April 24, 2014 approved a decreased in capital by reducing the par value of Baht 20 per share to Baht 0.50 per share to reduce the discount of share capital and the accumulated deficit and approve the amendment of the Memorandum of Association to comply with the decreasing of resisted capital and register with the Department of Business Development, Ministry of Commerce of March 3, 2015.
- 1.2) The Annual General Meeting of Shareholders for the year 2015 held on April 20, 2015, the meeting resolved the resolution to
 - a) Decreased the authorized capital from Baht 2,160.22 million (16,320.44 million shares, at Baht 0.50 per share) to be Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share).

- b) Increased the authorized capital amount of Baht 3,549.63 million from Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share) to be Baht 11,659.18 million (23,318.36 million shares, at Baht 0.50 per share) by issuing new ordinary shares totaling 7,099.26 million shares, at Baht 0.50 per share.
- c) To allocate newly issued ordinary shares as following:
 - General Mandate amount does not exceed 3,000 million shares, Baht 0.50 par value for offering to the existing shareholders in the proportion.
 - Total amount does not exceed 99.26 million shares, Baht 0.50 par value for reserve to adjust the additional right as warrant that will purchase (AQ-W2 total 25.77 million shares and AQ-W3 total 73.48 million shares).
 - Total amount not exceed 4,000 million shares, Baht 0.50 par value both full amount or any part in the same time or different time to private placement investors and/or institutional investors of private placement in the offering price not less than 90% of market price but the offering price not less than Baht 0.50 per share In addition, the Board of Directors or the people who is assigned by the Board of Directors are able to consider the allocation of newly issues common shares as mentioned above.
- 1.3) On July 15, 2015, the Company registered the change in paid-up capital to increase from the original amount of 8,614 shares, which made paid-up capital to be Baht 6,336,985,976.50, (divided into ordinary shares 12,673,971,953 shares at the par value Baht 0.50 per shares).
- 1.4) On June 6, 2016, the Company registered the change in paid-up capital to increase from the original amount of 711,582 shares, which made paid-up capital to be Baht 6,337,341,767.50, (divided into ordinary shares 12,674,683,535 shares, at the par value Baht 0.50 per shares).
- 1.5) The company holds the Extra General Meeting of shareholders No.1/2017 on June 30, 2017, resolution to
 - 1.) Approved by decreasing the unsold and unpaid of the registered capital amount of Baht 5,321,839,806.50, divided into 10,643,679,613 ordinary shares, at the par value Baht 0.50 per shares.
 - 2.) Approved the amendment of the company's memorandum of association in clause 4 regarding the registered capital to comply with the capital reduction in accordance with agenda clause 1) The details are as follows: clause 4 Registered Capital Baht 6,337,341,767.50, divided into Baht 12,674,683,535 shares par value Baht 0.50 per shares divided into 12,674,683,535 ordinary shares, Preference Shares
-None-
 - 3.) The capital increase-option 2, in case of the company increases the capital to (Private Placement) prior to the capital increase for (Right Offering). The details are as follows:
 - Approved the capital increase in the amount of Baht 140,668,670,884 by issuance of newly issued ordinary shares of 281,337,341,768 shares at the par value of Baht 0.50. After the capital increase, the Company will have the

registered capital of Baht 147,006,012,651.50 comprised of ordinary shares in total of 294,012,025,303 shares at par value of Baht 0.50.

- Approved to amend the memorandum of association in clause 4. Registered Capital, to comply with the increase of the registered share capital by cancelation of the previous sentences and use these new sentences as following: clause 4. Registered Capital Baht 147,006,012,651.50 comprised of 294,012,025,303 shares par value Baht 0.50 comprised of: Ordinary Shares 294,012,025,303 shares Preferred shares -None-
- Approved to consider the issuance and offering the warrants to purchase ordinary shares of the Company No. 4 (AQ-W4) for not exceeding 56,337,341,768 unit.
- Approved to consider the allotment of newly issued ordinary shares of the Company of 281,337,341,768 shares at par value of Baht 0.50 per share in the following order:
 1. Allotment of newly issued ordinary shares of 100,000,000,000 shares, Baht 0.50 par value for (Private Placement) by empowerment the Board of Directors or the person assigned by the Board of Directors to determine offering price and number of allocated shares for one year. However, the offering price must be (1) the price calculated by weighted average in the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price with the price discount of not more than 10%. At present, the company has no reference price because in the periods of trading suspension (SP). Therefore, the company must have to find next price. (2) The company conducts a price determination through a process that allows institutional investors to express their wish to acquire newly issuance shares at book building price. At the date of the Board of Directors approved the share allotment and pricing, the company will take (Book Building) price to consider in the allocation. In case of the price according to (1) and book building according to (2) does not reflect the true value of shares, the company will use the appraised value by the Financial Advisor Company for consideration. The company will employ S14 Advisory Company Limited, the financial advisor in the list of the SEC to appraise preliminary information for shareholders acknowledge and the appraised value is Baht 0.05 per shares.
 2. Allotment of newly issued ordinary shares of not exceeding 56,337,341,768 shares at par value of Baht 0.50 per share to reserve for the exercise of warrants to subscribe the ordinary shares of the Company No. 4 (AQ-W4).
 3. Allotment of newly issued ordinary shares of not exceeding 125,000,000,000 shares, at par value of Baht 0.50 per shares for existing shareholders in proportion to each existing shareholding.

4. Allotment of remaining newly issued ordinary shares from the existing shareholders (Right Offering) from clause 3 and remaining newly issued ordinary shares for (Private Placement) in clause 1 to the existing shareholders as right offering again and empowerment the Board of Directors or the person assigned by the Board of Directors to determine all related details such as the ratio of allotment, the offering price, the subscription period, (Record date) and etc. Which details and conditions will be informed to the shareholders in advance. However, the offering price for the right offering, specified by the Board of Directors or the person assigned by the Board of Directors will not exceed the offering price for (Private Placement) in clause 1 and not exceed the offering price for right offering in clause 3.

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

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

- 1.) The market price calculated from the weighted average of share price of not less than the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price as specified in clause 8(1) of The Notification of the Capital Market Supervisory Board no. Tor Jor 72/2015, Re: Approval for the Listed Company to offer new shares to specific investors ("The Notification - Tor Jor 72/2015"), does not reflect the true value of shares of the Company because the shares of the Company has been suspended from trading in the Stock Exchange of Thailand; and
- 2.) The offering price cannot be determined by the opened process to the institutional investors who intend to subscribe for the newly issued shares at the preferred price level (book building) processed by the securities company as specified in item 8(2) of The Notification - Tor Jor 72/2015 because of no proposed bidding price from the institutional investors to purchase newly issued shares of the Company. Therefore, the fair value is appraised by S14 Advisory Co., Ltd. The financial advisor approved in the list of the SEC consideration which appraised from the latest financial Statement December 31, 2016 on July 11, 2017 equal to Baht 0.04 and it can be regard as substation of market price equal to Baht 0.04.

In accordance with the Notification of the SET, Re: Listing of ordinary shares or preferred shares as listed securities, B.E. 2015, the Company shall disclose the weight average share price of 7 – 15 consecutive business days prior to the first date of subscription payment of investors or the fair value of share price as appraised by the financial advisor approved in

the list of the SEC in case that the shares are not traded in the SET. Therefore, the Company shall use the fair value from the report of the financial advisor, S14 Advisory Co., Ltd., appraised on July 11, 2017 using the same criteria as the report dated May 31, 2017. The latest report, the financial advisor adjusted the appraisal to reflect the current situation based on the financial statement as at December 31, 2016, the updated financial statement, and the appraised share price is Baht 0.04 per share.

Thus, the Board of Directors determined the offering price at Baht 0.05 per share which is higher than the fair price as appraised by S14 Advisory Company Limited. As July 11, 2017 the financial advisor approved in the list of the Securities and Exchange Commission (the "SEC") instead of the offering price in (1) and (2) mentioned above and according to item 8 second paragraph of The Notification - Tor Jor 72/2015.

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

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

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

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

Effects from the allotment for private placement when the investors subscribe for the newly issued ordinary shares of 34,140,000,000 shares are:

| | |
|------------------|-----------------------|
| Existing shares | 12,674,683,535 shares |
| Allotment shares | 34,140,000,000 shares |
| Total shares | 46,814,683,535 shares |

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

Effects from the allotment for private placement when the investors subscribe for the newly issued ordinary shares of 38,500,000,000 shares are:

| | |
|------------------|-----------------------|
| Existing shares | 46,814,683,535 shares |
| Allotment shares | 38,500,000,000 shares |
| Total shares | 85,314,683,535 shares |

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

- 2.) The Company is required to raise fund for the debt payment and for the future operation and development which needs large amount of fund. Therefore, when receipt the intention for capital from 15 investors, the Company approved for shares offering to those investors.
- 3.) Detail and schedule for use of fund:
 - 3.1) The company will raise capital increase in amount of Baht 3,632 million (PP#1 of Baht 1,707 million and PP#2 Baht 1,925 million) to negotiate with Krung Thai Bank for damages according to the Supreme Court's judicial order.
 - 3.2) For development of projects of the Company.

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

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

- 4.) For the offering price for private placement, the Board of Directors considered and approved the offering price at Baht 0.05 from the fair price appraised by S14 Advisory Company Limited on May 31, 2017. The number of shares offered for sale No.1

34,140,000,000 shares in the amount of Baht 1,707,000,000 and payment within July 14, 2017. And the number of shares offered for sale No.2 38,500,000,000 shares in the amount of Baht 1,925,000,000 and payment within July 19, 2017. The offering price is fair value, higher than the latest fair price which appraised price from S14 Advisory Co., Ltd. on July 11, 2017, at Baht 0.04, using the latest financial statements published to investors.

- 5.) Terms, conditions or other agreement with investors, the Company allotted shares to the investors without any terms, conditions or other agreement.
- 6.) From the issuance and allotment for private placement of 100,000 million shares, the Company allotted No.1 amount of 34,140 million shares for this time and the remaining un-allotment is 65,860 million shares and allotted No.2 amount of 38,500 million shares for this time and the remaining un-allotment is 27,360 million shares allotted No.1 and No.2 Total 72,640,000,000 shares are as listed securities on July 17, 2017.

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

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

- 1.7) According to the Extraordinary General Meeting of Shareholders No. 1/2021, dated on November 8, 2021, the shareholders considered and approved as follows:

- a) Decreasing the unsold shares of the registered capital amount of Baht 104,343,606,929.50, from the original registered capital amount of Baht 147,006,012,651.50 as registered capital amount of Baht 42,662,405,722 by eliminating the unissued ordinary shares amount of 76m, shares with a par value of Baht 0.50 per share, details are as follows

| | |
|--|-------------------------------|
| 1.Convertible Shares AQ-W5 | 56,327,213,859 shares |
| 2.Capital increase and not allocated according to resolution The Annual General Meeting of Shareholders for year 2017, dated on April 20, 2015 | |
| 2.1 allocated to the existing shareholders | 125,000,000,000 shares |
| 2.2 Allocated to specific investors | <u>27,360,000,000 shares</u> |
| Total shares | <u>208,687,213,859 shares</u> |

- b) Increasing the unsold shares of the registered capital amount of Baht 38,396,165,150.50, from the original registered capital Baht 42,662,405,722 as registered capital amount of Baht 81,058,570,872.50 by issued ordinary shares amount of 76,792,330,301 shares with a par value of Baht 0.50 per share.

- c) To allocate newly issued ordinary shares as following:

- Allocate newly issued ordinary shares 76,792,330,301 shares at par value of Baht 0.50 per shares. To support the issuance and offering of newly issued ordinary

shares to the existing shareholders and/or offering to private placement under a general power of attorney form and to support the exercise of the warrant holders to purchase the Company's ordinary shares No. 5 (AQ-W5)

- 1.8) On November 9, 2021, the Company registered the change of paid-up capital with the Ministry of Commerce with a new decrease in the amount of 208,687,213,859 shares. The Company's paid-up capital total amount of Baht 42,662,405,722 (divided into the ordinary shares 85,324,811,444 shares, at par value Baht 0.50 per share)
- 1.9) On November 10, 2021, the Company registered the change of paid-up capital with the Ministry of Commerce, increasing the amount of 76,792,330,301 shares, with paid-up capital of the Company, total amount of Baht 42,662,405,722 (divided into the amount of ordinary shares 85,324,811,444 shares, at par value Baht 0.50 per share)

29.2 Warrants

- 29.1) Warrants of the Company amount of 1,030,912,398 units, total number of warrants (AQ-W2) issued by the Company amount of is 1,030,899,500 units on June 20, 2012. The warrants were registered as listed securities in the stock exchange of Thailand ("SET") on July 16, 2012. The warrants are in registered form and transferable. The terms of the warrants are not exceeded to three years from the date of issuing the warrants (June 20, 2012) and warrants can be exercised in every three-months which will be on last working day of March, June, September and December of each year. First, exercise date will be September 28, 2012 and the last exercise date will be June 19, 2015.

On September 16, 2014, the Company amended of the exercise price of warrant (AQ-W2). Because of the change in par value of common share Baht 10 to Baht 20.

- Old ratio: The warrant 1 Unit has the right to purchase 1 common share (1:1:1) exercise price Baht 1 per 1 common share.
- New Ratio: The warrant 1 Unit has the right to purchase 0.918 common share (1:0.918:1) exercise price Baht 1.090 per 1 common share.

- 29.2) Warrants of the Company 2,624,626,283 units, total number of warrants (AQ-W3) issued by the Company is 2,624,546,758 units on May 20, 2013. The warrants were registered as listed securities in SET on June 24, 2013. The warrants are in registered form and transferable. The term of the warrants is equal to three years and warrants have no exercise price. The warrants can be exercised in every one year which will be on last working day of December of each year. First, exercise date will be December 30, 2013 and the last exercise date will be May 19, 2016.

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

- The rights of existing shareholders in the ratio of 10 shares per 1 unit of warrant (AQ-W3) total 211,176,828 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.

- The right of existing shareholders who subscribe to newly issued shares in the ratio of 7 new shares to 4 warrants total of 2,413,449,455 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
 - New Ratio: 1 Unit has the right to purchase 1.028 common share (1:1.028:1) exercise price Baht 0.584 per 1 common share.
- 29.3) Warrants to purchase the Company's ordinary shares (AQ-W4), issued by the Company is 42,656,849,667 units on October 31, 2017. The warrants were registered as listed securities in SET on November 1, 2017 and started the first trading day January 15, 2018. The warrants are in registered form and transferable. The term of warrants is 1 year and there is no offering price. The warrants will be exercisable after the 1-year subscription period is October 31, 2018. The exercise dates are from October 16, 2018 to October 30, 2018 and the first and last exercise date will be October 31, 2018.
- 29.4) Warrants (AQ-W2) have number of warrant holder's application 1 person, number of exercised warrants 9,384 units, the remaining warrants have not been exercised were 1,030,890,116 units, number of shares derived from this exercise 8,614 shares, number of remaining shares reserved for warrants 946,286,216 shares. The warrants (AQ-W2) that have not exercised in full amount as above will be terminated on June 20, 2015 from the registered securities.
- 29.5) Warrants (AQ-W3) have number of warrant holder's application 27 persons, number of exercised warrants 692,209 units, the remaining warrants not yet been exercised were 2,697,322,486 units, number of shares derived from this exercise 711,582 shares, number of remaining shares reserved for warrants 2,697,393,397 shares. The warrants (AQ-W3) that have not exercised in full amount as above will be terminated on May 20, 2016 from the registered securities.
- 29.6) Warrants (AQ-W4) have number of warrant holder's application 48 persons, number of exercised warrants 10,127,909 units, the remaining warrants not yet been exercised were 42,646,721,758 units, number of shares derived from this exercise 10,127,909 shares, number of remaining shares reserved for warrants 42,646,721,758 shares. The warrants (AQ-W4) that have not exercised in full amount as above will be terminated on November 1, 2018 from the registered securities.
- 29.7) Warrants of the Company 42,662,405,722 units, total number of warrants (AQ-W5) issued by the Company is 2,624,546,758 units on December 15, 2021. The warrants were registered as listed securities in SET on December 15, 2021. The first trading day will commence on January 14, 2022. The warrants are in registered form and transferable. The term of the warrants is equal to 2 years 11 months 21 days and warrants have no exercise price. First, exercise date will be March 31, 2013 and the last exercise date will be December 6, 2024.

30. OTHER INCOME

Other income for the each of the years ended December 31, 2021 and 2020 are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|---------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Management fee income | 15,903 | 14,901 | 13,600 | 17,200 |
| Interest income | 157,330 | 12,032 | 256,606 | 125,645 |
| Revenue from doubtful debt refunded | - | - | - | 169,616 |
| Rental income | 3,786 | 3,608 | 13,775 | 13,830 |
| Revenue from sale of merchandises in convenient store | 10,149 | 10,950 | - | - |
| Others | 48,132 | 18,924 | 9,428 | 1,913 |
| Total | <u>235,300</u> | <u>60,415</u> | <u>293,409</u> | <u>328,204</u> |

31. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2021 and 2020 are as follows:

| | (Unit : Thousand Baht) | | | |
|--|------------------------|-----------|-------------------------------|----------|
| | Consolidated Financial | | Separate Financial statements | |
| | Statements | | | |
| | 2021 | 2020 | 2021 | 2020 |
| Change in costs of property development | (688,629) | (265,194) | (525,805) | (90,826) |
| Subcontractor wages | 68,324 | 59,120 | 14,536 | 20,777 |
| Advertisement and sales expenses | 59,646 | 48,946 | 35,244 | 17,274 |
| Salary and other benefits of staffs | 207,085 | 222,255 | 123,306 | 119,731 |
| Premises and equipment expenses | 44,246 | 45,605 | 10,246 | 10,614 |
| Depreciation and amortization | 88,192 | 95,752 | 10,864 | 12,119 |
| Doubtful debts | 1,987 | 8,712 | 190,491 | 612,902 |
| Loss from impairment on investment in subsidiaries | - | - | 117,312 | - |
| Consulting and professional | 15,687 | 15,024 | 10,580 | 10,003 |
| Loss reserve for litigation claim | 10,315 | 338 | 251 | 274 |
| Loss from sale inventory – Land (Note 10) | 88,883 | - | 88,883 | - |

32. REGISTERED PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530 based on the approval from the Securities and Exchange Commission Thailand in 2003. Under the plan, members contribute to the fund at 5% of the employees' basic salaries. The Company contributes to the fund at 5% of the employees' monthly salaries, depending on the length of

employment. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

The Company's contribution for the years 2021 and 2020, which was charged to the consolidated statements of comprehensive income, amounted to Baht 4.55 million and Baht 5.10 million, respectively. (The Company amounted to Baht 2.87 million and Baht 3.24 million, respectively).

33. BASIC PROFIT(LOSS) PER SHARE

Basic profit (loss) per share for the years ended December 31, 2021 and 2020 were based on the profit (loss) for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year of each period as follows:

| | (Unit : Thousand shares) | | | |
|--|-----------------------------------|------------|-------------------------------|------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) attributable to equity holders of the Company (basic) | (495,112) | (391,761) | (269,281) | (449,429) |
| Beginning number of ordinary shares | 85,324,811 | 85,324,811 | 85,324,811 | 85,324,811 |
| Effect of shares issued and the changes in par values of during year | - | - | - | - |
| Weighted average number of ordinary shares outstanding (basic) | 85,324,811 | 85,324,811 | 85,324,811 | 85,324,811 |
| Profit (loss) per share basic (Baht per share) | (0.0058) | (0.0046) | (0.0032) | (0.0053) |
| Par value (Baht per share) | 0.50 | 0.50 | 0.50 | 0.50 |

34. FINANCIAL INSTRUMENTS

34.1 Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non - performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

34.2 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due as follows:

- Default risk refers to the risk that counterparty may default on its contractual obligations resulting in a financial loss to the Company.
- Concentrations of the credit risk with respect to trade receivables are minimum due to the customers dispersion across different industry and geographic regions.

- In the case of recognized financial assets, the carrying amount of the assets net of allowance for expected credit losses, recorded in the statements of financial position, represents the Company maximum exposure to default risk.

34.3 Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because loan interest rates are mainly fixed. The Company is primarily exposed to interest rate risk from borrowings from financial institution. The change of interest rate may affect to the Company's financial position.

34.4 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

34.5 Fair values of financial instruments

Carrying amount and fair value

Since the majority of the Company financial instruments are short - term in nature or carrying interest at rates close to the market interest rates, the company their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The fair value of cash and cash equivalents, restricted deposits with banks - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rates, which approximate market rates.

Trade and other account receivables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial assets.

Loans to subsidiaries and third party and accrued interest income - fair value cannot be reliable estimated since the specific repayment term is not known.

Current portion of long - term liabilities under debt restructuring agreements, loans considered as default - the carrying values approximate their fair values because these financial liabilities have floating interest rate, which approximate market rates.

Trade and other account payables, customer down payments, retention payables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial liabilities.

Long - term loans financial institutions - the carrying values approximate their fair values because these financial liabilities have floating interest rates, which approximate market rates.

Liabilities under finance lease contracts carrying interest at fixed rates - the fair value could not be calculated appropriately because the market floating rate could not be determined.

Book value of the above financial assets and liabilities is measured at amortized cost

As at December 31, 2021 and 2020, classified by type of interest rates are summarized in the table below:

| | (Unit : Thousand Baht) | | | | | | |
|--|-----------------------------------|-----------------------|-----------------|---------------------------|-----------------------------|----------------|--------------------------------|
| | 2021 | | | | | | |
| | Consolidated Financial Statements | | | | | | |
| | Fixed interest rates | | | | | | |
| | Within 1 year | Over 1- 5 years | Over 5 years | Floating interest rate | Non- interest bearing | Total | Effective interest rates |
| Financial assets | | | | | | | 10.00, |
| Cash and cash equivalents | 18,000 | - | - | 73,716 | 8,621 | 100,337 | 0.125-0.250 |
| Temporary investments | 310,000 | - | - | - | - | 310,000 | 1.00 |
| Trade and other current account receivables | - | - | - | - | 179,770 | 179,770 | - |
| Short - term loans | - | - | - | - | - | - | - |
| Restricted deposits with banks | - | - | - | 57,010 | - | 57,010 | 0.375-0.500 |
| Total | 328,000 | - | - | 130,726 | 188,391 | 647,117 | |
| Financial liabilities | | | | | | | |
| Trade and other current account payables | - | - | - | - | 114,047 | 114,047 | - |
| Long - term liabilities under debt restructuring agreements | 20,000 | - | - | 15,200 | - | 35,200 | 9.20 - 3.00 5.50 |
| Loans considered as default | - | - | - | 11,572 | - | 11,572 | 5.50-6.00 |
| Liabilities under finance lease contracts | - | - | - | 45,690 | - | 45,690 | 6.775 |
| Total | 20,000 | - | - | 72,462 | 114,047 | 236,509 | |

| | (Unit : Thousand Baht) | | | | | | |
|--|-----------------------------------|-----------------------|-----------------|---------------------------|-----------------------------|------------------|--|
| | 2020 | | | | | | |
| | Consolidated Financial Statements | | | | | | |
| | Fixed interest rates | | | | | | |
| | Within 1 year | Over 1- 5 years | Over 5 years | Floating interest rate | Non- interest bearing | Total | Effective interest rates (% p.a.) |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 87,965 | 23,192 | 111,157 | 0.125-0.250 |
| Temporary investments | - | - | - | 1,072,160 | - | 1,072,160 | 6.50 |
| Trade and other current account receivables | - | - | - | - | 256,440 | 256,440 | - |
| Short - term loans | 412,145 | - | - | - | - | 412,145 | 5.50-6.00 |
| Restricted deposits with banks | - | - | - | 72,041 | - | 72,041 | 0.375-0.500 |
| Total | 412,145 | - | - | 1,232,166 | 279,632 | 1,923,943 | |

(Unit : Thousand Baht)

| | 2020 | | | | | | |
|---|-----------------------------------|-----------------------|-----------------|---------------------------|-----------------------------|---------|--|
| | Consolidated Financial Statements | | | | | | |
| | Fixed interest rates | | | Floating interest rate | Non- interest bearing | Total | Effective interest rates (% p.a.) |
| | Within 1 year | Over 1- 5 years | Over 5 years | | | | |
| Financial liabilities | | | | | | | |
| Trade and other current account payables | - | - | - | - | 344,435 | 344,435 | - |
| Long - term liabilities under debt restructuring agreements | - | - | - | 17,823 | - | 17,823 | 3.00-6.775 |
| Loans considered as default | - | - | - | 23,418 | - | 23,418 | 6.775 |
| Liabilities under finance lease contracts | - | - | - | 48,124 | - | 48,124 | 6.775 |
| Total | - | - | - | 89,365 | 344,435 | 433,800 | |

(Unit : Thousand Baht)

| | 2021 | | | | | | |
|---|-------------------------------|-----------------------|-----------------|---------------------------|-----------------------------|-----------|--|
| | Separate Financial Statements | | | | | | |
| | Fixed interest rates | | | Floating interest rate | Non- interest bearing | Total | Effective interest rates (% p.a.) |
| | Within 1 year | Over 1- 5 years | Over 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 1,420 | 4,755 | 6,175 | 0.25 |
| Temporary investments | 310,000 | - | - | - | - | 310,000 | 1.00 |
| Trade and other current account receivables | - | - | - | - | 627,568 | 627,568 | - |
| Restricted deposits with banks | - | - | - | 13,819 | - | 13,819 | 0.375-0.500 |
| Short term loans | - | - | - | 1,413,371 | - | 1,413,371 | 5.25 |
| Total | 310,000 | - | - | 1,428,610 | 632,323 | 2,370,933 | |

Financial liabilities

| | | | | | | | |
|---|---|--------|---|-------|---------|---------|----------|
| Trade and other current account payables | - | - | - | - | 186,673 | 186,673 | |
| Long - term liabilities under debt restructuring agreements | - | 20,000 | - | 1,093 | - | 21,093 | 9.4,3.00 |
| Liabilities under finance lease contract | - | - | - | 2,055 | - | 2,055 | 6.775 |
| Total | - | 20,000 | - | 3,148 | 186,673 | 209,821 | |

(Unit : Thousand Baht)

| | 2020 | | | | | | |
|---|-------------------------------|-----------------|--------------|------------------------|----------------------|------------------|-----------------------------------|
| | Separate Financial Statements | | | | | | |
| | Fixed interest rates | | | | | Total | Effective interest rates (% p.a.) |
| | Within 1 year | Over 1- 5 years | Over 5 years | Floating interest rate | Non-interest bearing | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 1,147 | 18,726 | 19,873 | 0.25 |
| Temporary investments | - | - | - | 1,072,160 | - | 1,072,160 | 6.50 |
| Trade and other current account receivables | - | - | - | - | 874,397 | 874,397 | - |
| Restricted deposits with banks | - | - | - | 50,264 | - | 50,264 | 0.375-0.500 |
| Short term loans | 412,145 | - | - | 1,393,974 | - | 1,806,119 | 6.00 |
| Total | 412,145 | - | - | 2,517,545 | 893,123 | 3,822,813 | |
| Financial liabilities | | | | | | | |
| Trade and other current account payables | - | - | - | - | 180,845 | 180,845 | - |
| Long - term liabilities under debt restructuring agreements | - | - | - | 1,073 | - | 1,073 | 3.00 |
| Liabilities under finance lease contract | - | - | - | 5,608 | - | 5,608 | 6.775 |
| Total | - | - | - | 6,681 | 180,845 | 187,526 | |

35. FAIR VALUE MEASUREMENT

The fair value of cash and cash equivalents, restricted deposits with banks - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rates, which approximate market rates.

Trade and other account receivables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial assets.

Current portion of long - term liabilities under debt restructuring agreements, loans considered as default - the carrying values approximate their fair values because these financial liabilities have floating interest rate, which approximate market rates.

Trade and other account payables, customer down payments, retention payables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial liabilities.

Long - term loans financial institutions - the carrying values approximate their fair values because these financial liabilities have floating interest rates, which approximate market rates.

Liabilities under finance lease contracts carrying interest at fixed rates - the fair value could not be calculated appropriately because the market floating rate could not be determined.

Loans to subsidiaries and third party and accrued interest income - fair value cannot be reliable estimated since the specific repayment term is not known.

As at December 31, 2021 and 2020, the AQ Estate Group had the following assets that were measured at fair value using different levels of inputs as follows:

| | Consolidated/Separate Financial Statements | | | | |
|---|--|---------|---------|-----------|-----------|
| | Thousand | | | | |
| | 2021 | | | | |
| | Fair value | | | | |
| | Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial assets</u> | | | | | |
| <i>Financial Asset at Fair Value through Profit or Loss</i> | | | | | |
| - Other non current financial assets (Note 16) | 2,102,454 | - | - | 2,106,615 | 2,106,615 |
| Total | 2,102,454 | - | - | 2,106,615 | 2,106,615 |

| | Consolidated/Separate Financial Statements | | | | |
|---|--|---------|---------|---------|---------|
| | Thousand | | | | |
| | 2020 | | | | |
| | Fair value | | | | |
| | Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| <u>Financial assets</u> | | | | | |
| <i>Financial Asset at Fair Value through Profit or Loss</i> | | | | | |
| - Other non current financial assets (Note 16) | 900,000 | - | - | 904,160 | 904,160 |
| Total | 900,000 | - | - | 904,160 | 904,160 |

Valuation techniques and information to valuations level 3

Investment properties are presented at fair values, which are appraised by an independent value using the income approach. The key assumptions used in such appraisal are yield rate or discounted rate based on the turnover rate of government bonds, occupancy rate, long-term vacancy rate and long-term growth rate in revenue.

During the year, there was no transfer within the fair value hierarchy.

The following methods and assumptions are used in estimating fair values of financial instruments (Level 3) as disclosed herein.

| Type | Valuation technique |
|-------------------------------|--|
| Financial assets | |
| - Investment in other company | - The Company hired an independent appraiser to assess its share value using value using the Discounted Cash Flow method, Sensitivity analysis, in addition to the cash flow forecast that |

36. OPERATING SEGMENTS

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the Board of Directors in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the AQ Estate Group is organized into business units based on their businesses and has 4 reportable segments as follows:

- 1) Property development low rise
- 2) Property development high rise
- 3) Services
- 4) Property rental and service

AQ Estate Group operates in Thailand only as a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

The Board of Directors monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

For the years 2021 and 2020, the AQ Estate Group has no major customer with revenue of 10 percent or more of revenues.

Inter - segment revenues and expenses are eliminated on consolidation.

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2021:

(Unit : Thousand Baht)

| | Property Development Low Rise | Property Development High Rise | Services | Property Rental and Services | Elimination | Total |
|---------------------------------------|-------------------------------------|--------------------------------------|-----------|------------------------------------|-------------|-------------|
| Revenues from sales and Services | 767,342 | 205,464 | 67,124 | - | (4,500) | 1,035,430 |
| Costs of sales and services | (729,606) | (448,643) | (167,350) | - | 14,830 | (1,330,769) |
| Gross profit (loss) | 37,736 | (243,179) | (100,226) | - | 10,330 | (295,339) |
| Management fee income | | | | | | 15,903 |
| Interest income | | | | | | 157,330 |
| Other income | | | | | | 62,067 |
| Profit (loss) before expenses | | | | | | (60,039) |
| Selling expenses | | | | | | (52,429) |
| Administrative expenses | | | | | | (363,688) |
| Doubtful expenses | | | | | | (1,987) |
| Loss reserve from litigation claim | | | | | | - |
| Finance cost | | | | | | (10,357) |
| Profit before income tax | | | | | | (488,500) |
| Tax income (expenses) | | | | | | (6,661) |
| Loss for the year | | | | | | (495,161) |

Note : The hotel business is included in services segment.

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2020 :

(Unit : Thousand Baht)

| | Property Development Low Rise | Property Development High Rise | Services | Property Rental and Services | Elimination | Total |
|---------------------------------------|-------------------------------------|--------------------------------------|-----------|------------------------------------|-------------|-----------|
| Revenues from sales and Services | 383,351 | 23,201 | 98,522 | 20,618 | - | 525,692 |
| Costs of sales and services | (319,714) | (15,807) | (201,789) | (9,382) | 2,754 | (543,938) |
| Gross profit (loss) | 63,637 | 7,394 | (103,267) | 11,236 | 2,754 | (18,246) |
| Management fee income | | | | | | 14,898 |
| Interest income | | | | | | 12,033 |
| Other income | | | | | | 33,484 |
| Profit(loss) before expenses | | | | | | 42,169 |
| Selling expenses | | | | | | (43,167) |
| Administrative expenses | | | | | | (325,042) |
| Doubtful expenses | | | | | | (8,712) |
| Loss reserve from litigation claim | | | | | | (45,680) |
| Finance cost | | | | | | (11,408) |
| Profit before income tax | | | | | | (391,840) |
| Tax income (expenses) | | | | | | (49) |
| Loss for the year | | | | | | (391,889) |

Note : The hotel business is included in services segment.

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2021.

| | (Unit : Thousand Baht) | | | | | |
|----------------------------------|-------------------------------------|--------------------------------------|-----------|------------------------------------|-------------|------------|
| | Property Development Low Rise | Property Development High Rise | Services | Property Rental and Services | Unallocated | Total |
| Assets | 7,284,523 | 369,196 | 1,414,788 | 122,106 | 229,186 | 9,419,799 |
| Elimination | | | | | | 3,452,264 |
| Total | | | | | | 5,967,535 |
| Liabilities | 5,378,162 | 279,161 | 3,832,750 | 34,675 | 841,524 | 10,366,272 |
| Elimination | | | | | | 6,991,126 |
| Total | | | | | | 3,375,146 |
| Depreciation and amortization | | | | | | 88,192 |
| Total | | | | | | 88,192 |

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2020.

| | (Unit : Thousand Baht) | | | | | |
|----------------------------------|-------------------------------------|--------------------------------------|-----------|------------------------------------|-------------|-------------|
| | Property Development Low Rise | Property Development High Rise | Services | Property Rental and Services | Unallocated | Total |
| Assets | 7,482,138 | 439,240 | 2,074,691 | 139,487 | 222,675 | 10,358,231 |
| Elimination | | | | | | (3,678,955) |
| Total | | | | | | 6,679,276 |
| Liabilities | 5,269,892 | 333,891 | 3,858,973 | 232,422 | 800,869 | 10,496,047 |
| Elimination | | | | | | (6,904,329) |
| Total | | | | | | 3,591,718 |
| Depreciation and amortization | | | | | | 95,752 |
| Total | | | | | | 95,752 |

37. OTHERS

37.1 BANK GUARANTEES

As at December 31, 2021 and 2020, the AQ Estate Group had obligations under bank guarantees approximately Baht 58.09 million and Baht 72.85 million, respectively, (The Company: Baht 32.86 million and Baht 47.62 million, respectively), which concerning obligation under normal businesses. The bank guarantees are collateralized by the Company's fixed deposits with the banks and also guaranteed by directors of the AQ Estate Group.

37.2 COMMITMENTS AND CONTINGENT LIABILITIES

37.2.1 As at December 31, 2021 and 2020, the AQ Estate Group had outstanding litigation claims from customers and creditors for breaching of the agreements to buy and to sell, the hire of work agreements and repayments retention for a total amount of Baht 13.06 million and Baht 13.17 million, respectively. The outcome of these litigations could not presently be determined. In addition, the AQ Estate Group are in the process of negotiating with certain customers claiming for repayments of cash paid in advance to the AQ Estate Group. The AQ Estate Group, however, believes that the provisions made in the accounts are adequate to cover any damage for such litigation. As the existing-shareholder of indirect - subsidiary also guaranteed for the contingent liability of the indirect subsidiary at approximately Baht 0.33 million.

37.2.2 As at December 31, 2021, the AQ Estate Group had 1 lawsuit filed against the defendant and claimed damages. The marketing consultant alleged that the contract breach. The compensation amount of Baht 0.89 million. The court judge to payment to the defendant. At present, the consideration process is complete.

37.2.3 In years 2020, the Company has been filed to a housing estate juristic to accuse that housing estate has requested to repair and transfer the central public property, also claim damages. The plaintiffs have filed a claim for damages in the amount of Baht 66.37 million. The Court arranged for the negotiation / plaintiff to testify on August 14, 2020. On August 14, 2020, the plaintiffs and the two defendants negotiated in a preliminary agreement, the court postponed the mediation again on September 23, 2020. The opinion of the legal advisor of the group company that the Group company cannot estimate the exact damages, such case has trend to agree, the court postponed the mediation again on July 6, 2021. The Lawyer's opinion is the point of filing a defense of the case but to win or lose is at the discretion of the court. If the defendant loses the case, both of the defendants must join the payment of the plaintiff's lawsuit. However, compromise would be the best solution. When both the plaintiff and the defendant are able to compromise with each other by the 1st defendant. In fact, according to the law it is the duty of the 1st defendant to carry out transfer of land and have various duties according to the allocation law. When there is mediation, the 1st defendant will pay the plaintiff a total amount of Baht 10,000,000 that a good solution. This approach would be beneficial to the 2nd defendant because the 2nd defendant's lawsuit will be withdrawn from the directory. The 1st defendant agrees to pay installments to be completed within 6 installments, monthly

installments on Baht 1,500,000 per month, the 6th installment (last installment) Baht 2,500,000. The first installment will be paid within August 31, 2021, the next installment will be paid at the end of every month until the end of the month. As for the transfer of land 28 plots are in the process of transferring the land and paying for the maintenance of common utilities to the plaintiff. It is expected to be completed by August 2021. If the 1st defendant complies with the aforementioned conditions. The plaintiff will proceed to withdraw the lawsuit against the two defendants from the documentary. Therefore, an appointment was made to inquire on November 15, 2021. On the date of the appointment, the plaintiff's attorney two defendants' lawyers came to court. The parties can agree that a defendant still complies with the terms of payment provided. Therefore, the court has postponed the case to make an appointment to consider the debt repayment operation or set a date for the witness hearing on February 8, 2022. On the date of the appointment, the 1st defendant had complied with the said conditions and completed the prosecution and therefore did not wish to prosecute the two defendants any longer. Therefore, filed a request to withdraw the lawsuit, dated February 8, 2022, and the court ordered the withdrawal of the lawsuit to be disposed of from the cost directory to be folded. The case is over. However, the subsidiary company recorded such expenses under the account. "Administrative expenses" in the statement of comprehensive income and recognized as a provision for liabilities in the statement of financial position.

37.2.4 On June 25, 2020, the subsidiary (The Tarna Align Resort Co., Ltd.) was summoning the red case No. Por 61/2020 and the black case No. Por 163/2019 to the subsidiary for payment Baht 37,342,500 with interest rate 15 percentage per year. Since January 31, 2018 until ended payment for plaintiff but calculate interest until litigation (As at July 5, 2019) not increase Baht 7,980,041.10 payment within 30 days. From the date of enforcement. Due to the Company was accused since July 5, 2019, the black case No. Por 163/2019. The plaintiff, sued the subsidiary breach of obligation contract that the date accused the Company was unknow. Because in the process of preparing sale of contract for such subsidiary and was on September 2, 2019. The ex-director of The Tarna Align Resort Co., Ltd. has appointed a lawyer to defense and the court has a judgment on April 8, 2020. On July 23, 2020, the Appeal Court rendered the judgment to uphold the decision of the Court. On April 29, 2021, the subsidiary company is during the process of filing an appeal extension. On January 28, 2021, the Court of Appeal upheld the verdict of the Court of First Instance. Subsequently, the Supreme Court issued an order on February 9, 2022 not allowing the Company to appeal. Therefore, this case is final. Therefore, has recorded as expenditure under "administrative expenses" account in the statements of comprehensive income and has recognized as liabilities in the statement of financial position.

37.3 COMMITMENTS

37.3.1 The AQ Estate Group had pledged fixed deposits with bank and most of their inventories, which represent immovable properties for sale, construction in progress and land and buildings as collaterals for credit facilities granted by financial institutions.

37.3.2 As at December 31, 2021 and 2020, the AQ Estate Group had commitments under construction contracts amount of Baht 231.64 million and Baht 742.32 million, respectively. (The Company : Baht 113.25 million and Baht 120.35 million, respectively), which were utilities and condominium units construction and hotel amount of Baht 65.54 million and houses construction amount of Baht 166.10 million (December 31, 2020 : utilities and condominium units construction and hotel amount of Baht 512.31 million and houses construction amounting to Baht 230.01 million) and of the Company, utilities and condominium units construction amounting to Baht 22.50 million and houses construction amount of Baht 90.75 million (December 31, 2020 : utilities and condominium units construction amount of Baht 22.50 million and houses construction amount of Baht 97.85 million).

As at December 31, 2021 and 2020, total contract price amount of Baht 494.15 million and Baht 1,743.98 million, respectively, and of the Company amount of Baht 256.30 million and Baht 327.07 million, respectively.

38. CAPITAL MANAGEMENT

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

According to the statement of financial position as at December 31, 2021 and 2020, the AQ Estate Group's debt-to-equity ratio was 1.30 and 1.17, respectively (The separate of financial statement's debt-to-equity ratio was 1.25 and 1.13, respectively).

No changes were made in the AQ Estate Group's objectives, policies or processes during the nine-month periods ended December 31, 2021.

39. RECLASSIFICATION

Certain amounts in the 2020 financial statements have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholder's equity.

40. APPROVAL OF INTERIM FINANCIAL INFORMATION

These interim consolidated and separate financial information were authorized for issue by the Board of Directors on February 28, 2022.

Attachment

Attachment 1 Details of Directors, Executives, and Controlling Person, A person assigned the highest responsibility in accounting and finance, A person assigned to be directly responsible for overseeing accounting, the company secretary

Qualification list of Directors, Executives, Controlling Persons, and Company secretary as at 31 December 2021.

| Name - Last Name / Position / Appointed date | Age (Years old) | Educational background | Share holding (%) | Family relationship between Directors and Executives | Work experience | | |
|--|-----------------------|---|-------------------------|--|---|--|--|
| | | | | | Period | Period | Period |
| 1. Mr. Auychai Kultipmontre Director and Chairman of the Board of Directors Appointed January 31, 2019 In the position of 3 Years 3 months (As of April 2022) | 64 | <ul style="list-style-type: none"> ■ Master of Public Administration, National Institute of Development Administration ■ Bachelor of Art, Public administration, Ramkhamhaeng university ■ National Defense College, Class 2011 ■ Training / study tour ■ Director Accreditation Program (DAP) 161/2019 ■ Representatives attended the ASEAN Customs Director Meeting, Malaysia ■ Representatives attending the WCO Asia Pacific Regional Heads of Customs Administration, Republic of Fiji ■ Representatives attended the meeting of the Harmonized System Committee, Belgium ■ Asean Border Leadership Exchange Program in Singapore ■ Study the Lessons from Europe Learning Program at the European Union | 0.02 | None | 1 Feb 2019 – Present 25 Apr 2019 - 2 Oct 2019 1 Feb 2019 - 24 Apr 2019 2013-2018 | Director and Chairman of the Board Director and Chief Executive Officer Independent Director and Chairman of the Board Deputy Director-General, Department of Customs | AQ Estate PLC AQ Estate PLC AQ Estate PLC Customs Department, Ministry of Finance |

| Name - Last Name / Position / Appointed date | Age (Years old) | Educational background | Share holding (%) | Family relationship between Directors and Executives | Work experience | | |
|--|-----------------------|--|-------------------------|--|--|--|---|
| | | | | | Period | Period | Period |
| | | <ul style="list-style-type: none"> Study the operations of the Australian Customs and Border Protection Service (ACBPS) in Australia Study the Law Enforcement of U.S Department of Homeland Security in the United States | | | | | |
| 2. Mr. Michael Alexander William Fernandez Executive Committee / Chief Executive Officer / Authorized Director Appointed on 21 Feb 2020 In the position of 2 Years 2 months (As of April 2022) | 53 | <ul style="list-style-type: none"> BSBA Finance & Marketing, University of Denver, Colorado | None | None | Oct 17, 2019 - Present Feb 21, 2020 - Present Jun 2019 - Present Mar 2018 - present Year 2020 - Present Year 2020 - Present Year 2020 - Present Year 2020 - Present Year 2020 - Present | Chief Executive Officer Executive Committee Chief Financial Officer Strategy Officer Director Director Director Director | AQ Estate PLC AQ Estate PLC Foods Capital PLC Fico Corporation Co., Ltd. AQ Village Co., Ltd. Aquarius Estate Co., Ltd. Baan Chidthara Co., Ltd. Aquarius Hotel & Resort Co., Ltd. The Tarna Align Resort Co., Ltd. |
| 3. Mr. Chamnam Wangtal Authorized Director Appointed on 3 Dec 2020 In the position of 1 year 5 months (As of April 2022) | 69 | <ul style="list-style-type: none"> Master in Banking Finance, Marshall University, USA Bachelor of Biology, Saint Vincent College, USA <u>Training</u> <ul style="list-style-type: none"> Advanced Market Risk Management from FT New York Institute of Finance Targeted Selection Interviewer Program from Development Dimensions International Director Accreditation Program (DAP) 2015, Thai Institute Of Directors (IOD) | None | None | Dec 3, 2020 - Present 26 Dec 2020 - Present 26 Dec 2020 - Present 26 Dec 2020 - Present 26 Dec 2020 - Present 26 Dec 2020 - Present 26 Dec 2020 - Present 26 Dec 2020 - Present Dec 29, 2020 - Present Nov 2017 - Present Sep 2019 - Present 2019 - present | Authorized Director Director Director Director Director Director Director Director Director Director Director Independent Director and Chairman of the Audit Committee | AQ Estate PLC AQ Marketing Service Co., Ltd. AQ Property Management Co., Ltd. Thanon Property Co., Ltd. Aquarius Estate Co., Ltd. Villa Nakarin Co., Ltd. Vitoon Thanakorn Co., Ltd. Baan Chidthara Co., Ltd. Aquarius Hotel & Resort Co., Ltd. AQ Village Co., Ltd. The Tarna Align Resort Co., Ltd. Well Grade Engineering PLC |

| Name - Last Name / Position / Appointed date | Age (Years old) | Educational background | Share holding (%) | Family relationship between Directors and Executives | Work experience | | |
|--|-----------------------|--|-------------------------|--|---|--|--|
| | | | | | Period | Period | Period |
| | | | | | 2017 - present | Independent Director and Chairman of the Audit Committee | SLM Corporation PLC |
| | | | | | 2014 - present | Independent Director and Chairman of the Audit Committee | Scan Inter PLC |
| | | | | | 2014 – 2018 | Independent Director and Chairman of the Audit Committee | Scan Inter PLC |
| | | | | | 26 Dec 2020 – Oct 2021 | Director | Freezone Asset Co., Ltd. |
| 4. Mr. Voravut Laithuamthaweekul Executive Committee / Authorized Director Appointed on 1 March 2021 In the position of 1 year 1 month (As of April 2022) | 41 | <ul style="list-style-type: none"> Master of Business Administration (MBA), Chulalongkorn University Computer Science, Chulalongkorn University <u>Training</u> <ul style="list-style-type: none"> SET 50 Index Options in Practices Thailand Securities Institute (TSI) Single License(Refreshment) Thailand Securities Institute (TSI) Investment in Mutual Fund Thailand Securities Institute(TSI) Derivatives License Thailand Securities Institute (TSI) Single License Thailand Securities Institute(TSI) MIP (DRG) Thailand Securities Institute (TSI) MIP (DRI) Thailand Securities Institute (TSI) Investment in Equity Thailand Securities Institute (TSI) Debt Instrument Analysis and Valuation | None | None | March 1, 2021 - Present Jul 2012 - Feb 2020 Oct 2017 - Feb 2018 2017 - present 2011 – present Present Present Present Present Present Present Present Present | Executive Committee Vice Chairman of the Board Executive Committee Managing Director Managing Director Director Director Director Director Director Director Director | AQ Estate PLC RHB Securities (Thailand) PLC AQ Estate PLC Bake Cheese Tart (Thailand) Co., Ltd. Eastern Cuisine (Thailand) Co., Ltd. Vitoon thanakorn Co., Ltd. AQ Village Co., Ltd. Aquarius Estate Co., Ltd. Aquarius Hotel and Resort Co., Ltd. AQ Property Co., Ltd. AQ Marketing Service Co., Ltd. Villa Nakarin Co., Ltd. The Thana Align Resort Co., Ltd. Allied Technology International Co., Ltd. |

| Name - Last Name / Position / Appointed date | Age (Years old) | Educational background | Share holding (%) | Family relationship between Directors and Executives | Work experience | | |
|--|-----------------------|---|-------------------------|--|---|--|---|
| | | | | | Period | Period | Period |
| | | Thailand Securities Institute (TSI) | | | | | |
| 5. Mr. A Sachdev Independent Director / Chairman of the Audit Committee Appointed 27 Sep 2018 In the position of 3 years 7 months (As of April 2022) | 41 | <ul style="list-style-type: none"> ■ MBA, Sasn Graduate Institute of Business Administration of Chulalongkorn University ■ Bachelor of Commerce Monash University Melbourne, Australia ■ Diploma of Science Monash University Melbourne, Australia | None | None | 27 Sep 2018 - Present 2018 - present 2017 - 2018 2010 - 2017 | Independent Director / Chairman of the Audit Committee Chief Executive Officer Senior Director Assistant director | AQ Estate PLC Food Capitals PLC Fico Corporation Co., Ltd. CIMB Thai Bank PLC |
| 6. Mr. Ekajai Tivutanond Independent Director and Audit Committee Member Appointed 17 September 2021 Served as a director for 7 months (as of April 2022) | 70 | <ul style="list-style-type: none"> ■ Master of Laws (LLM), Columbia University, New York, USA ■ Thai Barrister, Thai Bar Association under the Royal Patronage of His Majesty the King ■ Bachelor of Laws (First Class Honors), Thammasat University ■ Director Accreditation Program (DAP) Class 127/2013, The Thai Institute of Directors ■ Advanced Audit Committee Program, Class 36/2019, The Thai Institute of Directors ■ Board Nomination and Compensation Program, Class 9/2020, The Thai Institute of Directors | None | None | 17 Sept - present 2015 - present 2015 – present 2015 - present 2020 – present 2020 – present 2006 – Present | Independent Director / Audit Committee Independent Director / Audit Committee Nomination and Remuneration Committee Corporate Governance Committee Independent Director, Risk Management Committee Nomination and Remuneration Committee Director | AQ Estate PLC WHA Utilities and Power PLC WHA Utilities and Power PLC WHA Utilities and Power PLC Scan Inter PLC Scan Inter PLC Sathorn Asset Management Co., Ltd |
| 7. Mr. Supachai Stitvimol Independent Director and Audit Committee Member Appointed 15 November 2021 | 59 | <ul style="list-style-type: none"> ■ Thai Barrister, Thai Bar Association under the Royal Patronage of His Majesty the King ■ Bachelor of Laws, Ramkhamhaeng | None | None | 15 Nov 2021- present 2001 – Present 2021 – Present | Independent Director and Audit Committee Director Director | AQ Estate PLC Aqua Ad Public Company Limited Aqua Ad Public Company Limited Broadway Media Company Limited |

| Name - Last Name / Position / Appointed date | Age (Years old) | Educational background | Share holding (%) | Family relationship between Directors and Executives | Work experience | | |
|---|-----------------------|---|------------------------------------|--|---|---|--|
| | | | | | Period | Period | Period |
| Served as a director for 6 months (as of April 2022) | | University | | | 2021 – Present | Director | |
| 8. Mr. Wirat Aiew-Akson Chief Operating Officer | 69 | <ul style="list-style-type: none"> Master Degree of Business Administration (MBA), Kasetsart University Faculty of Law, Ramkhamhaeng University Bachelor of Science (Agricultural Economics), Kasetsart University | None | None | Oct 2013 - present 30 Jan 2017 - Present 2013 - present 2013 - present 2013 - present 2013-present May 2011 - present May 2011 - present May 2011 - present Oct 2014 - present Sep.2019-Present May 2011 - 9 Oct 2015 2013 - Sep 2015 May 2011-Oct 2013 May 2011 - Jun 2012 May 2011 - Jun 2012 Sep 2011 - Oct 2021 | Chief Operating Officer Director Director Director Director Director Director Director Director Director Executive Committee Director Director and Managing Director Acting Managing Director and Director Director Director | AQ Estate PLC Vitoon Thanakorn Co., Ltd. AQ Village Co., Ltd. Baan Chidthara Co., Ltd. Aquarius Estate Co., Ltd. Aquarius Hotels & Resort Co., Ltd. AQ Property Co., Ltd. AQ Marketing Service Co., Ltd. Thanon Property Co., Ltd. Villa Nakarin Co., Ltd. The Tarna Align Resort Co., Ltd. AQ Estate PLC Vitoon Thanakorn Co., Ltd. AQ Estate PLC AQ Estate PLC Allied Technologies International Co., Ltd. Free zone Asset Co., Ltd. |
| 9. Mrs. Pranee Hirunbanthow Chief Financial Officer Assistant Managing Director of Operations Vice president of Accounting and Finance | 66 | <ul style="list-style-type: none"> Master Degree of Business Administration (MBA), Ramkhamhaeng University Bachelor of Business Administration (Accounting), Ramkhamhaeng University | 25,000 shares or 0.00003% | None | 2018 - present 2006 – Present 2005 - present | Chief Financial Officer Assistant Managing Director of Operations Vice president of Accounting and Finance | AQ Estate PLC AQ Estate PLC AQ Estate PLC |
| 10. Mr. Apirath Intrachoo Company secretary Appointed on 2013 | 53 | <ul style="list-style-type: none"> Bachelor of Laws, Ramkhamhaeng University | None | None | 2013 – Present 2013 – Present 1998 - 2013 | Company secretary Assistant Legal Manager Senior lawyer | AQ Estate PLC AQ Estate PLC AQ Estate PLC |

Note: Include shares of spouse and underage children.

Details on the tenure as Directors and Executives in Subsidiaries, Associates and Related companies as of 31 December 2021.

| No. | List of Directors | The Company | Subsidiaries | | | | | | | | | | | Associates (None) | Related Companies (None) |
|-----|---|-------------|--------------|---|---|---|---|---|---|---|---|----|----|----------------------|-----------------------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | | |
| 1. | Mr. Auychai Kultipmontre | X | | | | | | | | | | | | | |
| 2. | Mr. Michael Alexander William Fernandez | I, II | I | | | | | I | | | | I | I | | |
| 3. | Mr. Chamnarn Wangtal | I, II | I | I | I | | I | I | I | I | I | I | I | | |
| 4. | Mr. Voravut Laithuamthaweeul | I, II | I | I | I | I | | I | I | I | I | I | I | | |
| 5. | Mr. A Sachdev | I | | | | | | | | | | | | | |
| 6. | Mr. Ekajai Tivutanond | I | | | | | | | | | | | | | |
| 7. | Mr. Supachai Stitvimol | I | | | | | | | | | | | | | |
| 8. | Mr. Wirat Aiew-Akson | II | I | I | I | I | I | I | I | I | I | I | I | | |
| 9. | Mrs. Pranee Hirunbanthow | II | | | | | | | | | | | | | |

Notes

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

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

List of subsidiaries

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

Attachment 2 Details of Directors in subsidiaries

Directors of subsidiaries as at December 31, 2021 are as follows:

| List of Directors | Subsidiaries | | | | | | | | | | |
|--|--------------|---|---|---|---|---|---|---|---|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1) Mr. Wirat Aiew-Akson | / | / | / | / | / | / | / | / | / | / | / |
| 2) Mr. Chamnarn Wangtal | / | / | / | | / | / | / | / | / | / | / |
| 3) Mr. Voravut Laithuamthaweeul | / | / | / | / | | / | / | / | / | / | / |
| 4) Mr. Michael Alexander William Fernandez | / | | | | | / | | | | / | / |

Note / = Director X = Chairman // = Executive Director

List of subsidiaries

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

Attachment 3 Details of the Head of Internal Audit and Compliance

1) Head of Internal Audit

The Audit Committee meeting in 2019 appointed Miss Prueksa Laopichit to serve as head of the Company's internal auditor because she is qualified and suitable to perform her duties effectively.

The details of the Company's internal audit supervisor as of December 31, 2021 are as follows:

| Name - Last Name / Position /Appointed date | Age (Years) | Educational background | Work experience | | |
|--|----------------|---|---------------------|---|--|
| | | | Period | Position | Company / Corporate |
| Miss Prueksa Laopichit Position manager Internal Audit Department Year 2019 Relationship Between management : none Company shareholding : none | 33 | <ul style="list-style-type: none"> Bachelor's degree, Faculty of Accounting, Bangkok University <u>Training</u> Risk Based Audit Course Self-Assessment form on Anti-Corruption Measures COSO ERM course Risk Management Course | Mar 2018 - Present | <ul style="list-style-type: none"> Manager | <ul style="list-style-type: none"> AQ Estate PLC |
| | | | Jan 2018- Feb 2019 | <ul style="list-style-type: none"> Manager | <ul style="list-style-type: none"> Dharmniti Internal Audit Co., Ltd. |
| | | | Feb 2015 – Dec 2017 | <ul style="list-style-type: none"> Assistant manager | <ul style="list-style-type: none"> Honor Audit and Advisory Co., Ltd. |
| | | | 2013 – 2015 | <ul style="list-style-type: none"> Senior Internal Audit Officer | <ul style="list-style-type: none"> Sun Tower Co., Ltd. |
| | | | 2010 – 2012 | <ul style="list-style-type: none"> Assistant auditor | <ul style="list-style-type: none"> Karin Audit Co., Ltd. |

Duties and Responsibilities

- Consider the policy and review the preparation of the annual audit plan (Audit Plan).
- Improve the Company's rules and regulations regarding the Company's operating system.
- Improve the operating system under the company's business and current situation.
- Supervise and check that each unit operates according to standards.
- Check the practice to prevent corruption.
- Gather audit results and suggestions for submission to the Company's Audit Committee.

2) Compliance

-None-

Attachment 4 Business assets and details on asset valuation

In 2022, the Company and its subsidiaries have the appraisal of assets as follows:

(1) AQ Estate Public Company Limited

| Property location | Ownership | Appraiser | Appraisal price 2022 (Baht) |
|--|----------------------------|---|-----------------------------|
| 1) Apartment No. 332 Soi Ratchadaphisek 17, Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok | The Company | S.L. Standard Appraisal Co., Ltd. | 24,000,000.00 |
| 2) Vacant land in Bang Kaeo Subdistrict and Khun Kaeo Subdistrict, Nakhon Chai Si District, Nakhon Pathom Province | The Company | Knight Frank Chartered (Thailand) Co., Ltd. | 54,700,000.00 |
| 3) Land in Khlong Nueng Subdistrict Khlong Luang District Pathum Thani Province | The Company | Agency for Real Estate Affairs Co., Ltd. | 15,726,000.00 |
| 4) Land, Pracha Ruam Chai Road, Sai Kong Din Tai Subdistrict, Khlong Sam Wa District, Bangkok | The Company | Agency for Real Estate Affairs Co., Ltd. | 4,044,000.00 |
| 5) Vacant land, Thepharak Road, Bang Pla Subdistrict, Bang Phli District, Samut Prakan Province | The Company | Knight Frank Chartered (Thailand) Co., Ltd. | 16,700,000.00 |
| 6) Apartment on Petchkasem Road, the main area of 197-050 kilometer, Cha-am Subdistrict, Cha-Am District, Phetchaburi Province | The Company | Agency for Real Estate Affairs Co., Ltd. | 12,256,350.00 |
| 7) Land, Khlong Nueng Subdistrict Khlong Luang District Pathum Thani Province (Rangsit Beach Park) | The Company | Agency for Real Estate Affairs Co., Ltd. | 16,139,000.00 |
| 8) Soi Choeng Thale 14, Si Sunthon Road, Choeng Thale Subdistrict, Thalang District, Phuket Province | The Company | Knight Frank Chartered (Thailand) Co., Ltd. | 88,800,000.00 |
| 9) Vacant land, Na Pa Subdistrict, Ban Suan District, Chonburi District, Chonburi Province | The Company | Knight Frank Chartered (Thailand) Co., Ltd. | 268,800,000.00 |
| 10) Apartment, Kamala Subdistrict, Kathu District, Phuket Province | The Company | Knight Frank Chartered (Thailand) Co., Ltd. | 14,900,000.00 |
| 11) Apartment, Kamala Subdistrict, Kathu District, Phuket Province | The Company | Knight Frank Chartered (Thailand) Co., Ltd. | 17,900,000.00 |
| 12) 90 Moo 4, Hang Dong-Samoeng Road, Ban Pong Subdistrict, Hang Dong District, Chiang Mai Province | The Company/ AQ Village | S.L. Standard Appraisal Company Limited | 442,100,000.00 |
| Total | | | 976,065,350.00 |

(2) Allied Technologies International Co., Ltd.

| Property location | Ownership | Appraiser | Appraisal price 2022 (Baht) |
|--|---|---|-----------------------------|
| 1) Phaholyothin Road, Khlong Nueng Subdistrict Khlong Luang District, Pathum Thani | Allied Technologies International Co., Ltd. | Knight Frank Chartered (Thailand) Co., Ltd. | 132,500,000.00 |
| 2) Soi Choeng Thale 14, Si Sunthon Road, Choeng Thale Subdistrict, Thalang District, Phuket Province | Allied Technologies International Co., Ltd. | Knight Frank Chartered (Thailand) Co., Ltd. | 38,200,000.00 |
| Total | | | 170,700,000.00 |

(3) Thanont Property Co., Ltd.

| Property location | Ownership | Appraiser | Appraisal price 2022 (Baht) |
|---|----------------------------|---|-----------------------------|
| 1) Apartment No. 6/148, 5th Floor, Kamala Inthanin Condominium, Building C2, Patong-Kamala Road, Kamala Sub-district, Kathu District, Phuket Province | Thanont Property Co., Ltd. | Knight Frank Chartered (Thailand) Co., Ltd. | 22,400,000.00 |

(4) Vitoonthanakorn Co., Ltd.

| Property location | Ownership | Appraiser | Appraisal price 2022 (Baht) |
|---|---|---|-----------------------------|
| 1) No. 102 Garden Asoke-Rama 9 Project, Rama 9, Soi 6, Chaturathit Road, Bangkapi Sub-district, Huai Khwang District, Bangkok | Vitoonthanakorn Co., Ltd. | S.L. Standard Appraisal Company Limited | 321,000,000.00 |
| 2) Garden Asoke-Rama 9 Project, Rama 9 Soi 6, Chaturathit Road, Bangkapi Sub-District, Huai Khwang District, Bangkok | Vitoonthanakorn Co., Ltd. | S.L. Standard Appraisal Company Limited | 87,000,000.00 |
| 3) AQ Well Rama 9 Project, Soi 6 Chaturathit Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok | Vitoonthanakorn Co., Ltd. | Nawamin Appraisal and Consultants Co., Ltd. | 54,700,000.00 |
| 4) AQ Well Rama 9 Project, Soi 6, Chaturathit Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok | Vitoonthanakorn Co., Ltd. (Joint ownership of land) | Nawamin Appraisal and Consultants Co., Ltd. | 27,320,000.00 |
| 5) Soi Choeng Thale 14, Si Sunthon Road, Choeng Thale Subdistrict, Thalang District, Phuket Province | Vitoonthanakorn Co., Ltd. | Knight Frank Chartered (Thailand) Co., Ltd. | 12,600,000.00 |
| Total | | | 502,620,000.00 |

(5) Villa Nakarin Co.,Ltd.

| Property location | Ownership | Appraiser | Appraisal price 2022 (Baht) |
|--|------------------------|---|-----------------------------|
| Soi Chaloem Phrakiat Rama 9 Soi 48, Chaloem Phrakiat Rama 9 Road, Dokmai Subdistrict, Prawet District, Bangkok | Villa Nakarin Co.,Ltd. | Knight Frank Chartered (Thailand) Co., Ltd. | 356,400,000.00 |

(6) Aquarius Estate Co., Ltd.

| Property location | Ownership | Appraiser | Appraisal price 2022 (Baht) |
|--|---------------------------|---|-----------------------------|
| 1) 2 vacant land plots, Ban Trok Muang Road, Intersection from Thepkasattri-Naiyang Road (Highway 4031), The main area at kilometer 6+400, Saku Subdistrict, Thalang District, Phuket Province | Aquarius Estate Co., Ltd. | Knight Frank Chartered (Thailand) Co., Ltd. | 369,100,000.00 |

Attachment 5 Full version of Corporate Governance Policy and Practice and business ethics

-None-

[Attachment 6](#) **Audit Committee Report****Audit Committee Report 2021**

The Company established the Audit Committee, consisting of the expert, which is independent of the Managements and has the qualifications determined by the Stock Exchange of Thailand. The Company's current Audit Committee has 3 members consist of Mr. A Sachdev is the Chairman of the Audit Committee and 2 members are Mr. Ekajai Tivutanond and Mr. Supachai Stitvimol.

In the year 2021, the Audit Committee held meetings of 5times to perform its duties as assigned by the Board of Directors independently. There are no restrictions on the information and the cooperation of the Company as well. Under the requirements of the stock exchange of Thailand. Each meeting invitation by participating managers discusses the agenda as well as relevant as there has been consultation with management and the internal auditors and the external auditors, as appropriate. The meeting with the external auditor is independent of the Executive meeting of the Company.

The Audit Committee supports the Board of Directors to implement the responsibility to be a success. The track and encourage good governance. The performance and operation of the Audit Committee with a mission summarized as follows.

1. **Control Environment** The Company has determined that there is an environment of good internal control. The organizational structure and clear lines of command right. Including targeting business and measurable success indicators (Key Performance Indicators: KPI) to evaluate the efficiency of operations following the goals of the organization. Including the rules Charts and manual operation of the system is written as a guide for practitioners.

The Company also cultivated, executives and employees of the company are aware of good corporate governance by the assigned policy is good governance. Business Ethics: business with honesty, the facts about the quality of the goods. Do the contracts or agreements that have been negotiated with the client, then the production of the goods or services are provided by quality, regardless of the impact on customers. Product pricing, fair, and not create environmental pollution, wastewater, Toxic air Product or service quality, By planting trees to create shade with residents. Provide a club. Gym, swimming pool, and the other to provide residents with recreational, perfect health and happy life. The company also has responsibility for the project within the community and social activities of the community.

The Board of directors, all employees must also have a code of conduct for shareholders. By duties with integrity. Use your skills and abilities to the full. To manage the assets of any loss or

depreciation. Non-benefits for themselves or others from duty. Status report and results of operations of the Company to complete the Questionnaire. It also requires ethics for customers. The need to clarify the terms and conditions of products and services. Ad with the correct information. The company also promotes the training of all staff on an annual basis. To know about the product. The service is great, so is customer satisfaction. And a step in the construction of the Company.

2. **Risk Assessment** The importance of risk management, which is regarded as an important mechanism and management tools that will make the organization achieve the objectives and targets defined. By the risk management policy, which focuses on the development of the risk management system according to the guidelines of good governance (Good Corporate Governance) without the company having to consider the issues and risks. Employment in construction, and high-concept and direction. Solutions to control and reduce risk by allowing multiple contractors to come to tender for construction work in each category which has a Board of Directors, purchasing/procurement, as the administrator, and consider action. Consists of executives from each Division, including the internal audit department. Both these contractors are selected for their experience, the expertise required. In the past, the portfolio quality. Personnel in the operation and the low price of the Company's budget.
3. **Control Activity** The Management policies, measures and methods to be used in practical applications and when reviewing the performance of various departments within the organization. Operators have to comply with both internal and external organizations, such as laws, regulations, orders, standards, policies, plans, and how the company has set. Most of the units are now operational efficiency is the approval authority to review the reconciliation of the audited results of operations, "but sometimes the job potential errors up. This was mainly caused by the mistakes of others (Human Error) when it is detected, then the operators will continue to improve and fix it immediately. If the error is serious, the operators will be punished by heavy measures and rules of the company. In recent years, the project has employees who do not comply with the rules, resulting in errors that cause damage to the company. Therefore punish out as well as have issued a warning to the project manager with the book as supervisors.
4. **Information and Communication** The Company has to focus on information systems and data communication. Promote and develop continuously. So that the information is accurate and current. The performance of individual units has used the system Oracle to assist in the control of responsibility. This system has the function of classification work that can cross-check each other in the same department and between departments. So in practice, it cannot work only one person

which is to reduce the risk in operation, such as payment system cannot pay again. As well as all of the check as a check payable by the recipient, and identified with A/C PAYEE ONLY. The company also has an annual budget to control costs. Using the system Oracle in budget control makes each unit cannot be used over budget. When any agencies need to use more budget to do with the approval and explain why you want to use it. The information technology has also brought the document storage system Alfresco used as channels of communication within the organization to publish the policy. Regulations, orders, and guide the practice. As well as information thoroughly the entire organization.

5. **Monitoring** The Company has to provide a system of internal control, covering all the aspects such as accounting and financial operations. The practice of law/regulations. And take care of the property. The internal audit tracking performance as the goal. Report to the Committee. The external auditor with the audit committee of the company every quarter. The financial audit of the company under the accounting standards adopted by general and under the standard office of the Securities and Exchange Commission. (SEC) as well as the Stock Exchange.
6. **Consider the External Auditor in the year 2021.** In the past year, the Audit Committee is satisfied with the result of the auditors who know. Professional and get suggestions about the internal control system and risk as well as operational independence.

In summary, the Audit Committee's duties as assigned by the Board of Directors, using abilities fully and act independently. There are no restrictions on all news from the Committee. Executives, employees and related persons

The Audit Committee is confident that the company is committed to developing, operating system updates are continuously improved which will have a push for the organization to have a good management system is based on the principles of good corporate governance Transparency in the work. And maintain the interests of the people involved all parties.

Mr. A Sachdev

Chairman of Audit Committee