

ANNUAL REGISTRATION STATEMENT/ ANNUAL REPORT **2021**

(Form 56-1 One Report)



EASTERN STAR

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Message from the Chairman

Dear Shareholders

The overall real estate market in 2021 was still affected by the Coronavirus 2019 pandemic or Covid-19 that became worse again from the second quarter of 2021, causing the government to issue lockdown and various measures. As a result, customers refrained from visiting our projects, including foreign customers. Due to this situation, many businesses had to cut staff salaries and lay off staff, and the purchasing power of customers was severely affected. Therefore, real estate operators needed to come up with more strategies to maintain business liquidity by selling existing products using various promotions to motivate customers. The Company has continually adjusted its strategies, including price promotion, making products attractive, increasing sales channels and marketing communications to meet the target group. However, there are still risk factors in terms of financial institutions' credit limitation. In this regard, the Company has set guidelines to support this matter by screening customers before and after purchasing. For customers who are prone to credit problems, the Company has also provided them with advice to increase their chances of gaining access to credit by coordinating with various financial institutions.

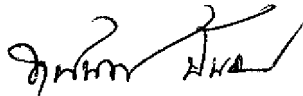
The Company's revenue from property development for sale in 2021 decreased from 2020 due to the effect of the economic slowdown caused by the new wave of COVID-19, which was more severe than the previous year. However, we still have to keep an eye on the situation of the Covid-19 pandemic that has started to spread again in early 2022, so we need to be careful about project expansion. At the same time, the Company has studied and sought investments in new related businesses, including businesses to generate supplement regular income to the Company. The attempt to expand low-rise residences and businesses in Rayong Province over the past several years has enabled the Company to maintain a certain level of revenue. In addition, the fact that the Company's financial status was closely monitored made the company overcome the crisis in the past year smoothly.

The Company has placed great importance on development of personnel, who are part of driving the business. Therefore, our focus is on recruiting employees with potential and suitability for the business. The Company also gives all employees the opportunity to develop their skills, knowledge, and abilities through various training courses to enhance professionalism and adapt to changes in technology and innovation in today's world. In 2021, the Company organized training courses to enhance the skills and potential of the employees in parallel with various administration tasks to be more efficient to support business expansion after the crisis.

The Company and its subsidiaries are determined to drive business for sustainability under the framework of a low-carbon society and a green economy by focusing on creating balanced growth in 3 areas: economy, society and environment in order to become a company that is an initiator of a unique lifestyle who pays attention to every customer's needs while still creating a pleasant environment at the same time.

The Company believes that long-term sustainable business growth requires social support. For this reason, the Company and its subsidiaries always show our responsibility by giving back to society and encouraging the Company's employees to act as volunteers to support public service activities with the community focusing on social assistance projects in 3 main areas: education, occupational health and well-being, and the environment. For example, the Company has supported UNICEF with the aim of ending inequality and creating a beautiful world for disadvantaged children around the world for three consecutive years, participated in the project to help communities during the Covid-19 situation by delivering essentials during the pandemic crisis to people and communities surrounding the project area, and participated in the project to develop communities and surrounding environment where the Company's real estate projects are located, such as improving the landscape, roads and alleys to create a good environment for society and surrounding communities, etc.

Finally, on behalf of the Board of Directors, I would like to express my gratitude to the shareholders, customers and business partners for their continued support and trust in the Company and would like to thank the management as well as all employees for their dedication in performing their duties to the fullest potential throughout the year 2021



(Mr. Anand Panyarachun)

Chairman of the Board

24 March 2022

BOARD OF DIRECTOR



Mr. Anand Panyarachun
Chairman and Independent
Director



Mr. Pongpinit Tejagupta
Vice Chairman and Chairman of
Executive Committee



Mrs. Sunantha Tiasuwan
Independent Director, Chairman of
Audit Committee and Nomination
and Remuneration Director



Mr. Jessada Promjart
Independent Director, Chairman of
Nomination and Remuneration
Committee and Audit Director



Mrs. Wanna Thamsirisup
Independent Director, Audit
Director and Nomination and
Remuneration Director



Mr. Chatchawin Charoen-Rajapark
Director



Mr. Tinnawat Mahatharadol
Executive Director



Mr. Titiwut Soukpornchaikul
Executive Director



Mr. Nuttawit Boonyawat
Executive Director



Mr. Paiboon Wongjongjaiharn
Director



Mr. Torsak Lertsrisakulrat
Managing Director

1. Structure and operations of the Group

1.1 Policy and business overview

Vision

The company will act as the initiator of a unique lifestyle who pays attention to every customer's needs while still creating a pleasant environment at the same time.

Missions

1. Meet the needs that exceed the expectations of customers.
2. Pay attention to customers and adhere to corporate values.
3. Continuously develop personnel, processes and work systems to increase their potential.
4. Pay attention to the development of the community environment in the area where the projects are located.
5. Operate the business under the principles of good governance that takes into account all stakeholders.

Corporate values

- Teamwork
- Service mind and attention to detail
- Trust and transparency
- Adaptation and creativity
- Commitment to success

Business goals and strategies

Expanding core business by offering more variety of products in potential locations, development of new business models, and reinforcing the strength of real estate business for sale or rent and the businesses of subsidiaries such as golf courses and other businesses to achieve the highest business efficiency.

The Company also continues to focus on improving the quality of products and services and presenting new innovations for warm living to maximize customer confidence and satisfaction, promote the Eastern Star brand to be widely recognized and trusted, and build a strong foundation within the organization in terms of recruiting and development processes for stable and sustainable growth.

Measuring success of strategies

In order for the operation to be successful in accordance with the goals and strategies, the Company has set the key performance indicators at the organization level and transfer them to departments in charge. The main indicators are as follows:

- Financial indicators: It is a measure of sales, income and profit
- Service indicators: This includes services during the period of visiting the project and giving project information, services during home/condominium unit inspection, satisfaction with product quality, services during the transfer of ownership, and home/condominium unit repair services after the transfer of ownership.

- Process indicators: These indicators measure the efficiency of the operation based on the success of the project development plan compared to the specified plan, the amount of time it takes the customer to inspect the house before acceptance, the success of the implementation of the development project of each department, etc.
- Personnel indicators: They are measured by the duration and quality of the recruitment process, training according to plan, implementing activities to build employee relations, and employee turnover rates

In this regard, in giving weight to each indicator, it depends on the importance of the indicators at each level of the organization. At the overall level of the organization, during the past few years, the real estate sector has faced a crisis from the Covid-19 pandemic coupled with the country's economic problems, which affect purchasing power. Therefore, the Company has to focus on financial indicators, especially sales, revenue, and profits to ensure the liquidity of the business.

Major changes and developments

Eastern Star Real Estate Public Company Limited was established by Starblock Group, Saha-Union Group and other groups of shareholders to invest in the land development business in the Eastern Seaboard area in Ban Chang District, Rayong Province. Eastern Star Resort Co., Ltd. was also established to mainly operate the golf course business.

On 1 February 2017, the whole business was transferred to the Company (By accepting transfer of all assets and liabilities) from Seastar Properties Company Limited, a subsidiary of the Company in which the Company held approximately 99.13 percent of the registered capital.

1.2 Nature of business

1.2.1 Revenue structure of the Company and its subsidiaries (2019-2021)

Product line	Operated by	Percentage of shareholding	2021		2020		2019	
			Revenue (Million baht)	Percent	Revenue (Million baht)	Percent	Revenue (Million baht)	Percent
Revenue from real estate development Business for sale	ESTAR		1,182.47	89.15	2,562.15	95.61	1,273.04	90.92
Revenue from rental business	ESTAR		38.90	2.93	40.56	1.51	44.41	3.17
Revenue from golf course business	ESR	81.30	32.25	2.43	43.41	1.62	55.51	3.96
Other revenues	ESTAR/ ESR		72.76	5.49	33.79	1.26	27.24	1.95
Total			1,326.38	100.00	2,679.91	100.00	1,400.20	100.00

ESTAR = Eastern Star Real Estate Public Company Limited

ESR = Eastern Star Resort Company Limited

1.2.2 Product Information

Eastern Star Real Estate Public Company Limited and its Subsidiaries operate the business of developing real estate for sale, developing real estate for rent and golf course, with the main revenues from the development of real estate for sale. Before 2004, the Company focused on real estate business in Ban Chang District, Rayong Province to support the development of the Eastern Seaboard area as Ban Chang District, Rayong Province was seen as a potential location because it is only 10 kilometers east of Map Ta Phut Industrial Estate and only 5 kilometers west of U-Tapao Airport. From 2004 onwards, the Company has seen an opportunity to develop real estate business in Bangkok and its vicinity therefore it has expanded the development of projects in those areas. At the same time, the Company has continued to develop projects in Ban Chang District, Rayong Province. The nature of business operations of the Company and its subsidiaries can be divided into 3 types as follows:

1) Real estate development for sale

The Company's main business structure divides property development for sale by development area, i.e. projects in Bangkok and its vicinities and projects in Rayong. The details are as follows.

Projects in Bangkok and its vicinities

To expand the development of projects in Bangkok and its vicinities, the Company has developed projects under the name of the Star Estate for high-end customers, including high-rise condominiums, namely the Star Estate @ Narathiwat and the Star Estate @ Rama 3 and a detached-house project called the Star Estate @ Pattanakarn 69 in the price ranging from 10-40 million baht. Subsequently, the Company has developed condominium projects in various potential locations with the focus on high-rise condominiums, such as Breeze Project, Vantage Project, Star View Project, Nara 9 Project and Amber Project. Every project is unique in the design of the building, living area inside the condominium unit, and common areas that provide a higher level of amenities than competitors in the comparable market.

Since 2018, the Company has expanded its product range by developing an 8-storey condominium project under the name Quintara and continues to focus on designing projects that stand out from the competitors and provides common areas and facilities that are superior to competitors in the same level. The Company's focus is on the upper middle-end customers, which are the main customers of the Company by launching Quintara Tree House Sukhumvit 42, an 8-storey condominium project and the Company's first project in a prime location in the Sukhumvit area, which has received very good feedback from customers.

In 2019, the Company continued its policy of expanding projects to more new areas. During the first quarter, the Company launched the Estara Haven Pattanakarn 20 project as a low-rise project consisting of twin houses and townhomes in the price ranging from 8-14 million baht and in the second quarter, the Company launched Quintara Arte Sukhumvit 52, a low rise condominium of 154 units. Both projects remain unique in terms of building design. The Company also pays attention to the use of common areas to meet the needs of customers, resulting in great attention from customers and high sales.

In 2020, the Company launched two projects under the Quintara brand, namely Quintara Kynette Ratchada 12 and Quintara Phume Sukhumvit 39 at the beginning of the year, both of which are low rise condominiums. The design of the buildings are also unique and focus on living functions and common areas to meet the lifestyle of customers by taking into account the New Normal lifestyle in the era of Covid-19. As a result, touchless functionality has been applied to the project,

for example, the use of Face Scan for entering the building to reduce exposure and the ability for customers to adjust the area for Work From Home to meet the needs of working from home. So far, the project has received a lot of feedback and attention from customers amid the current of the Covid-19 pandemic.

Amid the COVID-19 pandemic crisis, which has greatly affected the business and the launch of new projects, the Quintara Phume Sukhumvit 39 project, which is a low rise condominium of 323 units, has received very good feedback with continuous sales. So far, more than 80 percent of the project has been sold. However, the Quintara Kynette Ratchada 12 project, which is a low rise condominium of 310 units, has a relatively slow response due to the market slowdown. This was partly due to a decrease in the number of foreigners, causing the Company to review other condominium projects in the development plan. Some have delayed the opening of the sales, including the Quintara Kynette Ratchada 12 project and the actions will be reviewed to suit the situation. The Company has continued to focus on the sales and delivery of low-rise projects such as Estara Haven Pattanakarn 20 or building the foundation of low-rise projects to continuously expand the project base in the future.

In 2021, the Company continued to study new land plots to support future projects which include land for low-rise projects and for hi-rise and low-rise condominiums, and studied new technologies to be used for future projects to support lifestyles that have changed from the COVID-19 pandemic situation, which is still critical.

Projects in Rayong

The Company has developed real estate projects for sale in Rayong province since 1989, focusing on the area in Ban Chang District, which is an area with good environment suitable for living near U-Tapao Airport in the form of a detached house project mainly for residential purposes. The projects are aimed at middle- to high-end customers in the area of Eastern Star Park, which is the location of the Eastern Star Country Club and Resort golf course, to the area on Sukhumvit Road, heading to Map Ta Phut Industrial Estate.

The Eastern Economic Corridor Development Project at present is substantially progressing whether in terms of utilities such as Bangkok - U-Tapao Motorway, which has officially opened for service. More and more large operators who see the potential of the Ban Chang area have come to develop more projects, including Asia Erawan Company Limited for the high-speed rail project connecting 3 airports, the BBS Joint Venture Group for the development of U-Tapao Airport and the Eastern Aviation City, and Central Retail for the development of a new Robinson Department Store in the Sukhumvit area. Ban Chang - Map Ta Phut, which will open in March 2022

In the past, the Company has researched the needs of customers and added more creativity in project design, house layout, functional layout. and adjusted sales and marketing strategies, and added new service models to increase the opportunity to generate more sales and increase competitiveness. During the year 2021, the Company continuously developed projects. These consist of projects at various price levels, such as the Breeze at Eastern Star Foresto Project along Burapapat Road, Velana Golf House Project, Velana Amoda Project U-Tapao - Ban Chang, and the Grand Velana Project U-Tapao - Ban Chang, located in the Eastern Star Park area. Velana Golf House Project is a detached house project in the upper middle class level. The total project value is 495 million baht, located on the Eastern Star Park area, in a shady environment. With 96 modern contemporary style houses, the project has now been sold out and delivered to all customers.

Breeze @ Eastern Star Foresto Project on Burapapat Road is considered a prime location for connecting routes because the project can be accessed from both Sukhumvit Road and Burapapat Road. It is also located on a large project, Eastern Star Foresto, with an area of over 142 rai, which has continuous development plans in the future for both commercial and residential purposes. Breeze @ Eastern Star Foresto is a project of 118 detached houses and twin houses with a total project value of 400 million baht. The target group is middle-class customers. Until now, it has received good responses and achieved more than 60 percent of sales.

Grand Velana Project U-Tapao - Ban Chang is located in the Eastern Star Park area, next to the Eastern Star Country Club and Resort golf course, surrounded by greenery with a golf course atmosphere amid top quality, classy society with premium-grade materials. It consists of 81 detached houses in tropical contemporary style, with the total project value of 639 million baht aimed at high-end customers. Currently, the project has achieved sales of more than 30 percent.

Velana Amoda Project U-Tapao - Ban Chang was launched in the second quarter of 2021. It is a single detached house project in the upper middle class level and above with the total project value of 556 million baht. It is located in the Eastern Star Park area with a modern classic style and 104 units, and has received great attention and response from customers as evident in the current sales of more than 30 percent.

It can be seen that the Company has continuously developed projects at all price levels and target groups to support the expansion of the real estate market to meet the increasing demand and serve as a leader in real estate development in Rayong Province.

2) Real estate development for rent

In addition to developing real estate for sale, the Company has also developed real estate for rent, divided into 2 parts: houses and apartments for rent and shopping mall buildings for rent. The details are as follows.

- **Sea Star Project** located in Eastern Star Park, Ban Chang District, Rayong Province, offers houses and apartments for monthly rental. It consists of 6 apartments, 98 rooms, 33 detached houses and Sea Star Hotel, which provides daily rental services of 2 buildings with 16 rooms.

The Sea Star Project is unique in its location, which is in the Eastern Star Park area. It is a large green area, shady and pleasant to live in, and fully equipped with a fitness center, a clubhouse, a swimming pool and a tennis court. To reinforce such strength, since 2019, the Company has developed various environmental conditions, whether it is a walkway around the golf course with a distance of 4.2 kilometers, a jogging track and a bicycle lane for exercise for health conscious people, a security system and surrounding landscape, and a beautiful and safe entrance.

The Company has developed a new fitness center and a swimming pool under the name the Sphere, which is considered a large sports club to accommodate customers in the area of Ban Chang - Map Ta Phut as well as customers of the Sea Star project and residents of various projects of the Company.

- **Eastern Star Plaza Building**, located in Ban Chang District, Rayong Province, has been registered as a company providing services of lease of the building and parking to Ek-Chai Distribution System Co., Ltd. to be opened as Tesco Lotus, Ban Chang Branch.

3) Golf course business

The Company operates a golf course business under the name Eastern Star Country Club and Resort by Eastern Star Resort Company Limited, a subsidiary company located in Ban Chang District, Rayong Province. It is an international standard golf course with 18 holes designed by Mr. Robert Trent Jones, Jr., along with a club building and a restaurant. In 2018, there was a major renovation of the club building to be attractive, modern and ready for the golf tournament. The golf cart track has also been improved and the number of golf carts has been added to facilitate and attract more Thai and foreign customers to use the golf course.

Marketing and competition

Marketing of key products and services

The Company has put in place various policies and strategies to promote sales as follows:

Location strategy: The Company has attached great importance to choosing a project location for project development as it is the most important factor. The Company studies and selects the location that has real housing needs, meet the needs of the target customers in terms of transportation, access to utilities, and facilities surrounding the project to provide residents with comfort and a variety of travel options, respond to the housing needs in each location based on the former residence or workplace and the status of the target customers in the location. In addition, the Company has studied the urbanization and population in order to plan to support the long-term business operations.

Target customers: The Company's main target customers are middle- to high-income groups who seek convenience in commuting to work and look for a place to live that connects to the transportation system easily, whether it is a main road, expressway, electric train or public transportation. This includes a location near convenient facilities such as shopping malls, hospitals, educational institutions, office buildings or important places.

Product and design strategy: The Company has attached great importance to design in terms of image, utility, safety, and durability. It has invested a lot of time to study and develop these features. The common areas, in particular, are the hallmarks of every project with a unique design that takes into account airflow or natural light to reduce energy, save electricity costs and reduce global warming. In addition, innovations are also used to help create living comfort in accordance with consumer behavior to keep up with the current world and a variety of needs of consumer groups in each price level or each brand. The Company has therefore paid attention to research on the behavior of each group of consumers on an ongoing basis, including customers who live in the Company's project, customers who visit the project, and general customers who are looking for housing in a proactive manner. The customer needs will then be used for improvement of products and services to create satisfaction for consumers in various fields, including touchless and distancing design in response to COVID-19.

Marketing and distribution: The Company focuses more on online marketing and combines it with the original basic media. Information technology systems have also been adopted to help collect and analyze customer data and electronic communication channels have been used more to increase communication efficiency and cost-effective budget by using a variety of online tools such as Google or social media like Facebook, Instagram, web banners, blog reviews. Eastern Star Pocket Sales Gallery has been established as another online sales channel, where people will register to become the Company's customers, and every salesperson can access customer data from personal computers and company networks at any time. In addition, the Company also has an e-brochure system that sends various information to customers who have an

e-mail address, reducing the cost of reaching the group of customers of the Company. At the same time, the Company has a policy and work plan for continuous and consistent development of sales personnel in order to be able to offer products and create satisfaction for customers. For communication channels, it combines both offline and online media so that each media can cover all target groups and create wider awareness and an understanding of the content to maximize cost-effectiveness of the communication budget and to expand communication channels through public relations. In the past year, the Company has organized promotional activities as a corporate campaign, such as Pay-all Promotion, 8.8 Promotion, and Discount Promotion for consumers. There were projects both from Bangkok and Rayong joining the campaign.

Selling price setting: The Company has set the product price according to the type of product grade and the cost of production and the purchasing power of the target customers to be appropriate and competitive. The price may be adjusted according to the location of the selling units within the project to reflect the appropriate value. The appropriateness of the price is always reviewed and there is a sales support program to handle the changing of the market.

Important services: In the past year, the Company has increased communication channels with customers, for example, establishing a central telephone contact channel for asking information on projects and services of every project in the Company as well as giving advice on how to help or solve housing problems. There is a Star Agent service that provides services on consignment and rental, making it easier for customers to buy, sell, and rent. This year, residents and general customers are entitled to receive privileges via App Star Family in order to build good relationships with existing customers and increase access to new customers, including Chat Bot and Pocket Sale Gallery services.

Product quality: The Company has placed importance on the standard of construction of houses, condominiums and public utilities within the project. The Company has a policy that clearly states that all housing units to be delivered to customers must pass the QC PASS quality inspection process according to the criteria set by the Company first. This reflects customer care in delivering good things to build trust among customers with warm and friendly services to provide housing that can meet the needs of customers and consumers to have a better quality of life and well-being.

In addition to the quality of housing construction, the Company has also attached great importance to the implementation of project, starting from project planning, selection of durable materials for various utilities within the project, facilities that correspond to living, to most safety issues, including taking care of and maintaining the project condition to be a livable community. The Company has laid the foundation for project management, care and maintenance of public utilities in good condition before handing over to the housing juristic person in the project for further management.

As for the management strategy, there are other businesses such as golf course business and hotel and apartment rental business. The Company has management strategies as follows:

Hotel and apartment rental business: It provides comprehensive customer service in Ban Chang District, Rayong Province, only 2 kilometers from U-Tapao Airport, which has potential to accommodate daily and monthly customers, tourists, executives working in the neighborhood, and golf enthusiasts who can also relax in the hotel after completing the golf activities, which has a shady atmosphere in the same area. In the past year, the Company has renovated some of the building's rooms to be smaller from 2 bedrooms to 1 bedroom to accommodate the needs of current customers, create diversity and support the expansion of the city according to the government's Eastern Economic Corridor Development Project Policy.

Golf course business: The course has been designed in accordance with the terrain, whether it is a lake or a large tree line around the area which is the main element of the course. There is also a golf practice course in the same area to make it convenient for golfers to prepare themselves before the round, which is available all year. In the past year, there have been improvements to the clubhouse and golf cart tracks in order to accommodate more players while improving the modern image. In 2022, the Company focuses on pricing strategies and reducing costs in response to the COVID-19 situation, resulting in closure of the course as not many foreigners travel to Thailand.

In this regard, the Company has a policy to expand the business and provide services to the highest satisfaction of customers, for example, by introducing the “Stay and Play” campaign for those staying at Seastar Hotels to play golf on Eastern Star Golf course at a special price or a one-stop service for rooms, seminar rooms, banquets, and restaurants and playing golf to provide maximum convenience for customers. The environment has been developed to be safe, shady, comfortable and promote quality of life to attract people to use the service and stay, including the security system, adjustment to the landscape of entrances and trees, fitness center improvement, and construction of a coffee shop/relaxation-style sales office.

Competition conditions

For the real estate market overview in 2021, the average new launches in Bangkok Metropolitan Region since January considerably declined. Condominiums were launched less than low-rise houses. The Company experienced only negative changes, from the first quarter to the third quarter. Although the fourth quarter launches increased, it still remained below average. This shows that investments started to improve for both condominiums and low-rises projects. But overall, the real estate market in 2021 continued to be negative since 2020, but it is believed that the real estate market reached a record low in August and is in the early stages of recovery under high uncertainty. Although the new LTV measure is currently unlocked, it is not fully effective because banks are still strict in lending.

2022 is a year of hope and opportunity for the Thai real estate sector after facing the lowest point of 2021 to a new cycle where the market has tended to improve since the government opened the country as foreign travel has increased and the economy has been restored. The Bank of Thailand has temporarily released the regulations on supervising ceilings of the loan-to-value ratio. In addition, the Ministry of Interior has renewed the stimulus measure and reduced fees for registration of rights and juristic acts for housing with the value of not more than 3 million baht, from 2% to 0.01% and the mortgage fee from 1% to 0.01%, both first-hand and second-hand homes, for another year, which expires on 31 December 2022 to stimulate the house selling and buying transactions. It is expected that real estate will recover even though the market still has risk factors from the late-year “Omicron” type of coronavirus and rising household debts, which need to be closely monitored.

In 2022, we still need to keep an eye on technological changes, which will play a greater role in the real estate sector whether in the form of Cryptocurrency or Metaverse, a home that uses alternative energy to replace electricity, and houses with cooling systems and the function to absorb pollution. In addition, the trend of electric cars is coming strong. It will push the residential project to add more electric vehicle charging points in the central areas. The Company also takes into account the issue of adjustment and changes in lifestyles in all aspects such as design or functionality including the common areas of the residence. The future project development must adapt to the changing lifestyles as well.

Procurement of products and services**Procurement of products**

In the development of each real estate project, the Company will start from finding suitable potential land, to be used to define the project format, design projects and products, and set prices to recruit contractors and materials that correspond to the type and grade of the products. After that, it will be the process of supervising the construction in terms of quality, cost and time according to the specified plan until the inspection before delivery to the customer. The details of each main step are as follows.

1. Land purchase

The Company has a policy to develop real estate projects in Bangkok and its vicinities and at Ban Chang District, Rayong Province, on the Company's existing land and new ones in a location where the Company sees potential and is suitable for the Company's business policy. What we take into account includes location, transportation, land use according to city planning law and related ordinances, physical and environmental characteristics of the land and surrounding areas, and the economic growth trend of such land in the future, etc. This will be used to assess the demand, supply, type of projects and products to be developed on that plot of land, estimate detailed and accurate project costs before making decisions to develop projects by analyzing the feasibility of marketing, such as customer groups and competitive conditions to determine the style of the house and condominium units to match the market demand and analyze financial and investment feasibility before proceeding with the purchase of land.

2. Recruiting designers

The Company will select designers with experience and reputation and have a proven track record in the market to work together with a team within the Company in order to come up with a project style that is outstanding in the design of buildings, common areas and the living space in the rooms,, which is different and superior to competitors in the same price range as can be seen from past work. The Company has set the criteria for the process of selecting designers in many dimensions, such as past experience, competence of existing personnel, etc.

Recruitment of contractors and construction supervision

In project development, the Company will hire external contractors to carry out the construction through a construction contract. In the case of condominium project contractors, they will be responsible for construction planning and procurement of construction materials and labor. The construction cost includes material and labor costs for each project, which differs according to the customer group and the project price. This process is controlled through an experienced construction management company to ensure that the products can be delivered with high quality and within the budget and time frame planned. Meanwhile, the low-rise project contractor is responsible for some construction, labor and materials. The Company will purchase some main materials and supervise the construction process by a team of experts within the Company itself for flexibility in management and in accordance with the volume and complexity of each type of work. At present, the Company has expanded the number of projects and developed the process of hiring contractors to be more efficient. Therefore, the Company has adopted the concept of building alliances with contractors by jointly developing projects in the form specified by the Company under the agreed price framework. The said contractor must be a contractor with high

potential, be reliable in the market for a long time and be ready to support the continuous expansion of the Company's projects in the future. In terms of construction methods, the Company is aware of the current labor shortage problem which is likely to increase in the future. Therefore, the Company has conducted studies and applied new construction technologies such as prefabricated walls and other prefabricated materials to both low-rise and high-rise projects. This will help achieve quality control and shorten the construction time to meet the needs of customers in a timely manner.

In hiring consideration, the Company will invite contractors who are reputable in construction with experience, workmanship, quality, technology and reliable personnel to make a construction bid with the Company. The Company will require at least 3 contractors to bid per project. It will be a closed bid and the Company will have a procurement committee to determine the scope of work and construction contractor qualifications, receive and open bidding envelopes, and negotiate prices to obtain the most suitable contractor, price, and condition.

Seasonal Effects on Business Operations

The Company's operation is non-seasonal. However, during the rainy season, the construction of the project may cause some obstacles in the work. The management has taken this factor into account. Therefore, the rainy season does not have a significant impact on the Company's construction projects.

3. Raw materials and raw material suppliers

As for the condominium projects, the Company will use the contract method. The main contractor will be responsible for the supply of materials, labor and construction in accordance with the specified plans and budget. However, in the case of a low-rise project, the Company will contract only some construction, labor and some materials. The Company will purchase the main materials that are specified for the purpose of quality control to be the same standard in every project and to control the cost as bulk purchases of materials in multiple projects will give the Company more bargaining power with manufacturers.

Environmental impact

For the development of a condominium project and requesting permission to allocate land, the Company must comply with the law and the rules of the organization related to condominiums and land allocation, including rules and regulations of the Office of Natural Resources and Environmental Policy and Planning, which takes into account the environmental impact of that project. In the past, the Company has never had any legal disputes in any regard to the environment. All condominium projects in Bangkok have been approved by the Office of Natural Resources and Environmental Policy and Planning. Regarding the report of the environmental impact of the project, the Company has attached great importance to the implementation of preventive and corrective measures to issues that may have an impact on the environment as stipulated by various government agencies in all respects, supervised contractors hired by the Company to strictly comply with the environmental impact prevention requirements and reported the results in accordance with the established regulations on an ongoing basis.

Assets used in business operations

Company and its subsidiaries have assets used for business, which consist of real estate development projects for sale, land and buildings for rent and service, land awaiting development and golf course as of 31 December 2021 with the details as follows:

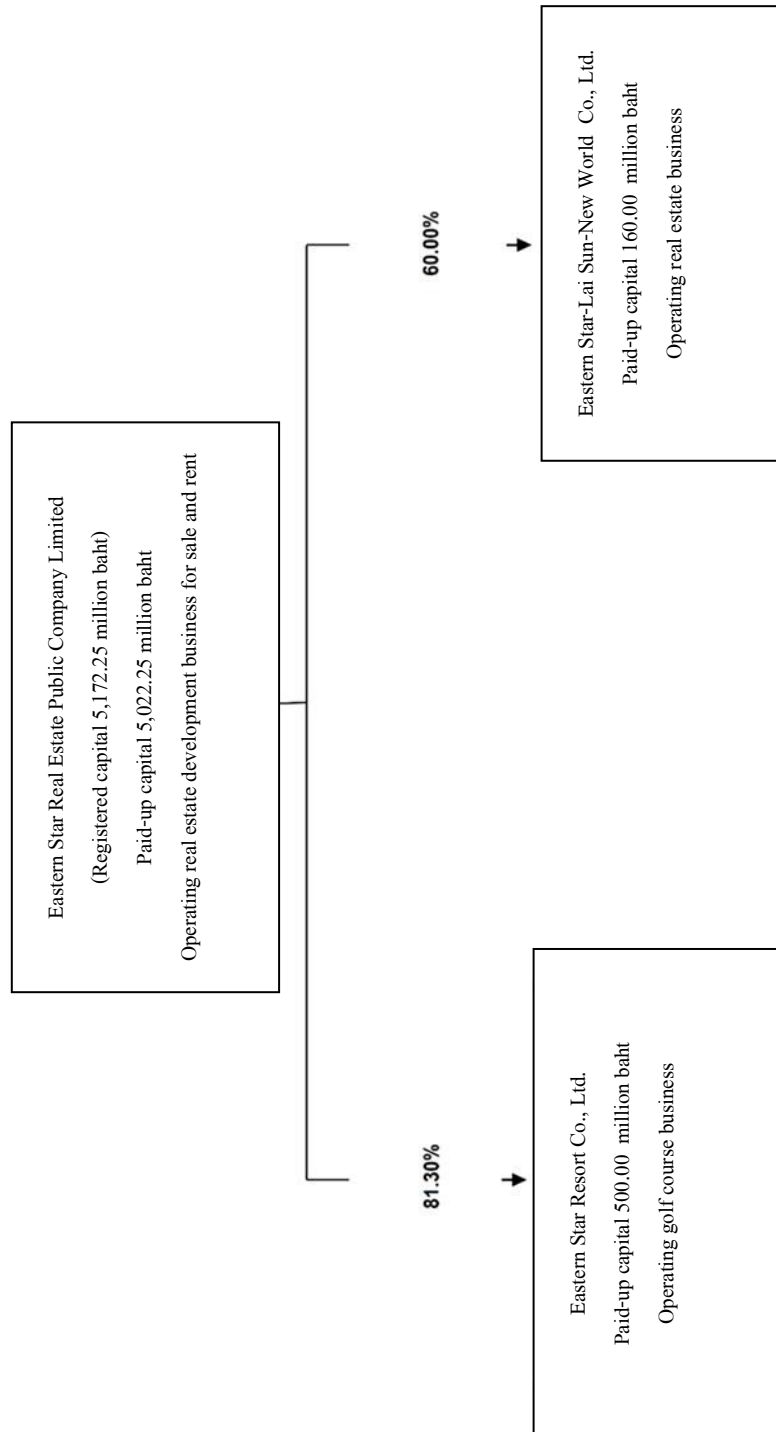
No.	Project name and location	Proprietary nature	Land area (rai-ngan-wah)	appraisal price (million baht)	Book value As of 31 Dec. 20 (million baht)	Obligations with financial institutions (mortgage limit) (million baht)
Projects in Bangkok						
1	Housing project Estara Haven Pattanakarn 20	Company owned	21-0-21	N/A	447.15	890.00
2	Condominium at Quintara Treehouse Sukhumvit 42	Company owned	2-2-18	N/A	186.48	No encumbrance
3	Condominium at Quintara Arte Sukhumvit 52	Company owned	1-1-4	N/A	219.58	330.00
4	Condominium at Quintara Phum Sukhumvit 39	Company owned	2-2-0	N/A	540.35	650.00
5	Quintara Kinate Ratchada 12 Project Condominium	Company owned	2-1-86.70	N/A	408.80	563.00
6	Pho Nimit Condominium Project (Ratchapruet Road)	Company owned	2-2-80	N/A	507.27	1,240.00
7	Townhouse building for rent (Pattanakarn 20)	Company owned	0-0-61	8.10	2.08	No encumbrance
8	Vacant Land (Bangkok-Nonthaburi)	Company owned	7-3-50	819.00	635.56	500.00
9	Land Yen Akard (Chong Nonsi)	Company owned	3-2-14	537.32	537.32	909.00
Projects in Rayong						
10	Housing project Breeze at Eastern Star Foresto	Company owned	22-3-63.10	N/A	68.33	253.00
11	(Ban Chang-Phla)	Company owned	27-0-37.20	N/A	68.47	No encumbrance
12	Housing project Breeze at Eastern Star Foresto Phase 2 (Ban Chang-Phla)	Company owned	27-0-66.30	N/A	70.76	305.00
13	Housing project Thera Prima Buraphapat-Sukhumvit (Ban Chang-Phla)	Company owned	47-0-79	N/A	125.62	392.00
14	Housing project Grand Velana (Ban Chang-Phla)	Company owned	27-1-55.80	N/A	141.23	300.00
15	Allocated housing project Velana Amoda U-Tapao-Banchang	Company owned	30-2-29.30	305.94	293.57	300.00
16	Sea Star Project (Ban Chang-Phla)	Company owned	28-2-60.30	N/A	130.12	No encumbrance
17	Foresto Mall Project (Ban Chang-Phla)	Company owned	5-1-51	34.95	32.27	No encumbrance
18	Shopping center land for rent (Ban Chang-Phla)	Company owned	7-0-96.20	92.12	3.57	No encumbrance
19	Land for rent in Mapkha (Ban Chang-Phla)	Company owned	602-2-78.20	494.96	542.43	No encumbrance
20	Land for rent in Noen Krarak (Ban Chang-Phla)	Company owned	49-3-25.90	317.30	81.57	100.00
21	Vacant land, country home project (Ban Chang-Phla)	Company owned	229-3-32.90	677.40	303.64	250.00
22	vacant land changthong (Ban Chang-Phla)	Company owned	88-3-72	177.90	172.11	112.00
23	vacant land (Ban Chang-Phla)	Company owned	37-1-85	134.87	49.71	No encumbrance
24	Vacant land at Star Town Center Project (Ban Chang-Phla)	Company owned	6-3-45.60	102.96	71.56	No encumbrance
25	Marina Land (Ban Chang-Phla)	Company owned	10-1-9.20	102.73	7.32	210.00
26	Vacant land on Sukhumvit Road (Ban Chang-Phla)	Owned by Eastern Star-Li Sun-Co., Ltd.	105-2-30.70	348.54	158.47	No encumbrance
27	Eastern Star Country Club and Resort golf course, club building, and other buildings	Owned by Easter Star Resort Co., Ltd.	410-3-5	756.17	262.87	No encumbrance

1.3 Company group shareholding structure

Eastern Star Real Estate Public Company Limited and its subsidiaries operates real estate development business for sale, develops real estate for rent and golf course business. The operations of the companies in the group are divided as follows:

1. Eastern Star Real Estate Public Company Limited operates real estate development business for sale and for rent in Bangkok and surrounding areas and Rayong Province.
2. Eastern Star Resort Company Limited operates a golf course in Ban Chang District, Rayong Province.

Diagram showing group shareholding structure as of 31 December 2021



Remarks

*1. Eastern Star-Lai Sun-New World Co., Ltd. has not operated a commercial business.

Relationship between the business group and major shareholders

The Company and its subsidiaries, by the nature of its core business, does not have to rely on and/or compete with other businesses in the business group of major shareholders.

1.4 Amount of registered and paid-up capital**Ordinary shares**

As of 31 December 2021, the Company had registered capital of 5,172,246,185.00 baht, which consisted of 5,172,246,185 ordinary shares with the par value of 1.00 baht per share and had a paid-up registered capital of 5,022,246,185.00 baht, which consisted of 5,022,246,185 ordinary shares with the par value of 1.00 baht per share.

Shareholders

The Company had a list of the top 10 shareholders (as of 10 May 2021) as follows:

<u>No.</u>	<u>Shareholder name</u>	<u>Number of shares</u>	<u>Percent of the whole shares</u>
1.	Bangkok Broadcasting & T.V. Co., Ltd.	2,192,260,984	43.65
2.	BBTV Equity Company Limited	554,009,100	11.03
3.	Sunrise Equity Company Limited	279,212,609	5.56
4.	Mr. Krit Rattanak	131,058,500	2.61
5.	Mr. Tawee Hankraiwilai	104,000,000	2.07
6.	Thai NVDR Company Limited	55,738,931	1.10
7.	Mrs. Laksaneewan Mongkhonrattanachai	43,416,300	0.86
8.	Cyber Ventures Company Limited	42,923,612	0.86
9.	Mrs. Nuanchan Teerasongkran	36,946,300	0.74
10.	Mr. Somsak Teerapattanakul	33,237,700	0.66
	Total	<u>3,456,124,197</u>	<u>68.82</u>

1.5 Issuance of other securities

In 2021, the Company did not issue any other securities.

1.6 Dividend Policy

The Company and its subsidiaries do not pay dividends if the consolidated financial statements of the Company and the subsidiary's financial statements still have retained losses or if dividends are paid, retained earnings will be accumulated losses. However, if the Company and its subsidiaries will pay dividends, they must allocate part of the annual net profit as a reserve fund of not less than 5 percent of the annual net profit deducted with the accumulated loss brought forward (if any) until this reserve is not less than 10% of the registered capital.

In addition, the Company has a policy to pay dividends of not less than 50 percent of the net profit of the separate financial statements after deducting the legal reserve. In the dividend payment, various factors must be brought for consideration such as financial status, liquidity, business expansion and other factors involved in the management of the Company

Dividend payment information for the past 3 years

Date determining persons entitled to dividends	Date of dividend payment	Type of dividend	Dividend per share (Baht/share)	Rate of dividend payment/profit (%)	Turnover Cycle	Source of dividend
10 May 19	27 May 19	Dividend	0.02	0.21	1 Jan 18 – 31 Dec 18	Net profit
-	-	-	-	-	1 Jan 19 – 31 Dec 19	-
10 May 21	26 May 21	Interim dividend	0.01	0.82	1 Jan 20 – 31 Dec 20	-

Note: In 2020, there was no dividend payment due to the Company's need to maintain cash flow to support various situations that may arise from the spread of COVID-19

2. Risk Management

2.1 Policy and risk management plan

The Company has placed great importance on good corporate governance with integrated risk management system that connects strategies, Company goals and objectives to reduce the chance and impact from risks that will result in the operation that is not in accordance with the vision, policies, and objectives of the Company. Also, it needs to have a plan to manage risks or deal with risks that may occur in the future and to serve as a guideline for monitoring, auditing, and evaluating the performance of internal departments of the Company. Risk management is therefore an important tool that helps managers ensure that risks are dealt with appropriately and in a timely manner, including helping them in their management and decision-making in areas such as planning, strategy formulation, monitoring, control, and performance measurement. This can ensure that the operation will be in accordance with the set goals and can protect the Company interests and add value to the Company.

2.1.1 Risk management policies and procedures

The Company has adopted the concept of risk management framework of COSO ERM 2017 in its risk management, which focuses on the relationship between strategy in the context of mission, vision and core values by linking business strategy and objectives to risks. It also helps the Company to plan risk management throughout the organization in order to better create value for the organization.

The Company has a risk management process to be used to identify, analyze, assess and classify risks affecting the achievement of the Company's objectives and it has established control guidelines to prevent or reduce risks that are at an acceptable level. This process will be communicated to people in the Company to have knowledge and understanding of risk management in the same direction. The Company requires risk assessment in various areas as follows: (1) strategic risk (2) operational risk (3) financial risk and (4) compliance risk, and (5) corruption risk. Assessing the likelihood and impact of a risk involves taking each of the identified risk factors to assess the likelihood of a different risk event and assess the severity or impact value of the risk to show different levels of risk. This makes it possible to determine appropriate risk controls that enable the organization to properly plan and allocate resources under budget, manpower, or time constraints based on established benchmarks and risk management, which has been considered in the meetings of the Executive Committee, Audit Committee and Board of Directors annually.

2.1.2 Responsibilities of risk management structure

Risk management structure consists of supervision, decision-making, action, planning, monitoring, evaluation and review. Each component has the powers and duties as follows:

- (1) Board of Directors
 - 1) Promote the Company's risk management operation.
 - 2) Consider and approve the risk management policy.
 - 3) Acknowledge and give feedback on Risk Management Manual, annual risk management plan, and the performance of risk management at least once a year.

(2) Audit Committee

- 1) Screen and give suggestions on risk management policy formulation.
- 2) Acknowledge and give feedback to Risk Management Manual, annual risk management plan, and the performance of risk management at least once a year.

(3) Executive Committee

- 1) Encourage and support and follow up to ensure effective and appropriate risk management throughout the Company.
- 2) Acknowledge and give feedback to Risk Management Manual, annual risk management plan, and the performance of risk management.

(4) Managing Director

- 1) Appoint a Risk Management Working Group to draft the Company's risk management policy.
- 2) Consider and approve the Company's Risk Management Manual.
- 3) Track important risks and ensure there is an appropriate risk management plan.
- 4) Promote a culture of risk management in responsible areas.
- 5) Consider procedures for identifying, evaluating, rating, and managing risks.
- 6) Consider and approve the risk management plan.
- 7) Follow up on risk management results at both activity and organization levels.

(5) Internal Audit Department

- 1) Review the risk management process at activity and organization levels.

(6) Risk Management Working Group

- 1) Present risk management policy to the Audit Committee, screen and present it to the Board of Directors for approval.
- 2) Prepare a risk management manual, risk management plan, present them to the Managing Director for approval, and then to the Audit Committee, Executive Committee, and Board of Directors for acknowledgement.
- 3) Collect and analyze information received from various departments to review and propose risk management measures.
- 4) Create risk management plan for the organization.
- 5) Follow up on risk management outcomes.
- 6) Analyze, summarize, and evaluate risk management outcomes and prepare a risk management report, propose it to the Managing Director for consideration, and to the Executive Committee, Audit Committee, and the Board of Directors for acknowledgment and suggestions.

2.2 Risk Factors for the Company's Business Operations

2.2.1 Risk of business operations of the Company and its affiliates

2.2.1.1 Strategic Risk

Risk factors arising from the real estate market conditions in Thailand and market competition

The real estate market in 2021 was affected by the COVID-19 pandemic became critical again since the second quarter of 2021, causing the government to issue lockdown and social distancing measures. Most people had to work from home. As a result, customers refrained from visiting the project and almost all foreign customers disappeared. The lockdown situation affected many business sectors and many businesses had to cut staff salaries, reduce the number of employees, or even close the business, affects the purchasing power of real estate customers as a whole. For real estate operators, the business strategy was to focus on maintaining business liquidity by selling existing stocks through price reductions, with the focus on giving promotions to motivate customers in terms of credit or alleviating the burden of installments in response to the reduced purchasing power from the economic impact of the Covid-19 pandemic. The Company has continually adjusted its strategies, including price promotion, making products attractive, increasing sales channels and marketing communications to meet the target group. However, there are still risk factors that many operators have to face after sale, which are the problems of credit limit and purchasing power of customers, especially the group of houses or condominiums with the price below 3 million baht, which has been affected by the economic situation continuously since 2020. Therefore, even though sales increased, ownership transfer could not be done because financial institutions were strict with granting credit. In this regard, the Company has set support guidelines, starting from customer pre-approved process and in the case of after sale, where customers are likely to have credit problems, the Company has set various appropriate guidelines for each customer as well as providing advice and support to customers in order to increase the opportunity to access credit as much as possible through coordinating with banks.

Risk from investment in business expansion

Due to the economic slowdown in 2021, many real estate developers have delayed the launch of new projects, especially condominiums. The focus has been shifted to smaller projects, focusing on a good location, at a reasonable price to make it sold out faster as well as adjusting strategies to open more low-rise projects because it is more flexible and can be constructed little by little. If the sales are not in accordance with the set goal, they can be adjusted to houses or can be suspended. This is different from a condominium project that must be completed at once. Due to a lockdown and working from home, this makes people want more space to work and do activities at home. On the other hand, having condominiums in the city as a place to live in the working days is becoming less and less necessary. As a result, the real estate market in 2020-2021 was the year when new project launches and new project sales dropped considerably, especially condominium projects. Meanwhile, for low-rise projects, many operators adjusted their strategies to focus mainly on horizontal project expansion, which has resulted in more new sales.

From the uncertainty in terms of economic conditions and political situation, the Company is very careful about the selection of the land location and finding target customers by clearly exploring customer needs and improving products and services in new ways that are in line with new behaviors, including choosing the right time for project development to reduce the risk of investing in new project developments. Moreover, the Company has set criteria for

consideration before starting the project in each step to ensure that when the project has started, the sale and transfer of ownership will be in accordance with the goals and as promised with the customers. In addition, the Company continues to study investment models in new related businesses, including businesses that generate regular income to supplement the Company's income in another way to reduce financial risks.

In 2022, operators tend to expand more projects after delaying the launch of the project since 2021 due to the beginning of positive signs regarding the distribution of vaccines according to government plans, lifting measures and measures to stimulate the economy from the government that came out continuously. However, the situation of the Covid-19 pandemic must still be closely monitored as it started to recur in early 2022, making project expansion at risk.

For real estate business operations in Bangkok, which is an area with potential, the Company has a policy to continue to expand the business. For projects in Bangkok, the Company has a policy for careful expansion, by choosing to develop a project in the heart of the city near the public transport system and focusing on targeting customers with purchasing power and who will reside in the project. In addition to developing a high-rise building, the Company also develops low-rise housing in the category of townhouses, townhomes, and twin houses, which, in addition to increasing the revenue recognition cycle for the Company faster, also increases the Company's low-rise products to be known to those in need. It is also an opportunity for future business expansion.

The fact that the Company continues to operate and expand real estate business in Ban Chang District, Rayong Province continually is also a target for risk management that has been clearly seen in the past year as well. In Ban Chang district, the Company has expanded and developed more projects because of its potential as the government has announced it as an area promoting the Eastern Economic Corridor (EEC), and at present, the construction of transportation infrastructure has progressed and saw tangible results. In addition, the Company's development area is located near U-Tapao Airport, within a radius of not more than 10 kilometers, and at present, the government has a policy to develop U-Tapao Airport into the Eastern Aviation Capital and develop a new city having U-Tapao Airport as the center. This is an opportunity for the Company's real estate business in the Ban Chang area at present and in the future. Although the Company still has a number of existing land for development, in the last 1-2 years, the Company has collected more land for development at the right time.

2.2.1.2 Operational risk

Environmental Impact Risk Factors

For the construction of condominiums in every project, the Company will take into account the impact of the project on the quality of the environment within the community. A meeting was held to hear opinions and suggestions from people in the community, stakeholders, public and private organizations involved in the project so that the Company will be aware of issues that the surrounding community may be concerned about and the Company can solve those issues comprehensively. The Company will start selling the condominium units after the project's Environmental Impact Assessment (EIA) report has been approved by the National Environment Board or has passed the initial consideration without issues requiring significant changes to the building and condominium layout. This is to ensure that when selling, the Company will be able to perform according to the contractual agreements specified to the customers in order to

reduce the risk of paying compensation or damages to the customer. There has been a development of the surrounding community environment as well. For example, for the Quintara Phume Sukhumvit 39 project, improvements have been made to lighting, and bridges over the canal; for the Rayong project, trees were planted together with the Bamrung Rim Hat Sub-district Administrative Organization, and Estar Park Project development to be shady and safe for people who come to use the service.

Risks in purchasing land for development

The Company controls the risks in purchasing land for project development by procuring land in accordance with the business plan that the Company has set by surveying the actual condition of the land and surrounding area in order to see the limitations in the design and planning of the initial project development whether the results are in accordance with the business plan or not. This includes checking the requirements and laws related to project development such as checking the boundaries and boundary mark of the land, land survey, inquiring the width of the path, verification of the ownership of the seller and related parties, etc. If the Company has any doubts about the requirements or legal issues, inquiries will be made to the relevant authorities to certify the information to reduce various risks that could happen.

In this regard, the requirements and laws related to the development of the project can always change. The Company has a unit that constantly studies and monitors changes. If there is any doubt about the terms and the law, further information will be requested from authorities related to that law directly to serve as information for the initial project design and development.

In addition, the Company is aware of the importance of the environmental impact from the development of various projects. Therefore, the Company must analyze the environmental impact (Environmental Impact Assessment or EIA) for the construction of condominiums for seeking approval from the Environmental Impact Assessment Office, Ministry of Natural Resources and Environment and report on the implementation of environmental impact prevention and correction measures under the Enhancement and Conservation of Environmental Quality Act, B.E. 2535.

In addition, the Company has also assessed and monitored land prices in various locations continually including assessing market conditions and economic conditions in various periods in order for the Company to have a guideline for purchasing land for project development that is appropriate for the situation

Risk from rising construction material costs

At present, land to be developed as a project has a higher price and tends to rise continuously, especially in the heart of the city and along the mass rapid transit lines, causing construction costs to inevitably rise. However, in Bangkok, the Company has a number of land stocks that are pending development, which the Company will consider developing in a timely manner as soon as possible to reduce the interest burden on financial institutions and reduce the tax burden according to the Land and Buildings Tax Act enacted in 2020. For the undeveloped land plots, the Company has set up management guidelines for appropriate tax expenses or finding ways to increase short-term income from existing land while waiting for a development opportunity. For the problems of construction workers that still exist today and in the future due to the need for more labor from large-scale public infrastructure construction projects and expanding projects of the private sector, it will cause labor competition in the market. There will also be an increase in wages,

resulting in increased construction costs. In order to reduce the risk, many of the Company's projects currently have contracts to hire contractors at a cost that includes the cost of construction materials and labor. In the construction contract, the total wages are fixed, enabling the Company to control costs. Also, to reduce construction costs in many projects, the Company has applied for the right to purchase some construction materials by itself, such as air conditioners, kitchen sets, and elevators, and arranged for auctions to purchase at the same time in many projects so that the Company can negotiate better prices with the seller. In addition, the Company is also seeking potential contractors to be partners and join the Company since the stage of design development before accepting the construction work at a reasonable price. This can reduce the problem of works that need to be fixed or inappropriateness of the design during construction and reduce the construction time to a certain extent. As a result the construction can be completed in time for delivery to the customers as scheduled, and it can reduce the risk of fines due to delayed delivery of homes/suites bad reputation from delivering low-quality products.

Construction and project development risks

In construction and project development, there is a chance that it will not be able to deliver on time as planned from various reasons such as construction quality problems, delays due to labor shortages, material shortage caused by management problems within the project. To prevent such problems, the Company has placed great importance on the selection of contractors, engineering team, experienced project management consulting team. (in the case of high-rise projects) including construction planning and monitoring the progress of the work with the contractor regularly. In addition, the number of workers who come in to implement the plan is also checked. This includes the construction management team who keeps track of the material plan in accordance with the construction plan. When a problem is found, a solution will be formulated and the progress of remediation will be systematically monitored. If such problems affect the construction period, an expedited plan will be developed or the plan will be adjusted accordingly and in accordance with the situation. The Company has also attached great importance to the quality inspection process during construction and the quality of houses/suites that were built before delivery. Moreover, the data obtained from the audit will be analyzed and proactively planned to reduce quality problems that will affect future construction delays.

Marketing and sales risks that do not meet targets

The Company is at risk of not being able to meet its sales targets from factors that may be caused by market situations, competition, economic conditions, purchasing power, including changes in consumer demand. The Company has closely monitored sales. When there is a tendency that may cause the sales not to go according to plan, it will be discussed within the sales team and the management team, and guidelines will be set to be appropriate for the situation, such as adjusting the product model to meet the needs of the target audience, adjusting prices to be able to compete with competitors, adding promotion, adding new communication channels, looking for customer groups or penetrating new markets, etc. In addition, the Company also pays attention to collecting information about sales, marketing, interests of the target group, which will be processed for analysis in adjusting the sales strategy and proactive marketing in order to keep up with the changing situation and demands of consumers continuously

2.2.1.3 Financial riskRisks arising from strict measures to provide housing loans of financial institutions

The impact of the recession due to the spread of COVID-19 contributes to the higher burden of household debt per Gross Domestic Products (GDP). This has caused financial institutions to be more careful in giving credit to consumers and choosing to give credit to specific groups of customers. This has resulted in higher loan rejection rates. There are also measures to regulate housing loans or more strict prescription of Bank of Thailand's Loan-to-Value (LTV) that affect the sale and transfer of ownership of the Company's projects which directly affects the revenue recognition and the company's financial liquidity.

However, the Company has planned and found a way to help customers to get credit approval from financial institutions. The Company will assess the preliminary qualifications and ability to pay off the customers' loans, reducing the credit risk. Also, it will discuss with commercial banks about credit granting guidelines to facilitate and ease the payment for customers, including having measures to adjust the installment program or suspend payment for customers who still have the possibility to transfer ownership to ease the burden and reduce the cost of installment payments to customers.

Liquidity and financing risks

Due to the nature of real estate business, it must rely on funding sources from various financial institutions. As it has a high investment in the beginning spent on construction, cash flow management and financial liquidity are of the utmost importance to the Company. The cash flow is projected regularly to assess the cash position and liquidity in many cases (Sensitivity Analysis). In addition, from the impact of the COVID-19 pandemic, which has continued in the past 2 years, financial institutions have more stringent measures in lending to projects both in terms of project consideration and conditions of disbursement. However, the Company has continuously reviewed and adjusted its strategy to maintain liquidity and financing for new project developments since 2020, including regular policy adjustments, evaluating the company's liquidity, a short-term credit line called Committed Line to support emergency situations that may arise, generating cash flow from managing non-performing assets, emphasis on selling current projects, especially ready-to-transfer projects to accelerate cash flow, adjusting the construction plan according to the sales plan so that there are not too many inventories on hand. For funding sources for project development, the Company focuses on developing projects with an acceptable level of risk and high project feasibility in order for each project to be considered for approval of credit lines from financial institutions and in accordance with the plan, reducing the risk of developing large projects as well as maintaining the debt-to-equity ratio to not exceed the conditions of loan agreements with financial institutions to reduce financial risks. Now, the Company is studying investments in business that generates regular income in the long time to reduce the risk of income from the sale of real estate which is highly fluctuates.

2.2.1.4 Compliance risk

Risks arising from changes in government policies and measures related to real estate business

Changes in policies and measures of government agencies affects the operation of real estate operators positively support for the real estate sector, such as the measure to reduce transfer fees and legal acts for housing from 2% to 0.01 percent and mortgage fees from 1% to 0.01 percent, which has a positive effect that helps alleviate the burden of ownership transfer costs. Meanwhile, there are government policies that affect the company's revenue and operations negatively, such as policies from the Bank of Thailand regarding the control of mortgage lending by setting the ratio of loan to value of assets (Loan to Value: LTV) not more than 70-90% for the purchase of a second home onwards and residences with a value of 10 million baht or more as originally, financial institutions were able to lend out loans for homes in the proportion of 100 percent, effective from 1 April 2019. The said measure has affected some customers. However, during October 2021, the Bank of Thailand announced a temporary relaxation of such measures until 31 December 2022, which is an issue that the Company must follow up and adjust strategies appropriately.

In addition, due to the government's announcement of the Personal Data Protection Act of 2019, the Company has hired a consulting firm to review activities and processes related to personal data to ensure that the Company has prepared to comply with the Personal Data Protection Act appropriately. An official personal data protection working group has been appointed and the roles and duties of the working group has been defined to assess the risks related to the handling of personal data. What have been created are a personal data protection policy, guidelines for handling personal information, registration to control personal information documents, and process to control the use of personal information. For the operating activities of each segment of the Company section, channels have been established for notifying data subjects about exercise of rights to manage personal data. The details of personal data stored undergo annual reviews. A cookie storage policy has been established on the Company's website that covers the performance of personal data protection practices including training to build knowledge and awareness related to personal information to personnel within the Company

Since 2019 onwards, to control and limit the spread of the COVID-19 pandemic, the government has issued measures such as keeping distance, consolidation restriction, temporary closure of construction workers' camps to the lockdown and prohibiting activities that require mass gatherings directly affect sales company operation. However, the Company is closely monitoring the situation and the work process has been modified in accordance with government measures and policies to reduce the risk and to pay attention to the health safety of employees and customers as a priority. In the sale, the Company has adjusted by adding channels of communication, taking visitors to visit the projects and giving project information, to the subscription through the online form to facilitate customers to be able to receive complete project information without risk. Meanwhile, the government has issued measures to close construction labor camps in risk areas in order to prevent the spread of COVID-19, so construction was temporarily halted. This causes the risk of late delivery as well. Therefore, the company has adjusted the work plan and prepared an expedited plan to minimize the impact on the construction period.

2.2.1.5 Corruption riskCorruption risk factors

The Company realizes the importance of transparent business operations and adheres to the principles of good corporate governance in order to operate the business with efficiency, fairness, social responsibility and responsibility towards stakeholders, and prevent corruption that may occur in the organization in every case. The Company therefore stipulates the principle of operating a business that does not support the business of a group or a person who acts illegally in seeking benefits in order for the Company to be entrusted with conducting business without corruption and has proceeded as follows:

1. Announce and communicate the Anti-Corruption Policy/Anti-Corruption Measures Manual to related parties both inside and outside the Company, such as Whistle Blowing Policy, or the policy on receiving a gift or property or any other benefits, an operational manual for processes that are at risk of corruption, including stipulating penalties for personnel who fail to comply with appropriate anti-corruption measures

2. Establish a process for receiving complaints by the working group to screen complaints about corruption from both employees and stakeholders of the Company, guidelines/guidelines for investigating facts in case complaints arise as well as prescribing measures to protect rights for those who report misconduct and complaints and report the results of corruption complaints on a quarterly basis to the Audit Committee.

3. All departments are required to assess the risk of corruption and establish control and prevention measures

The Company has submitted an application for certification of membership of the Thai Private Sector Collective Action Coalition against Corruption and was certified as a member of the Thai Private Sector Collective Action Coalition on 3 June 2021, which shows that the Company intends to conduct corporate governance with transparency and is ready to continually promote anti-corruption in business operations

2.2.2 Investment risk of securities holdersRisks arising from the shareholder structure

As of 31 December 2021, the largest shareholder was Bangkok Broadcasting & T.V. Co., Ltd., which holds shares in the company of 2,192,260,984 shares or 43.65% of the Company's total paid-up capital. The shareholders' resolutions on various matters as required by law or regulation must receive a majority vote of the total votes of the shareholders attending the meeting and having the right to vote. However, the Company still places importance on minority shareholders. In October every year, the Company announces on the website to invite minor shareholders to propose meeting agendas and list of directors for the annual general meeting of shareholders. At the annual general meeting, it gives shareholders an opportunity to express their opinions widely. Furthermore, the Company has established a management structure of the Company which consists of the Board of Directors, Audit Committee, Recruitment and Compensation Committee and Executive Committee. The scope of powers and duties are clearly defined. Independent directors are also appointed as directors in the Board of Directors, Audit Committee and Recruitment and Compensation Committee so that the management is transparent and verifiable.

2.2.3 Risk of investing in foreign securities

--None--

3. Driving business for sustainability

3.1 Sustainability management policies and goals

Company and its subsidiaries (“The Group”) is committed to driving business for sustainability under the framework of the Low-carbon Society and Green Economy, with a focus on creating balanced growth in 3 aspects. These include the economy, society and environment, which covers business operations throughout the supply chain in order to become a company that is the initiator of a unique lifestyle who pays attention to every customer’s needs while still creating a pleasant environment at the same time.

The Group is also committed to contributing to the United Nations Sustainable Development Goals (SDGs) in line with the ESG (Environment Social and Governance) guidelines covering environmental, social and governance dimensions. The Sustainable Development Goals are linked with seven key corporate sustainability policies and goals, which are:



Promote good quality of life for all people of all ages through creating a safe living environment that is conducive to the good health of residents.



Be committed to developing real estate projects that conserve energy and improve energy efficiency in both business operations and the value chain to support the creation of sustainable energy use.



Increase the ability to access economic, social and political opportunities regardless of age, gender, physical disability, race, ethnicity, origin, religion, or economic or other status.



Build sustainability for cities and communities by developing projects that are environmentally friendly, reduce the negative impact on the environment of real estate development projects and contributing to the increase of green public spaces that are safe, inclusive and accessible to all.



Drive real estate development projects that use natural resources efficiently through the application of green building design principles. Choose innovative and environmentally friendly materials and sustainable supply chain and procurement



Support low-carbon development in parallel with the integration of measures on climate change adaptation and sustainable management of natural resource, especially the reduction of both direct and indirect greenhouse gas emissions throughout the value chain.



Contribute to the protection, restoration and promotion of the utilization of terrestrial ecosystems by developing real estate projects that take into account biodiversity throughout the value chain.

3.2 Managing impact on stakeholders in the business value chain

The Group focuses on sustainable development not only in internal business operations but also the development and business value chain. For this reason, the Group has integrated business value chain management to drive sustainable business. This covers understanding stakeholder expectations throughout the value chain by assessing and analyzing high-risk issues, preparation of response guidelines, and integration into business operations in order to reduce business risks that may cause environmental, social and governance impacts to stakeholders in the business value chain of the Group.

3.2.1 Business value chain



3.2.2 Business Value Chain Stakeholder Analysis

Stakeholder Relationships in the Business Value Chain

	Public sector and regulatory agencies	Partners	Customers	Employees	Shareholders and investors	Financial institutions	Community and society	Mass media	Business rival
1	✓	✓		✓	✓	✓			
2	✓	✓	✓	✓	✓	✓		✓	
3	✓	✓		✓	✓		✓	✓	
4	✓	✓	✓	✓	✓		✓	✓	✓
5	✓	✓	✓	✓	✓		✓	✓	✓

Table showing analysis of key issues and guidelines for responding to stakeholders

Stakeholders	Key points or expectations	Operational guidelines for response	Response channel
Public sector or regulatory agencies	<ul style="list-style-type: none"> > Compliance with basic regulations > Cooperation with the public sector or regulatory agencies as requested > Implementation of real estate development projects in accordance with the ministerial regulations governing the enforcement of Building Energy Code (BEC). 	<ul style="list-style-type: none"> > Comply with and support policies from regulatory agencies and government agencies. > Comply with energy standards on Building Energy Code (BEC). > Continuously monitor policies from the public sector in order to be able to formulate business strategies in a timely manner 	<ul style="list-style-type: none"> > Reporting results to government agencies > Joining government-related networks
Partners and contractors	<ul style="list-style-type: none"> > Business growth and stability > Fair procurement and timely payments > Safe and suitable working environment > Regulations that may change from implementing green procurement guidelines or related to ESG. > Knowledge sharing and labor skill enhancement 	<ul style="list-style-type: none"> > Open a channel for listening to suggestions or opinions. > Disclose important procurement information > Prohibit executives and employees from receiving any benefits from a partner, directly or indirectly > Establish safety and occupational health practices including emphasizing on strict compliance > Establish procurement practices with partners or contractors in accordance with ESG guidelines 	<ul style="list-style-type: none"> > Meeting on a case by case basis > Organize meetings with partners to communicate the policy of the Company and answer inquiries from partners on various issues > Supplier Code of Conduct
Real estate business customers	<ul style="list-style-type: none"> > Preparing real estate projects with safety and quality standards that meet the needs of customers > Communicating with customers efficiently and quickly > Maintaining customer information and confidentiality > Getting fast after-sales service 	<ul style="list-style-type: none"> > Set performance reviews to improve and develop project quality as a regular agenda item in meetings. > Open channels for listening to suggestions or opinions, customer relations centers and alternative online media > Build confidence in customer data storage process 	<ul style="list-style-type: none"> > Annual report > Customer Relations Center: 091 949 0000 > Website: www.estarpcl.com > Alternative online media: EASTERN STAR (Facebook Twitter Youtube and Line)
Golf course business customers	<ul style="list-style-type: none"> > Allocating recreational facilities to meet the needs of customers > Health, safety and nutritional suitability of food and beverages 	<ul style="list-style-type: none"> > Regularly improve and develop service standards > Maintain facilities to be in perfect and safe condition > Comply with food hygiene, safety and nutrition standards 	
Employees	<ul style="list-style-type: none"> > Career growth opportunities > Welfare and fair compensation > Fair and equitable treatment of employees > Safe and suitable working environment > Continuous knowledge development 	<ul style="list-style-type: none"> > Promote the empowerment of employees in terms of professional skills and other supporting skills and set clear indicators. > Consider fair compensation and welfare to employees taking into account the wages of labor in the industry > Establish guidelines for treating employees with transparency > Establish guidelines for working on safety and occupational health, including emphasizing on strict compliance > Determine a channel for giving opinions to employees 	<ul style="list-style-type: none"> > Communication via electronic media within the organization > Activities of executives meet employees > Hotline/Comment Box

Stakeholders	Key points or expectations	Operational guidelines for response	Response channel
Shareholders/ Investors	<ul style="list-style-type: none"> >Continuous earnings growth > Corporate governance with transparency >Acquiring important information of business operations, which is complete and up-to-date > Conducting business in accordance with ESG guidelines 	<ul style="list-style-type: none"> >Management performs analysis and feasibility studies both in terms of the budget and the return on investment in each project before making a decision >Can check the governance transparently >Listen to opinions to develop operations > Disclose key information related to business operations and ESG to ensure thorough confidence among stakeholders. > Carry out operations related to ESG for making business plan and strategic plan. 	<ul style="list-style-type: none"> >Annual report >Annual shareholder meeting >Website: www.estarpcl.com >Alternative online media: EASTERN STAR (Facebook Twitter Youtube and Line
Financial institutions	<ul style="list-style-type: none"> >Paying debt on time according to the specified conditions > Strictly complying with the conditions set forth 	<ul style="list-style-type: none"> > Repay debt back on time to avoid default > Strictly abide by the contract or the conditions agreed upon 	<ul style="list-style-type: none"> > Meeting on a case by case basis
Community and society	<ul style="list-style-type: none"> > Potential safety and environmental impacts of business operations > Participation in community development in terms of knowledge formation, creating a career and income, and supporting funds or equipment that is beneficial to the community 	<ul style="list-style-type: none"> > Conduct environmental impact assessments for all projects > Establish guidelines and manage business activities to reduce potential social and environmental impacts. >Promote the establishment of projects that create engagement between companies, communities and society 	<ul style="list-style-type: none"> >Projects for community and society > Visit the area to meet the community >Listen to opinions
Mass media	<ul style="list-style-type: none"> >Transparency and information disclosure >Protection of personal data and data security 	<ul style="list-style-type: none"> > Communicate and disclose factual and up-to-date information > Assign relevant departments to be responsible for building relationships with the media 	<ul style="list-style-type: none"> >Website: www.estarpcl.com >Alternative online media: EASTERN STAR (Facebook Twitter Youtube and Line > Case-by-case clarification
Competitors	<ul style="list-style-type: none"> > Following the framework of fair competition > Not searching for confidential information of competitors and maintain business etiquette 	<ul style="list-style-type: none"> > Conduct business with ethics and strictly comply with the competition laws 	<ul style="list-style-type: none"> >Direct contact on a case by case basis

3.3 Sustainability management in environmental dimensions

3.3.1 Environmental policies and practices

The Group is well aware of the potential negative environmental impacts of the Group's business activities. Therefore, the Group's environmental management policy has been formulated to cover important issues. These include energy management, water management, waste and pollution management, management to reduce greenhouse gas problems and management of ecosystems and biodiversity. The Group has supported the Sustainable Development Goals (SDGs). These include Goal 7: Affordable and Clean Energy, Goal 12: Responsible Consumption and Production, Goal 13: Climate Action, and Goal 15: Sustainable Cities and Communities. In addition, it has taken action according to the standard and requirements both internationally and nationally, such as the ISO 9001 standard and the regulations of the Office of Policy and Planning for Natural Resources and Environment. Such principles have been integrated with the Group's environmental management to create environmental practices that are consistent with the policy of driving business for sustainability by focusing on applying various innovations to reduce energy consumption, greenhouse gas, and pollution, and promoting the use of materials and environmentally friendly equipment in the design of buildings to increase ecological efficiency. In addition, the Group also places importance on fostering a strong corporate culture through good awareness of the conservation and restoration of natural resources among employees at all levels. This includes engaging with stakeholders throughout the value chain in order to maintain a balanced natural ecosystem.

3.3.2 Environmental management and performance

3.3.2.1 Energy management

The Group realizes the importance of reducing energy consumption and maximizing energy efficiency as well as raising awareness among stakeholders on energy conservation. The Group has established a variety of guidelines in response to sustainable energy management as follows:

Building Energy Code (BEC) Compliance

The Company attaches great importance to strictly complying with relevant rules as the Department of Alternative Energy Development and Efficiency (DEDE) has issued a ministerial regulation on the enforcement of the Building Energy Code (BEC) and came into effect on 13 December 2021. 9 types of buildings, namely hospitals, educational institutions, offices, condominiums, buildings for gatherings of people, theaters, hotels, service facilities, and department stores or shopping centers with sizes from 2,000 square meters or more must be designed in accordance with the standards and requirements in the Ministerial Regulations. This covers the design of the building façade, lighting system, air conditioning system, hot water production equipment, renewable energy. The Company has studied and prepared to integrate such benchmarks into the design of real estate projects that are in the scope and have plans for future project developments.

Application of integrated energy efficient design

The Group sees an opportunity to reduce energy demand in real estate projects through Integrated Energy Efficient Design that combines architectural and engineering design principles, including bringing modern innovations to help residential buildings use sustainable energy. The design framework and distinctive approaches are as follows:

1. **Site Design:** The design is consistent with the landscape and can take advantage of the project environment, such as the layout of the building in accordance with the natural wind flow direction to facilitate natural ventilation, orientation for solar gain, or natural sunlight shading, etc.
2. **Building Design:** The design of the building's features that reduce energy consumption in various systems of the building, such as the use of low-emissivity materials to reduce heat transfer from outside and reduce energy consumption in air conditioning systems or the orientation and area of natural light appropriate to reduce energy consumption in natural lighting, etc.
3. **Passive Systems Design:** Designing indoor systems to maximize the use of natural energy, such as the use of light shelves to diffuse light in the building or the placement of air vents according to the natural ventilation, etc.
4. **Active Systems:** The use of energy efficient devices in various building systems, such as the use of LED lamps for the lighting system or choosing a high-efficiency air conditioning system, etc.

In addition, the Company is in the process of studying the feasibility of applying Smart Building technology to make the use of energy in the building more efficient. Notable examples include installation of an automatic lighting system that can be adjusted to increase or dim the light in accordance with natural light, automatically turning off lights when there is no staff in the surrounding area, and the installation of a temperature control system using sensors to automatically measure and adjust the climate. This helps to control the temperature, humidity and air flow rate inside the building to be in optimum condition and reduce unnecessary energy consumption.

5. **The use of renewables:** Use of renewable energy in a building or project site to reduce greenhouse gas emissions.

The above principles have been applied as a framework for the design of various real estate projects of the Company for both real estate development projects for sale and for rent, such as Quintara Treehouse Sukhumvit 42 and Quintara Arte Sukhumvit 52, etc.

Energy conservation in the Company's office building

The group of companies realizes the importance of reducing energy consumption in the organization. Therefore, a project to conserve electrical energy used in lighting systems has been established by changing the type of lamps from fluorescent to LED in all Estar Park projects, as well as promoting energy conservation activities by stipulating the shutdown period of Employee's lunch break lighting system, creating awareness for employees to turn off the lights in the meeting room after use and monitor the use of electrical equipment during the holiday season by turning off and unplugging all electrical equipment. In the past 2021, the Group's total energy consumption was 4,264 megajoules (MJ).

3.3.2.2 Water management

Water management is another important issue for real estate business. This is because the Group's business activities depend on water resources whether it is for the construction or improvement of the project area or the use of water for utilities of project users. The Group is well aware of the water risks arising from the drought that may occur in various project areas. Therefore, the 3R (Reduce, Reuse and Recycle) principle has been applied to formulate measures to reduce water use in the area. There are outstanding projects to increase water use efficiency, such as the installation of an automatic water supply system in the project's building and installing a sprinkler system and water circulation for watering plants within the project area and in the golf course to control the amount of water use appropriately. In 2021, a water supply system with an automatic pump was installed in the Grand Velana project to bring water from the lake in the project to distribute to the area in front of the project and the main road at km 16 - Gate 2, which is a garden. In addition, the Group has also created the participation of stakeholders who rely on water resources significantly, customers, employees and contractors through the campaign to reduce water use.

In 2021, the Group's water consumption was 20,842 cubic meters.

3.3.2.3 Management of waste, waste and pollution

The Group is ready to manage the environment by complying with laws, regulations and organizational rules related to condominiums, land allocation and strictly implementing the construction of buildings by making an environmental impact assessment report based on audit criteria in the framework of sustainable development that is relevant to the environment. It will also set up surveillance measures to mitigate and control risks from negative environmental and social impacts in the area whether it is pollution from waste, dust and noise. This is to ensure that every project of the Company has been certified in compliance with the law and had received approval from the Office of Natural Resources and Environmental Policy and Planning as well as being accepted by the surrounding communities before starting construction work. In the past, the Group has never had any legal disputes on the environment.

Waste management

The Group believes that proper waste management will be another channel for the Group to demonstrate responsibility to society and the environment. The Group has adhered to the development of waste management processes in each of the Group's activities whether it is the waste arising from the construction of the project or general waste from business operations. This is to follow the appropriate guidelines as stated in the Environmental Impact Assessment Report by requiring contractors to bring leftover materials from construction and demolition to be sent to the processing process for recycling or disposed of in an appropriate way. In addition to waste management, the Group has campaigned and asked for cooperation among building occupants to dispose of waste properly. The Group has prepared a waste sorting bin that classifies the types of general solid waste, biodegradable solid waste, recycled solid waste, and hazardous waste at various points of the project area and offices. The recycled waste will be sent to the recycling plant for processing and recycling for further use.

Air pollution management

The Group is well aware of the pollution that may arise from the Company's operating activities such as chemicals and particulate matter generated by the construction of buildings and structures. The Company attaches importance to the health of people in the surrounding society. It is determined to manage and implement projects to prevent and control air pollution within the project area and surrounding communities in accordance with the legal requirements and occupational health and safety principles of the working environment according to international standards strictly. For this reason, the Company has established guidelines for controlling and measuring air pollution annually according to the National Environment Board Notification No. 244 (B.E. 2547) regarding the determination of general atmospheric air quality standards and the US EPA CFR 40 Part 50 standard covering air quality measurements by means of Non-Dispersive infrared, UV-Fluorescence, Chemiluminescence and Flame Ionization Detector, etc.

In the past year, the Company has also hired Envilab Co., Ltd. to conduct air quality surveys and installed 1 measuring device in the area of Quintara Phume Sukhumvit 39 Project, which is considered an area at risk of air pollution such as particulate matter with a size of not more than 2.5 microns (PM 2.5). Also, the Company has determined preventive measures to install equipment to trap small dust in the construction area of the project and monitored spraying of water around the construction area to reduce the spread of dust around the project construction area to neighboring areas, instructed contractors not to burn garbage within the project area, and checked the condition of the vehicle of the Group to ensure good condition. Moreover, the Group promotes self-reduction of air pollution to stakeholders, especially employees, business partners contractors and customers by supporting campaigns to reduce the use of cars, turning off the car while parking, and refraining from burning garbage and leaves, etc. The Company has conducted annual air pollution measurements and found that all the measurement results were within the control values and passed the standard.

3.3.2.4 Management to reduce greenhouse gas problems

The Group is ready to be a part of the movement to help the world cope with the impacts of climate change by adhering to environmentally conscious business practices under the aim of a low-carbon society. The Group has carried out activities with the aim of reducing greenhouse gas emissions, energy conservation, promotion of the use of renewable energy and focus on making the most of resources through the following outstanding projects

Using high-efficiency air conditioning systems to reduce the impact of climate change

Heating, Ventilation, and Air-conditioning (HVAC) is one of the key variables that affect a building's greenhouse gas emissions due to its high energy consumption and potential leakage of coolants to the atmosphere. Therefore, the Group has installed a high-efficiency air conditioning system with a cooling system, circulation and ventilation, air quality and humidity, which have higher potential than general air conditioners. It has also initiated the application of smart building technology to control the cooling system in the project area to achieve higher energy conservation efficiency. In addition, the Group also considers the use of more environmentally friendly refrigerant air conditioning systems for both existing real estate projects and future projects by turning to use a refrigerant type R-134a, which has a low global warming potential to replace the refrigerant type R22 used today. With a plan to phase out the use of such refrigerants by 2022, the Company expects that this measure can significantly reduce greenhouse gas emissions.

Energy optimization and energy reduction

In addition to reducing greenhouse gas emissions from air conditioning systems, energy management practices are also an important mechanism for reducing greenhouse gas emissions. Its important measures include building design in accordance with the ministerial regulation on the enforcement of Building Energy Code (BEC) and Integrated Energy Efficient Design) as detailed in section 3.3.2.1.

Renewable energy use in real estate projects

To support the use of clean energy and renewable energy that is environmentally friendly, the Company is studying the feasibility of installing solar power systems and applying them to new projects such as the Estar Park solar power project with a capacity of more than 300 kilowatts and is expected to be completed in 2022. The project will lead to a reduction in the cost of electricity in the Estar Park project from the adoption of clean energy.

Selection of materials and products for the environment

The Group also attaches great importance to environmental responsibility by adhering to the principles of eco-design from the process of material and product procurement to project design process. The Company selects environmentally friendly materials to use in the construction and renovation of the project based on the maximum utilization of resources in accordance with Sustainable Development and Circular Economy principles by focusing on materials and products with outstanding properties, whether they are decorative materials that contain recycled materials classified as safe materials with strong and durable properties and which can be used for a longer time, or products such as artificial wood for building walls made from recycled materials such as plastic water bottles, and sawdust leftover from wood furniture factories, etc. The Company believes that the principles of design and choice of materials will help upgrade the buildings in the company's projects to be more environmentally friendly.

At present, the Company has supplied materials and products for the environment. It was first used with luxury building condominium projects such as Quintara Arte Sukhumvit 52 project, etc.

In 2021, the Group's greenhouse gas emissions were calculated according to the Greenhouse Gas Emissions Reporting Guidelines for Listed Companies prepared under the cooperation between the Securities and Exchange Commission and the Stock Exchange of Thailand and the Greenhouse Gas Management Organization (Public Organization) Scope 1, which is equal to 112 tons of carbon dioxide equivalent and in Scope 2, which is equal to 385 tons of carbon dioxide equivalent, respectively, and it is expected that the amount of greenhouse gas emissions will be verified in 2022.

3.3.2.5 Ecosystem and biodiversity management

The Group is aware of the loss of balance, biodiversity and ecosystems resulting from land use to match the current urbanization expansion. For this reason, the Group pledges to strictly comply with legal requirements and is ready to respect the fundamental human rights of people in the surrounding communities by not developing projects in restricted areas such as personal space, park and wildlife conservation areas, cultural heritage areas, etc. focusing on the principle of designing the project area to be as close to the original ecosystem as possible. Moreover, the Group is ready to support the improvement of the quality of residents and people in the surrounding communities with the idea of adding green areas in the project area. In the process, about 120 perennial plants will be planted in the current project area. For the project in Rayong area, more than 800 drought-tolerant perennial seedlings such as Cana, Tabak, Payung and Ekamachai have been planted in the project area waiting for development. Additional planting has been done along the main road around the golf course with the aim of raising the level of integrity, maintaining a beautiful atmosphere as well as reducing the use of water in the area. Moreover,

the Group also has a plan to study the possibility of requesting cooperation with the Rayong Plantation Center to bring more seedlings to plant in the project area and nearby areas to restore the integrity of the ecosystem. There is a plan to restore plant species in the project area by 2022.

3.4 Sustainability management in social dimensions

3.4.1 Social policies and practices

With the aim of becoming an initiator of a unique lifestyle who pays attention to every customer's needs while still creating a pleasant environment at the same time, the Group has established social policies in line with the Sustainable Development Goals. Goal 3: Good Health and Well-being, Goal 10: Reduce Inequalities, and Goal 11: Sustainable Cities and Communities. It also places importance on respecting fundamental human rights and providing equal and fair treatment to stakeholders and vulnerable groups along the value chain under the provisions of Thai law and other laws in different countries. This consists of the principles of human rights of the Ministry of Labor and the United Nations Guiding Principles on Business and Human Rights, as well as the Group's best practices for the welfare and growth of employees, home delivery and valuable services under the concept of creating happiness and pride for residents, and showing social and environmental responsibility (CSR) in order to strive for strong and sustainable growth of society and the Group at the same time.

3.4.2 Social Performance

3.4.2.1 Treatment of employees and workers

Human rights

The Group is aware of the risks arising from issues of human rights violations that may negatively affect the image and business operations of the Group. Therefore, it has formulated human rights policy as well as expressing the intention to promote respect for the fundamental rights and freedoms of all groups of stakeholders, which include vulnerable groups such as people with disabilities, women, minorities, immigrants, third-party migrant workers, indigenous peoples, local communities, LGBTQ people, the elderly and pregnant women by showing intention to treat partners in the supply chain fairly. The Group does not endorse or promote any merchant with a material, equipment and merchandise acquisition process which may be in violation of human rights. Moreover, the Group will listen to opinions from all stakeholders and strictly oppose discrimination, and provides opportunities for all stakeholders without any discrimination of race, nationality, color, religion, gender or physical limitation. It also promises to hire, treat and care for employees equally.

The Group also places importance on employee diversity with the aim of enhancing gender equality in career growth. Currently, in 2021, the Group employs 60 male employees and 80 female employees.

Long-term employee development and care

The Group believes that employees are one of the key business drivers. Therefore, it is important to pay attention from the process of recruiting potential employees suitable for the current business strategy of the Group. It also provides opportunities for all employees to develop their skills, knowledge, and abilities through a group training course to enhance professionalism. The aim is to allow employees at all level an opportunity to develop their potential, adapt to the rapid changes in technology and innovation in today's world, and respond to customers' expectations in a timely manner. In 2021, the Group organized a total of 15 training courses to enhance skills and potential for employees, a total of 15 courses, representing a total of 1,111 hours, from 53 employees as follows:

- | | |
|--|---|
| 1) Thailand Management Day 2021 | 9) Problem Solving _ Decision Making |
| 2) Training on the situation of the housing market in the second half of 2021 and trends | 10) Business Administration Training in the 4.0 Era |
| 3) The 2022 Crisis Strategy Scriptures | 11) Online discussion on real estate strategies to survive the crisis |
| 4) Training on Shortcut MBA | |
| 5) Training courses PowerBI + Tableau + Excel online course | 12) Training safety officers for working at the executive level |
| 6) Training on Rewards Forum | 13) Training safety officers at the professional level |
| 7) Training on LEADERSHIP & COACHING SKILL | 14) Training TFRS15 and TERS16 Accounting Issues in need of Consideration |
| 8) Training on Time Management Prioritization | 15) Training on Navigating the Uncertainty with ESG |

Examples of outstanding employee development programs in the past year include the Leadership Development Program to prepare for career growth with more than 29 participants. In addition, the Group also provides benefits to motivate employees in the long term through programs such as provident funds and retirement awards, which is another way to help employees plan for a better life both while working and after retirement.

Occupational Safety and Health

The Group operates its business by considering the safety and occupational health issues in the working environment as the first priority. The Group has adopted an occupational health management system with international and national standards until it becomes a policy on health, safety and environment. The Group has also established regulations and safety manuals for regular work in the departments within the project area so that employees at all levels can adhere to it as a guideline as well as constantly elevating the improvement of the practice guidelines. In addition, the Group has promoted good awareness among stakeholders by requiring the appointment of safety officers at work to take care of the safety of workers in the workplace

This includes providing training to new workers or construction workers by providing safety knowledge, rules and procedures to behave while working on the construction site.

In this regard, the Group has prepared and scheduled regular accident drills and countermeasures against the spread of COVID-19 in order to maintain the safety of the lives of employees and assets of the Company, as well as reducing the rate of accidents, illnesses and injuries caused by unsuitable working environments as much as possible. From strict compliance with the policies and guidelines, in the past year there have been no fatal accidents.

3.4.2.2 Treatment of customers and consumers

Consumer health and safety

The Group shows responsibility to consumers with a commitment to developing and delivering quality housing under a good society and environment as well as responding to the needs and satisfaction of customers as much as possible. It takes into account the use of resources, costs, materials, personnel, machinery, equipment, technology, time and methods in the most efficient and effective manner. The Group pays attention to study and design of every detail, taking into account the needs of customers, consumer behavior, safety, including environmental friendliness. Take, for example, project design during the COVID-19 pandemic, with the focus on the function “Touchless”, such as face recognition technology (Face Scan) applied to the building of the low-rise condominium project to reduce exposure as well as bringing a high quality air filter to install for good air quality. Also, customers have an opportunity to design the area for work from home which has received a lot of attention in the New Normal era. The Group is also ready to provide a good service experience by establishing communication channels for customers to provide advice and assistance in terms of housing, services, and consignment or housing rent. In this regard, the Group has conducted a survey on customer satisfaction with the quality of products and services from the first experience that customers visit the project until deciding to buy the project and solving problems after moving in. The measure of customer satisfaction in the past year was at 4.31 from a full score of 5, which is in the “very good” level. The Company will use the scores to be processed and analyzed by the relevant departments for use in continually improving the quality of products and services and to ensure that current and future customers have a good experience with the Group’s products and services.

3.4.2.3 Treatment of communities and society

The Group believes that long-term sustainable business growth requires social support. As a result, the Group has always taken responsibility by giving back to society by cultivating the employees of the Group to act as a volunteer to support public service activities with the community. The focus is on social assistance projects in 3 main areas: education, occupational health and well-being.

1. The Blue Carpet Show For Unicef Television Fundraising Program: The Company has provided 500,000 baht for the third year in a row to support UNICEF’s goal of ending inequalities and creating a beautiful world for underprivileged children around the world



2. Community Support Project during the COVID-19 Situation: This is done by delivering essentials during the epidemic crisis to people and communities surrounding the project area. This includes 3 palm thermometers, 75 boxes of masks, 216 bottles of alcohol to donate to Wat Tai Rat Niramit School, Bangchak Nak Puean Uppatham School and Wat Phla School in Rayong Province, which are located in the community where the real estate project is located. Its purpose is to protect the children of the community, deliver disinfection products to the residents of the project, and donate funds to Rajavithi Hospital to build an Intensive Care Unit (ICU) field to support the treatment of Covid-19 patients in the total amount of 16,700 baht and donate a Sinopharm vaccine with Chulabhorn Royal Academy in the amount of 37 doses, totaling 32,856 baht.

3. Community and Environment Development Project: The Company is a part of development of communities and the surrounding environment where the Company's real estate projects are located, such as improving the landscape of roads and alleys to create a good environment for society and surrounding communities.

In addition, the Group has given stakeholders the opportunity to submit suggestions, opinions or complaints through the Group's complaint channels. In the past year after the Group received complaints from stakeholders for the Quintara Sync Yen Akat project development, it has investigated the concerns about a delay in the construction and is ready to find a solution with the community by adjusting the building design to reduce the impact that may occur from the project area in a timely manner.

A) Table summarizing consolidated financial statements

Statement of financial position	2021		2020		2019	
	Million baht	%	Million baht	%	Million baht	%
Cash and cash equivalents	312.17	4.62	362.56	5.03	101.72	1.31
Temporary investment	-	-	-	-	100.24	1.29
Other current financial assets	50.82	0.75	325.58	4.52	-	-
Trade accounts and other receivables	8.41	0.12	10.89	0.15	8.74	0.11
Real estate development costs and inventories	2,831.37	41.93	3,020.34	41.93	4,194.52	53.91
Advance payment for construction	36.99	0.55	12.08	0.17	39.03	0.50
The cost of obtaining a contract with a customer	68.74	1.02	136.23	1.89	131.31	1.69
Other current assets	31.88	0.47	15.67	0.22	34.47	0.44
Total current assets	3,340.38	49.46	3,883.35	53.91	4,610.03	59.25
Lease receivable	21.77	0.32	23.61	0.33	27.29	0.35
Investment property	922.53	13.66	883.75	12.27	1,182.72	15.20
Land, buildings and equipment	413.91	6.13	430.16	5.97	456.88	5.87
License assets	31.73	0.47	37.64	0.52	-	-
Intangible assets	7.22	0.11	10.48	0.15	6.63	0.09
Deferred tax assets	34.92	0.52	33.52	0.47	24.20	0.31
Land and improvements awaiting development	1,922.50	28.47	1,794.99	24.92	1,400.05	18.00
Other non-current assets	58.37	0.86	106.00	1.47	72.20	0.93
Total assets	6,753.33	100.00	7,203.50	100.00	7,780.00	100.00

B) Table summarizing consolidated financial statements (Continued)

Statement of financial position	2021		2020		2019	
	Million baht	%	Million baht	%	Million baht	%
Short-term loans from financial institutions	-	-	-	-	780.29	10.03
Trade and other payables	60.69	0.90	42.56	0.59	76.34	0.98
Portion of long-term loans due within one year	441.83	6.54	226.92	3.15	729.47	9.38
Lease liabilities due within one year	5.29	0.08	7.09	0.10	-	-
Advance money from customers	121.86	1.80	279.40	3.88	361.23	4.64
Accrued expenses	93.30	1.38	120.88	1.68	106.29	1.37
Accrued corporate income tax	1.68	0.02	53.33	0.74	-	-
Other current liabilities	71.18	1.06	64.10	0.89	49.54	0.64
Total current liabilities	795.83	11.78	794.28	11.03	2,103.16	27.03
Long-term borrowings - net of portion due within ๑๒ ๓๔	952.72	14.11	1,347.20	18.70	822.20	10.57
Lease liabilities - net of portion due ๑๒ ๓๔	27.26	0.40	31.39	0.44	-	-
Reserve long-term employee benefits	32.66	0.48	29.86	0.41	31.29	0.40
Construction insurance	14.41	0.21	32.01	0.44	52.34	0.67
Advance money for renting land	2.53	0.04	2.86	0.04	4.17	0.05
Deferred tax liabilities	18.74	0.28	32.34	0.45	31.72	0.41
Other non-current liabilities	25.07	0.38	18.02	0.25	13.56	0.17
Total liabilities	1,869.22	27.68	2,287.96	31.76	3,058.44	39.31
Registered capital	5,172.25	76.59	5,172.25	71.80	5,172.25	66.48
Capital issued and fully paid	5,022.25	74.37	5,022.25	69.72	5,022.25	64.55
Portion lower than the value of ordinary shares	(429.26)	(6.36)	(429.26)	(5.96)	(429.26)	(5.52)
Equity from share-based payment	0.98	0.01	0.98	0.01	0.98	0.01
Legal reserve	81.60	1.21	80.00	1.11	68.00	0.87
Profit (Loss) Accumulated	22.65	0.34	52.83	0.73	(126.16)	(1.62)
Other components of equity	74.13	1.10	74.13	1.03	74.13	0.95
Non-controlling interests of the subsidiary	111.76	1.65	114.61	1.59	111.62	1.43
Total Shareholders' Equity	4,884.11	72.32	4,915.54	68.24	4,721.56	60.69
Total liabilities and shareholders' equity	6,753.33	100.00	7,203.50	100.00	7,780.00	100.00

B) Table summarizing consolidated financial statements (Continued)

Statement of Comprehensive Income	2021		2020		2019	
	Million baht	%	Million baht	%	Million baht	%
Income from real estate sales	1,182.47	89.15	2,562.15	95.61	1,273.04	90.92
Service income	32.25	2.43	43.41	1.62	55.51	3.96
Rental income	38.90	2.93	40.56	1.51	44.41	3.17
Other income	72.76	5.49	33.79	1.26	27.24	1.95
Total income	1,326.38	100.00	2,679.91	100.00	1,400.20	100.00
Cost of real estate sales	860.39	64.87	1,735.75	64.77	885.77	63.26
Service cost	27.07	2.04	32.63	1.22	37.03	2.64
Rental cost	29.54	2.23	29.15	1.09	30.37	2.17
Total cost	917.00	69.14	1,797.53	67.07	953.17	68.07
Profit before selling and administrative expenses	409.38	30.86	882.38	32.93	447.03	31.93
Expenses						
Selling and distribution expenses	135.16	10.19	243.46	9.08	134.00	9.57
Administrative expenses	244.88	18.46	277.63	10.36	264.81	18.91
Loss on asset devaluation	-	-	101.20	3.78	-	-
Reversal of loss on asset devaluation	(16.68)	(1.26)	(14.56)	(0.54)	(28.47)	(2.03)
Total expenses	363.36	27.39	607.73	22.68	370.34	26.45
Profit before finance costs and income tax expenses	46.02	3.47	274.65	10.25	76.69	5.48
Financial cost	(17.86)	(1.35)	(11.30)	(0.42)	(4.47)	(0.32)
Profit before income tax expenses	28.16	2.12	263.35	9.83	72.22	5.16
Income tax expenses	(9.37)	(0.70)	(71.84)	(2.68)	(20.73)	(1.48)
Profit for the year	18.79	1.42	191.51	7.15	51.49	3.68
Other comprehensive income:						
Items that will not be subsequently recognized in profit or actuarial Profit (Loss)	-	-	3.31	0.13	-	-
- Net of income tax	-	-	(0.83)	(0.03)	-	-
Items that will not be subsequently recorded in profit or						
- Net of income tax	-	-	2.48	0.10	-	-
Other comprehensive income for the year	18.79	1.42	193.99	7.24	51.49	3.68
Profit and loss sharing						
Equity belonging to the Company's shareholders	21.64	1.63	188.52	7.04	52.65	3.76
Non-controlling interests of the subsidiary	(2.85)	(0.21)	2.99	0.11	(1.16)	(0.08)
	18.79	1.42	191.51	7.15	51.49	3.68
Total comprehensive income sharing						
Equity belonging to the Company's shareholders	21.64	1.63	191.00	7.13	52.65	3.76
Non-controlling interests of the subsidiary	(2.85)	(0.21)	2.99	0.11	(1.16)	(0.08)
	18.79	1.42	193.99	7.24	51.49	3.68
EPS						
Basic EPS						
Profit attributable to shareholders of the Company	0.004		0.038		0.010	

B) Table summarizing consolidated financial statements (Continued)

Cash flow statement	2021	2020	2019
	<i>Million baht</i>	<i>Million baht</i>	<i>Million baht</i>
Net cash from operating activities	75.42	559.01	259.59
Net cash from (used in) investing activities	111.63	469.18	(1,880.14)
Net cash from (used in) financing activities	(237.44)	(767.35)	1,523.56
Cash and cash equivalents net increase (decrease)	(50.39)	260.84	(96.99)

Significant financial ratios that reflect the financial position and operating results of the Company and its subsidiaries' core businesses.

Particulars		Consolidated financial statements		
		2021	2020	2019
<u>Liquidity ratio</u>				
Liquidity ratio	(Times)	4.20	4.89	2.19
Quick Ratio	(Times)	0.47	0.88	0.10
Cash flow liquidity ratio	(Times)	0.09	0.39	0.19
Accounts Receivable Turnover Ratio	(Times)	129.87	269.43	161.05
Average collection period	(Days)	3	1	2
Inventory turnover ratio	(Rounds)	0.30	0.49	0.27
Average sales lead time	(Days)	1,187	734	1,323
Payable turnover ratio	(Times)	17.76	30.23	13.41
Repayment period	(Days)	20	12	27
Cash Cycle	(Days)	1,169	724	1,298
<u>Profitability Ratio</u>				
Gross margin	Percent	26.85	32.07	30.58
Operating profit margin	Percent	3.67	10.38	5.59
Other profit margins	Percent	5.49	1.26	1.95
Cash-to-profit ratio	Percent	163.92	203.54	338.50
Net profit margin (Part belonging to shareholders of the parent)	Percent	1.63	7.03	3.76
Net profit margin	Percent	1.42	7.15	3.83
Return on Equity	Percent	0.38	4.07	1.11
<u>Operating efficiency ratio</u>				
Return on Assets	Percent	0.27	2.56	0.76
Return on fixed assets	Percent	6.25	17.28	5.85
Asset Turnover	(Times)	0.19	0.36	0.20
<u>Financial Policy Analysis Ratio</u>				
Debt to Equity Ratio	(Times)	0.39	0.48	0.66
Interest Coverage Ratio	(Times)	0.89	3.58	1.17
ability to settle obligations	(Times)	0.06	0.18	0.08
dividend payout ratio	Percent	-	20.93	-
<u>Per share data</u>				
Book value per share	(Baht)	0.95	0.96	0.94
Earnings per share	(Baht)	0.004	0.038	0.010
Dividend per share	(Baht)	-	0.010	-

14. Management Analysis and Explanation

a) Operating results

Operation Overview

For the year ended 31 December 2021, the Company and its subsidiaries had total revenue of 1,326.38 million baht, total expenses of 1,280.36 million baht, profit before finance costs and income tax expenses of 46.02 million baht and net profit after deduction, income tax of 18.79 million baht, a decrease of 172.72 million baht or 90.19% from the year 2020 with a net profit after income tax of 191.51 million baht. The overview of the operating results is as follows:

- Revenue from real estate sales, which is the main income of the Company, amounting to 1,182.47 million baht, or 89.15% of total revenue, cost of real estate sales of 860.39 million baht, gross profit of 322.08 million baht.
- Service income of 32.25 million baht or 2.43% of total revenue, service cost of 27.07 million baht, gross profit of 5.18 million baht.
- Rental income of 38.90 million baht or 2.93% of total income, rental cost of 29.54 million baht, gross profit of 9.36 million baht.
- During the year 2021, the Company launched one more project for sale in Ban Chang District, Rayong Province, namely the Velana Amoda housing project and closed the sale of 1 project, namely the Velana Golf House housing project.
- During the year 2021, selling and distribution expenses amounted to 135.16 million baht, a decrease of 108.30 million baht from 2020, or a 44.48% decrease, mainly due to commission fees, transfer fees and specific business taxes which decreased in accordance with the income from the sale of real estate.
- In 2021, administrative expenses amounted to 244.88 million baht, a decrease from the year 2020 by 32.75 million baht or a decrease of 11.80%, due to amortization of sales office in 2020 due to the sale of land and plantations. This has resulted in a decrease in depreciation cost. In addition, in 2021, the Company improved its structure and work styles to suit the current situation. In addition, more strict measures to reduce fixed expenses were implemented for staff expenses and office expenses. As a result, administrative expenses were reduced.
- In 2021, the Company had profit from reversal of impairment loss of 16.68 million baht, an increase of 2.12 million baht from the year 2020 due to an independent appraiser re-evaluating the company's land price. It was found that most of the company's land value was higher than the book value. Therefore, to reflect the current price, the Company reversed the loss from impairment of land previously recognized as a loss.

The Company has outstanding loans from financial institutions as at 31 December 2021 of 1,394.55 million baht (comprising long-term loans due within one year of 441.83 million baht and long-term borrowings - net of the portion due within one year in the amount of 952.72 million baht), a decrease from the year 2020 by 179.57 million baht. This was mainly due to the Company's repayment of mortgage loans for various projects. As of 31 December 2021, the Company had undrawn short-term loans from financial institutions totaling 982 million baht and long-term loans under credit agreements with banks that have not yet been drawn at the total amount of 2,700 million baht. At the end of 2021, the Company's debt-to-equity ratio was 0.39 : 1.

Income from real estate sales, rents and services

The Company and its subsidiaries's main income comes from 3 business segments, which are income from real estate development business for sale, real estate for rent, Golf course business and services, with the total revenues of 1,253.62 million baht, a decrease of 1,392.50 million baht from 2020 or a 52.62% reduction in revenues for all 3 segments, which can be summarized as follows:

- Income from real estate development business for sale in 2021 amounted to 1,182.47 million baht or 89.15% of total revenue, a decrease from 2020 of 1,379.68 million baht or 53.85% due to the Company being affected by the economic slowdown from the situation of a new wave of the Covid-19 pandemic that was more intense than last year, which directly affected the sale and transfer of ownership of the company's projects because the situation affected the purchasing power of real estate customers as a whole. Almost all foreign customers disappeared from the system, resulting in an increase the number of cancellations, and financial institutions were more strict with lending to consumers and chose to give credit to specific groups of customers causing the loan rejection rate to increase.

Although in June 2021, the Company started to recognize revenue from sales of Quintara Arte Sukhumvit 52 project, it was still lower than 2020 when the ownership transfer of Quintara Treehouse Sukhumvit 42 project started in May 2020. As a result, the recognition of income from real estate sales in 2021 has decreased compared to 2020.

In addition, in 2020, the Company has income from the sale of some plots of investment properties and a plot of land awaiting development, totaling 758.46 million baht or 29.60% of revenue from real estate sales. Details of revenue recognition from project ownership transfers in Bangkok and Rayong provinces divided by sales area are as follows:

Summary of sales data by region sales area	2021 (Million baht)			2020 (Million baht)		
	Bangkok	Rayong	Total	Bangkok	Rayong	Total
Income from the sale of houses and land	268.08	344.45	612.53	343.76	319.23	662.99
Income from sales of condominium units	569.94	-	569.94	1,140.70	-	1,140.70
Income from the sale of vacant land	-	-	-	758.46	-	758.46
total income	838.02	344.45	1,182.47	2,242.92	319.23	2,562.15

As of 31 December 2021, the Company had sales of real estate according to the Contract of Land and Buildings Sales of the Company in 2021 to wait for the recognition of future revenue at the amount of 1,392.49 million baht.

- Income from real estate for rent in 2021 amounted to 38.90 million baht, or 2.93% of total revenue, which decreased from 2020 by 1.66 million baht or 4.09 percent due to the impact of the Covid-19 pandemic, resulting in a decrease in the number of guests.

- Revenue from golf course business and services in 2021 amounted to 32.25 million baht, or 2.43% of total revenue, which decreased from the year 2020 by 11.16 million baht or decreased by 25.71% due to the impact of the COVID-19 pandemic, causing the number of customers using the golf course to decrease. Also, the golf course was ordered to shut down by the government at some point due to the risk of spreading the disease.

Cost of sales, cost of rent and cost of service

In 2021, the Company and its subsidiaries had cost of real estate sales, cost of rent, and cost of services amounted to 917.00 million baht, a decrease of 880.53 million baht from the year 2020, or a 48.99% reduction, which can be summarized as follows:

Cost of real estate sales amounted to 860.39 million baht, a decrease from the year 2020 by 875.36 million baht or 50.43%, which decreased in accordance with income from real estate sales. The proportion of cost of sales in 2021 accounted for 72.76% of revenue from real estate sales, which increased from the year 2020, or 67.75% of the revenue from real estate sales. This was mainly due to the sale of some investment properties and land awaiting development in 2020, while the cost of sales from real estate sales, which is the Company's main income, increased by 1.10% due to the reduction in sales prices and promotion of sales discounts

- Cost of rent amounted to 29.54 million baht, an increase of 0.39 million baht from the year 2020, or an increase of 1.34%, while service costs were 27.07 million baht, a decrease of 5.56 million baht from 2020, or a 17.04 percent decrease, varying according to reduced income but decreased with a lower proportion than the decreased proportion of income. This is because the company had fixed expenses that did not vary according to revenue, such as employee expenses, contract service fee, depreciation, etc. However, measures to control and manage these expenses have been put in place for maximum efficiency and effectiveness of the Company.

Other income

Other income in 2021 amounted to 72.76 million baht, an increase of 38.97 million baht from 2020, or an increase of 115.33%, mainly due to the recognition of security deposit income from customers' non-performance of contracts.

Selling and distribution expenses

Selling and distribution expenses in 2021 amounted to 135.16 million baht, a decrease of 108.30 million baht from 2020, or a 44.48% decrease, mainly due to brokerage fees, specific business taxes, and cost of ownership transfer which varied according to the decrease in income from real estate sales. However, with the COVID-19 pandemic, the Company delayed some advertising and public relations expenses and put more emphasis on making advertising more through online channels and reduced the event arrangement as appropriate to be in line with changing customer behavior.

Administrative expenses

Administrative expenses in the year 2021 amounted to 244.88 million baht, a decrease from the year 2020 by 32.75 million baht or a decrease of 11.80% which was due to the Company's sales office amortization in 2020 due to the sale of land and buildings. In addition, due to the COVID-19 pandemic causing the Company to take measures to control or slow down fixed costs more stringently including allowing employees to work from home. As a result, various office expenses were reduced.

Loss from asset deminution and reversal of the loss from the asset deminution

In 2021, an independent appraiser appraised land and new investment properties in which some assets had a new appraised value higher than the current book value. To reflect current prices, the Company therefore reversed the impairment loss in assets that previously recognized loss in the amount of 16.68 million baht, an increase of 2.12 million baht from the year 2020 or an increase of 14.56%.

Financial cost

Financial expenses in 2021 amounted to 17.86 million baht, an increase of 6.56 million baht from 2020, or an increase of 58.05%. As for the interest on borrowings used in the project under construction, it was recorded as real estate development costs of 34.97 million baht, a decrease of 16.76 million baht from 2020 or a 32.40% decrease due to the transfer of ownership during the year, especially condominium projects and housing projects in Bangkok.

Income tax expenses

In 2021, income tax expenses amounted to 9.37 million baht, a decrease of 62.47 million baht or 86.96 percent because in 2021, the company's tax profits decreased more than in 2020.

Net profit

Company and its subsidiaries had net profit including equity attributable to shareholders of the company in 2021 amounting to 21.64 million baht, with a decrease from 2020, amounting to 166.88 million baht, or a decrease of 88.52% for the reasons mentioned above.

b) Financial position**Asset component**

As of 31 December 2021, the Company and its subsidiaries had the total assets of 6,753.33 million baht, a decrease from 31 December 2020, amounting to 450.17 million baht or 6.25%, mainly due to a decrease in current assets of 542.97 million baht, as a result of a decrease in other financial assets. Details of significant asset changes are as follows:

- Cash and cash equivalents, temporary investment, and other current financial assets as of 31 December 2021, totaling 362.99 million baht decreased from 31 December 2020, amounting to 325.15 million baht, or a 47.25 percent decrease because during December 2020 the Company received payment from the sale of land awaiting further development in Bangkok in addition to normal operations and there was increasing investment in low-risk funds.

- Real estate development costs and inventories as of 31 December 2021 amounted to 2,831.37 million baht, a decrease from 188.97 million baht or 6.26% as of 31 December 2020 mainly due to the fact that in 2021 the Company continuously transferred ownership of condominium projects and housing projects. The Quintara Treehouse Sukhumvit 42 condominium project, Estara Haven Pattanakarn 20 housing project, Quintara Arte Sukhumvit 52 condominium project were new projects that had been transferred since June 2021. In addition, land assets were reclassified from inventories to land and improvements pending development and there was a purchase of new plots of land in Rayong province during the year 2021 according to the business plan. As a result, land and improvements awaiting development as of 31 December 2021 amounted to 1,922.50 million baht, an increase of 127.51 million baht from 31 December 2020, or an increase of 7.10%.

- Advance payment for construction as of 31 December 2021 amounted to 36.99 million baht, an increase from as of 31 December 2020, amounting to 24.91 million baht or 206.21%, mainly due to advance payment for the construction of the Quinta Condominium project. Quintara Phume Sukhumvit 39, which is scheduled to begin transferring ownership in 2022.

- Cost of acquiring contracts with customers as of 31 December 2021 amounted to 68.74 million baht, which decreased from 31 December 2020, amounting to 67.49 million baht or 49.54% due to the recognition of commission from ownership transfers of condominium project and housing projects net of additional commission paid on new sales during the year.

- Other current assets as of 31 December 2021 amounted to 31.88 million baht, an increase from 31 December 2020 amounting to 16.21 million baht or 103.45%, mainly due to the classification of tax refunds from the Revenue Department as current assets as it was being reviewed and expected to be returned within 1 year.

- Investment Property (minus accumulated depreciation) as of 31 December 2021, amounted to 922.53 million baht, an increase from 31 December 2020, amounting to 38.78 million baht, or an increase of 4.39%, mainly due to a new land classification in 2021 in Rayong from inventories to investment properties for the Foresto Mall project depreciation expense for the year 2021 amounting to 14.54 million baht and reversed loss from asset devaluation amounting to 16.68 million baht.

- Land, buildings and equipment (minus accumulated depreciation) as of 31 December 2021 amounted to 413.91 million baht, which decreased from 31 December 2020, amounting to 16.25 million baht or a decrease of 3.78% mainly due to depreciation expenses for the year amounting to 38.09 million baht, net of construction cost of the Sphere Sports Club project and sales offices for new residential condominium and housing projects in Bangkok and Rayong.

- Sales office for new residential condominium projects and housing development projects in Bangkok and Rayong

- Other non-current assets as of 31 December 2021 amounted to 58.37 million baht, a decrease from 31 December 2020, amounting to 47.63 million baht or 44.93%, mainly due to reversal of land deposits that was transferred in the year 2021 to develop future projects

Components of liabilities and equity

As of 31 December 2021, the Company and its subsidiaries had total liabilities of 1,869.22 million baht, a decrease of 418.74 million baht or 18.30 percent from 31 December 2020, with total current liabilities of 795.83 million baht, an increase of 1.55 million baht or 0.20 percent, and non-current liabilities of 1,073.39 million baht, a decrease of 420.29 million baht or 28.14%, mainly due to a decrease in long-term borrowings - net of the portion due within one year. The details of changes in significant liabilities are as follows:

-Trade and other payables as of 31 December 2021 amounted to 60.69 million baht, an increase from 31 December 2020, amounting to 18.13 million baht, or an increase of 42.60% from the construction cost of the Quintara Phume Sukhumvit 39, which is scheduled to begin transferring ownership in 2022.

-Long-term borrowings due within one year as of 31 December 2021 amounted to 441.83 million baht, an increase from 31 December 2020 of 214.91 million baht or 94.71% mainly from transfer of ownership of new projects with the Quintara Phume Sukhumvit 39 condominium project, which is a project whose value is higher than Quintara Arte Sukhumvit 52 condominium project that was transferred in 2021. The Company therefore had higher mortgage release liabilities due within one year and lead to long-term borrowings - net of portion due within one year as of 31 December 2021, which decreased from 31 December 2020 at the amount of 394.48 million baht or 29.28 percent.

-Advance payment received from customers as of 31 December 2021 amounted to 121.86 million baht, a decrease from 31 December 2020, amounting to 157.54 million baht, or a decrease of 56.39%, mainly due to advance receipts from customers of Quintara Treehouse Sukhumvit 42 condominium project and Quintara Arte Sukhumvit 52 condominium projects, which decreased due to the transfer of ownership in 2021 and recognition of some of the security deposit income from non-performance of contracts by customers.

-Corporate income tax accrued as of 31 December 2021 amounted to 1.68 million baht, which decreased from 31 December 2020, amounted to 51.65 million baht due to the company's decrease in net taxable profit for the year 2021 compare to 2020.

-Deferred tax liabilities as of 31 December 2021 amounted to 18.74 million baht, a decrease from 31 December 2020, amounting to 13.60 million baht or a 42.05% , mainly due to a reversal of costs for acquiring contracts made to clients as commission expenses on the income statement. This was mainly due to the recognition of commission fees for the Quintara Treehouse Sukhumvit 42 condominium project and the Quintara Arte condominium project Sukhumvit 52 during the year.

-Construction security deposit as of 31 December 2021 amounted to 14.41 million baht, a decrease from 31 December 2020, amounting to 17.60 million baht or 54.98%, mainly due to the reimbursement of the deposit for the construction work of the condominium project and housing projects in Bangkok and Rayong Due to the end of the guarantee of the work under the contract. Most of these projects were closed or completed from the end of 2020 to the end of 2021.

- As of 31 December 2021, the Company and its subsidiaries had shareholders' equity of 4,884.11 million baht, which decreased from the 31 December 2020, amounting to 31.43 million baht, or a decrease of 0.64% as a result of dividends paid for the 2020 operating results of 50.21 million baht and the operating results of 2021, divided into profits for the shareholders of the company of 21.64 million baht, and loss attributable to non-controlling interests of the subsidiary in the amount of 2.85 million baht.

C) Liquidity

Cash flow

In 2021, the Company and its subsidiaries had a net decrease in cash and cash equivalents from operating activities, investing activities and financing activities in the amount of 50.39 million baht, a decrease of 311.23 million baht from the year 2020, due to the following reasons:

-In 2021, net cash flow from operating activities amounted to 75.42 million baht, with non-monetary adjustments.

-Most of them were from depreciation and amortization of 64.64 million baht, reversal loss from impairment of investment properties of 16.68 million baht, and reduced cash flow from construction and transfer of houses with land and condominium projects during the year 2021 amounted to 289.18 million baht, decrease in advance payment received from customers by 154.83 million baht, interest payment of 51.55 million baht, and income tax payment of 76.03 million baht. As a result, in 2021, cash inflow from operating activities decreased compared to the year 2020.

-In 2021, net cash flow from investing activities amounted to 111.63 million baht, mostly because in 2021, there were net receipts from net investment units of 274.96 million baht, and net cash was used for purchasing land awaiting development, land, buildings and equipment and intangible assets investment property and rights assets totaling 163.35 million baht.

-In 2021, net cash flow used in financing activities amounted to 237.44 million baht, mostly because in 2021, the company repaid short-term and long-term loans totaling 898.25 million baht, received money from short-term borrowing and long-term borrowing with total amount of 718.68 million baht and paid dividends for the 2020 performance of 50.17 million baht.

Liquidity ratio

The liquidity ratio as of 31 December 2021 was 4.20 times, a decrease of 0.69 times from 31 December 2020, mainly due to a slight increase in current liabilities of 0.20% caused by amortization of project loans from transfer of ownership in the year net of classification of long-term loans to a portion due within one year for projects with a plan to transfer ownership in 2022. Meanwhile, current assets decreased by 13.98 percent due to a decrease in inventories from the transfer of ownership in the year and the amount of investment units. However, the Company still had the ability to pay short-term debt such as trade accounts and short-term loans from financial institutions with flexibility.

Inventory turnover ratio as of 31 December 2021 was equal to 0.30 cycles, a decrease of 0.19 cycles from 31 December 2020, indicating that the Company can sell products later than the year 2020 due to the transfer of ownership and revenue recognition in 2021 to economic slowdown. Moreover, Quintara Arte Sukhumvit 52 condominium project was a new project with ownership transfer in the year less than the Quintara Treehouse Sukhumvit 42 condominium project that began to transfer ownership in 2020. However, the Company still had several projects under development which will start to recognize income in the following years continuously.

Profitability Ratio

The Company's gross profit for the year 2021 was 336.62 million baht or 26.85% of the sales value, a decrease of 511.97 million baht from 2020, which had a total gross profit of 848.59 million baht or 32.07 percent of the net sales value. The gross profit margin decreased from 2020 by 5.22%, mainly because the gross profit margin from real estate sales in 2021 decreased by 5.02%. This was mainly due to the sale of investment properties and some land awaiting development in 2020, while the gross profit margin from real estate sales, which is the company's main income, decreased by 1.10 percent due to the reduction in sales prices and promotion of sales discounts in order to compete in the market during a new wave of the COVID-19 pandemic which is more intense than last year.

From lower gross margins, it is the main cause of the decrease in net profit. The Company had a net profit for the year 2021 of 18.79 million baht or 1.42 percent of total revenue, a decrease of 172.72 million baht from 2020, which had a total net profit of 191.51 million baht, or 7.15% of total revenue. The Company still had measures to control and slow down expenses, in terms of investment expenses, variable costs, and fixed costs for maximum efficiency and effectiveness.

The return on equity for the year 2021 was 0.38%, a decrease of 3.69% from the year 2020 due to a decrease in net profit for the year 2021 as mentioned above.

Operating efficiency ratio

Return on assets as of 31 December 2021 was 0.27%, a decrease from 31 December 2020, which had the rate of 2.56, mainly due to a decrease in net profit for the year by 90.19%, while average total assets experienced a decrease of only 6.85 % as a result of a decrease in income from transfers of ownership of condominium and housing projects and delaying the development of some projects during the economic recession in 2021.

Capital structure

Total debt to equity ratio as of 31 December 2021 was 0.39 times, a decrease of 0.09 times from 31 December 2020, mainly due to a 18.30 % decrease in total liabilities due to repayment of loans from ownership transfers during the year which shows that the Company still had the ability to pay its liabilities as usual, and the Company was able to maintain an appropriate capital structure and still maintain the financial ratio according to the terms of the loan agreement.

5 General and Other Relevant Information**5.1 General Information****A. Name, Business Type, Address, Telephone, Fax, Quantity and Type of Company Shares Sold**

Name: Eastern Star Real Estate Public Company Limited

Headquarters: 898 5th Floor, Ploenchit Tower, Ploenchit Road, Lumpini Sub-district,
Pathumwan District, Bangkok 10330
Telephone: 0 2263 1010-5
Fax: 0 2263 1009

Branch Office: 65/14-15 Moo 3, Sukhumvit Road, Ban Chang Sub-district, Ban Chang District,
Rayong Province 21130
Telephone: 0 3860 2500, 0 3860 2511
Fax: 0 3860 2754
Website: www.estarpcl.com
E-mail: info@estarpcl.com

Business Type: Real Estate Development

Registration No.: PCL.0107536000307

Registered Capital: 5,172,246,185 baht (Valued at 1 Baht per Share)

Paid-up Registered Capital: 5,022,246,185 baht

B. Name, Business Type, Address, Telephone, Fax, Quantity and Type of Sold Shares Belonging to the Juristic Persons in Which the Company Holds 10 Percent of the Sold Shares and Over

Eastern Star Resort Company Limited

Engaged in the businesses of golf course, clubhouse, sports and seminar rooms and catering under the name Eastern Star Country Club and Resort located in Ban Chang District, Rayong Province.

Address: 241/5 Moo 3, Phla Sub-district, Ban Chang District, Rayong Province 21130
Telephone: 0 3863 0410-3
Fax: 0 3863 0418
Website: www.easternstargolfcourse.com
E-mail: esr_marketing@hotmail.com

Business Type: Golf Course

Registration No.: 0105532086493

Paid-up Registered Capital: 500,000,000 baht (Valued at 10 baht per Share)

Investment Ratio: 81.30%

Eastern Star Lai Sun New World Company Limited

Engaged in the real estate business.

Location: 65/14-15 Moo 3, Sukhumvit Road, Ban Chang Sub-district, Ban Chang District,
Rayong Province 21130
Telephone: 0 3860 2500
Fax: 0 3860 2754

Business Type: Real Estate Development (Not Yet Commercial)

Registration No.: 0105533137636

Paid-up Registered Capital: 160,000,000 baht (Valued at 10 baht per Share)

Investment Ratio: 60%

C. Name, Address of Headquarters, Business Type, Telephone and Fax Belonging to Other Referenced

Individuals

Registrar: Thailand Securities Depository Company Limited

Address: 93 14th Floor, Ratchadaphisek, Din Daeng Sub-district, Din Daeng District,
Bangkok 10400
Telephone: 0 2009 9000
Fax: 0 2009 9991
Website: <http://www.set.or.th/tsd>
E-mail: www.set.or.th/contactcenter

Auditor: Mrs. Kingkan Atsawarangsarit, Certified Auditor No. 4496

Address: EY Office Company Limited
193/136-137 33rd Floor, Lake Ratchada Office Complex, Ratchadaphisek Road,
Klong Toei Sub-district, Klong Toei District, Bangkok 10110
Telephone: 0 2264 9090
Fax: 0 2264 0789

5.2 Other Relevant Information

In 2021, the company had no other significant information potentially affecting investors' decisions.

5.3 Legal Disputes

In 2021, the company had no significant legal issues affecting its business operations.

6. Corporate Governance Policy

6.1 Corporate Governance Policy and Procedures

The board of directors recognizes the importance of good corporate governance which serves as an important factor supporting the company in having an effective work system, which is foundational to the company's success and sustainable business growth. Thus, the board of directors has created a corporate governance policy covering important aspects as follows:

- Equitable treatment and reliability to stakeholders – The board of directors is determined to perform its duties to the fullest of its capabilities for the greatest benefit of the organization and to demonstrate leadership and competence in effectively and efficiently directing the work of the management department while preventing conflicts of interest.
- The company has created ethics guidelines for adherence by directors and employees.
- The company operates transparently with verifiability through the presence of an internal control and audit system for dealing with risks. Thus, the company has an internal audit department for providing effective oversight of management's activities in line with the policy.

The company is firmly involved in the business interests of every stakeholder, including shareholders, creditors, employees, clients, trade partners, government agencies, competitors and public communities, without solely seeking profits. Thus, the company has drafted the corporate governance policy in writing and announced it as an important policy for adherence by the Board of Directors, management and employees on every level as of 13 January 2003, and every party concerned can read and examine it on the company's website.

Understanding and Application of Good Corporate Governance Principles

The board of directors recognizes the importance of good corporate governance. Thus, the company has set forth policy governing the timely and transparent disclosures of significant information relating to the company such as financial and non-financial information in line with the specifications of the Office of the Securities and Exchange and the Stock Exchange of Thailand. Moreover, the company continuously adheres to the principles of good corporate governance in line with the survey criteria of the listed company corporate governance project, except some policies which the company deviates in line with different guidelines from said criteria with considerations made by the board of directors concerning the reasonability and appropriate environment of the business in order to accomplish the company's objectives and purpose with considerations to the greatest interest of shareholders. Accordingly, the good corporate governance areas from which the company deviated along with the reasons for their deviations in 2021 are as follows:

Deviations	Reasons
The company has not created cumulative voting procedures for the election of directors.	Because the company uses a one-share, one-vote system, and the use of cumulative voting might produce chosen representatives whose qualifications are not consistent with the director nomination policy in line with the company's overall strategies, which might also lead to conflicts in the business management of directors in favor of individual groups of shareholders.

The company has not created a separate sustainable development report in line with the Global Reporting Initiative (GRI) framework.	Because the company already reports on its corporate social responsibility as a topic in its annual report in compliance with the Securities and Exchange Commission's standard.
The company has independent directors who have held their positions for more than nine years.	Because the board of directors and the Nomination and Remuneration Committee recognizes the knowledge, competence and business experience of independent directors as well as the capabilities of independent directors in their performance and independent expression of opinions, it was deemed appropriate to have independent directors who remain in their positions for longer than nine years. Each independent director has proven himself to have truly performed their duties independently and without conflict of interest or stake in the company's business activities.
The company should consider appointing a CG committee (on the director level).	The company has assigned the Audit Committee to audit the ethics and morals of executives and corporate governance as defined in the scope of authority of the Audit Committee.

Accordingly, the board of directors will review corporate governance issues in which the company still has not fully resolved and has set in place policies and practice guidelines in the corporate governance manual and related business ethics available for download at www.estarpcl.com, and the company strictly adheres to them as can be summarized into five sections as follows:

Section 1 – Shareholders' Rights

The company gives importance to protecting the rights of and promoting the exercising of the fundamental rights of shareholders as investors in stock and owners of the company such as in receiving news and information from the company completely and sufficiently, receiving company dividends and participating in meetings to vote in the appointment or removal of directors, the appointment of auditors and other matters.

The company schedules ordinary shareholder meetings to take place within four months of the ends of the company's accounting periods in order to give opportunities for shareholders to learn about the company's activities and express opinions and participate in making decisions in various important company matters. Accordingly, the company's ordinary shareholder meeting preparations are as follows:

Date	Details
16 October 2020	<p>The company announced shareholder meeting agendas and nominated persons to become directors and sent questions ahead of ordinary shareholder meetings with announcements made through the information dissemination system of the stock exchange and the agenda procedures published in the company's website.</p> <p>After deliberating on the previously notified meeting agenda items in compliance with procedures, the company continued to give shareholders, whose accumulated shares make up one-third of the total shares</p>

	sold, the right to propose matters other than those specified in the meeting agenda items pursuant to the Public Limited Companies Act, B.E. 2535 (1992).
24 February 2021	The board of directors passed a resolution in approval for the the company's General Meeting of Shareholders No. 1/2564 to take place on 29 April 2021.
26 April 2021	The board of directors passed a resolution to cancel the company's General Meeting of Shareholders No.1/2563 on 29 April 2021 due to the Covid-19 pandemic.
13 May 2021	The board of directors passed a resolution in approval for the company's General Meeting of Shareholders No. 1/2564 to take place on 17 June 2021.
28 May 2021	The company created a list of shareholders eligible to attend the company's general meeting of shareholders.
28 May 2021	The company published completed meeting invitation letters, meeting agendas and accompanying documents in Thai and English on the company's website, www.estarpcl.com , at least 14 days in advance of the meeting date.
4 June 2021	The company sent meeting invitation letters to meeting attendees in advance by registered postal service at least 7 days ahead of time. In doing so, the company relied on Thailand Securities Depository Co., Ltd.
4, 7-8 July 2021	The company advertised a meeting invitation to the company's General Meeting of Shareholders No. 1/2564 in a stock newspaper (Thai version) continuously for three days ahead of the meeting date.
17 June 2021	The general meeting of shareholders took place at 2:00 p.m. via electronic media only.

The company has created its complete meeting invitation letters for 2021 and meeting agendas clearly along with accompanying documents in Thai and English for the benefit of Thai and international shareholders with consideration to completeness and sufficiency of information. In each agenda included in the meeting invitation letters, the company discussed facts and reasonings along with the opinions of the board of directors, and in other agendas important to shareholders and their decisions, the company also specified them in ordinary shareholder meeting invitation letters such as director appointments and auditor appointments, by which the names and backgrounds of the nominated persons were provided to help shareholders in evaluating their capabilities and suitability, along with important information as follows:

- Copy of the previous ordinary shareholder meeting for consideration of approval by shareholders.
- Annual report of the company containing significant information about the company and activities over the past year.
- Accompanying details for each agenda such as in the appointment of directors to replace vacating directors, by which the brief backgrounds of said directors such as age, education, past and present duties, shares held in the company, terms held in the company, positions in other listed companies and businesses that might create conflict of interest and legal disputes were included.
- Explanations on how to appoint proxies, register, present meeting attendance documents and vote.
- Complete background information about independent directors that shareholders can consider appointing as proxies.
- Meeting attendance procedures.
- Specific company regulations regarding shareholder meetings.

- All three types of proxy letters stipulated by the Department of Business Development under the Ministry of Commerce. Form A is the general proxy appointment form, which is easy and uncomplicated. Form B is a form specifying various items in detail. And Form C is a proxy appointment letter used only for international investors and appointing custodians in Thailand to look after their shares.

- The company has created practice guidelines for giving opportunities to shareholders in presenting shareholder meeting agendas and in nominating directors through the news system of the Stock Exchange of Thailand at least three months before the conclusion of each accounting period. Accordingly, the company announces its criteria and procedures clearly on the company's website, wee.estarpcl.com, from October to December, with said period unofficially lasting from October to December every year until written responses are received from shareholders, which the company's secretary considers preliminary before presenting to the board of directors for consideration of necessity and suitability to meeting agendas and whether or not they are appropriate to be included as meeting agendas. The board of directors' resolutions are final, and issues approved by the board of directors will become meeting agendas in shareholder meeting invitation letters accompanied by the opinions of the board of directors, and on matters which the board of directors refuses to include in line with set criteria have to be announced at shareholder meetings alongside reasonings for their refusals.

At Ordinary Shareholder Meeting No. 1/2564, which took place on 17 June 2021, no shareholder proposed any meeting agenda or nominated any director or sent any questions in advance. Additionally, the board of directors included an agenda for considering other issues (if any) so that shareholders could propose issues to be considered at the meeting in line with the legal stipulations of Section 105 of the Public Limited Companies Act, B.E. 2535 (A.D. 1992). That is, shareholders whose shares combine to at least one-third of all allocatable shares may ask the meeting to consider other topics from those specified in meeting invitation letters, and no shareholder proposed any additional issue for consideration or voting aside from the questions already included in the meeting report.

Meeting Date

In 2021, the company held one meeting, namely, Annual General Meeting of Shareholders No. 1/2564 on 17 June 2021 at 2:00 p.m. via electronic media only and the following conveniences were offered to shareholders:

- Meeting attendance was via electronic media. Additionally, the details for asking and answering questions and casting votes were provided to the shareholders in the system log-in manual, which was sent to the email addresses sent by the shareholders to the company. In case of performance issues, the system's administrator could be contacted via the email and contact number of which the shareholders were notified.

- Meeting registration occurred by usernames and passwords provided in advance, in which registration commenced two hours ahead of the meeting, and shareholders intending to attend the meeting could still register even after said time elapsed and even until the meeting has concluded without losing their rights.

The company proceeded with the meeting according to the following procedures:

1. Prior to commencing the meeting, the chairman of the meeting or an assigned person introduced the board of directors and sub-committees along with the company's auditor to the meeting and asked the company's directors to explain the meeting and voting procedures while giving opportunities for shareholders to ask questions about the process and voting procedures.

2. The meeting proceeded according to the agendas already included in the ordinary shareholder meeting invitations, and representatives from the Thai Investors Association were present as observers.

3. The company allocated time appropriately without increasing meeting agendas to those announced to shareholders ahead of the meeting and did not suddenly distribute documents containing important information.
4. Votes were counting by an e-voting system for each agenda requiring approval and for the appointment of directors, by which votes were counted on an individual basis.
5. Shareholders had the right to participate in the meeting after the meeting commenced and continued to have voting rights in agendas under consideration that had not yet been voted on.
6. Records were made in the meeting report, and the votes in each agenda were completely recorded.

The number of attendees to the company's Annual General Meeting of Shareholders No. 1/ 2564 on 17 June 2021 consisted of 32 shareholders present in person and by proxy for a total of 3,212,886,099 shares out of all 5,022,246,185 shares or 63.97 percent of total shares, thereby forming a meeting quorum in line with the company's regulations.

All 11 members of the board of directors, or 100 percent of all directors, along with the company's auditor attended General Meeting of Shareholders No.1/2564.

After the meeting date, the company took the following actions:

1. The company announced the resolutions of Annual General Meeting of Shareholders No. 1/2564 along with the votes in each agenda by approvals, disapprovals and bad ballots along with the voting proportions of each type. These were sent online through the Setlink electronic system to the Stock Exchange of Thailand and published on the company's website in Thai and English on the date of the meeting.
2. The company created the report for General Meeting of Shareholders No. 1/2564 in writing containing the important records of each agenda at the meeting and summaries of the significant questions made by shareholders along with the board of directors' explanations, recommendations and additional opinions, including meeting resolutions and votes in each category and voting proportions by type. All were made available completely and clearly by the company's secretary and was signed in approval by the meeting chairman.
3. The company submitted the meeting report to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commissions within 14 days after the meeting date, including the Department of Business Development within 30 days after the meeting date, in line with the stipulations of the Stock Exchange of Thailand in order to provide documents for verification and reference, and the report was also published on the company's website, www.estarpcl.com, on 1 July 2021.

For these activities, the company was evaluated for its annual general meeting by the Thai Investors Association with a score of 97 out of 100, which is rated as "excellent".

Section 2 – Equitable Treatment of Shareholders

The company adheres to the principle of equitable treatment of all shareholders in line with the regulations and requirements of the Office of the Securities and Exchange Commission and gives importance to treating shareholders appropriately with protection of their fundamental rights through the following actions:

1. In order to respect the rights of shareholders, the company publishes the complete versions of the company's general shareholder meetings on the company's website and sends general shareholder meeting invitations by registered postal service to shareholders in advance in Thai and in English according to requirements. In addition, the company specifies proxy letters for

shareholders who could not attend meetings by doing so at least 21 days in advance of meetings in line with the requirements of the Department of Business Development and describes the voting guidelines for other persons or independent directors as well as share custodians for shareholders who did not possess Thai nationality.

2. The company has created processes and channels for minority shareholders to participate in proposing meeting agendas and nominating persons to become directors as well as send questions in advance of meetings in the period from October to December every year, whereby individual or several shareholders with shares amounting to at least 5 percent of total shares with eligible for voting could do so, and proposals of meeting agendas and nominating of directors are required to comply with the the law and the company's regulations and other criteria set by the company, all of which are published on the company's website.

3. In order to ensure transparency and demonstrate reliability to shareholders, the company does not add meeting agendas or significantly alter information without notifying shareholders in advance. In addition, the company requires the use of voting in every agenda, including the appointment of directors on an individual basis on shareholder meeting dates.

4. The company does not have a business structure in which connected transactions occur such that might produce conflicts of interest.

5. The company created a corporate governance manual (Volume 1/2546) on 13 January 2003. It specifies policies, criteria and good practice guidelines and has been published so that directors, executives and employees can adhere to it.

6. Directors, executives along with the spouses and minor children of directors and executives and the employees of the company and other companies in the group intending to purchase or sell company stock are required to state their intention to the company's secretary at least one day before making their purchases or sales.

7. Connected transactions require the approval of shareholders in line with the specifications of the Stock Exchange of Thailand. Before conducting such a transaction, the company will disclose the details and reasons for the transaction as well as the opinions of the board of directors relating to said transaction so that shareholders can clearly know about it before it is conducted.

8. The company does not have transactions that provide financial assistance to companies that are not subsidiaries, and the company's share structure does not include cross-holding in group.

Section 3 – Consideration for the Roles of Stakeholders

The company respects the rights of every stakeholder and has a policy to ensure that every group of stakeholders have full access to their rights, whether the stakeholders are internal stakeholders such as employees and executives of the company and subsidiaries or external stakeholders such as shareholders, clients, trade partners, creditors, competitors, the public or society as a whole. Thus, the company has created various policies in the corporate governance manual (Volume 1/2546) on 13 January 2003, which can be studied and downloaded at [ww.estarpcl.com](http://www.estarpcl.com). In addition, in 2021 the company treated stakeholders as follows:

1. Shareholders

The company strives to conduct business fairly and serve as a good representative of shareholders for the greatest benefit with transparency and long-term value-adding for shareholders with consideration to growth, security and good and sustainable returns. Thus, the company has set policy and practice guidelines regarding the treatment of shareholders. Thus, the company operates honestly with integrity and without any actions that would cause conflict of interest or diminishment of the rights of shareholders in parts relating to failure to respect the fundamental rights of shareholders or in regards to the inappropriate disclosure of internal information of employees on every level. In addition, the company promotes good relations and communicates with shareholders and investors and

discloses information transparently and fairly through various activities and channels such as by disclosing information to the public through various media, to the Stock Exchange of Thailand and the Office of the Securities and Exchange of Commission in online format and by giving press releases to the media throughout the year without seeking personal gains or gains for other parties from work activities.

2. Clients

The company has made it a policy to treat every client fairly and has specified the roles and responsibilities regarding clients clearly in the company's corporate governance manual. The company strives to create client satisfaction covering care and attention to the development of products that meet client needs and provide the greatest living comforts to clients along with attention to services through the building of service standards for work roles under the company's responsibility and client services. Furthermore, the company organizes activities to promote good relations with clients such as film-watching invitations, miniconcerts, merit-making during religious festivities, and giveaways during important occasions.

In order to ensure that the company continuously develops its products and services, the company has created key performance indicators (KPIs) on the organizational level, department level and employee level with each indicator covering the following:

- Satisfaction with location, project format, design, materials and equipment, usage space and common areas.
- Satisfaction with the services of sales employees during visits to projects, reservations/contract signing.
- Satisfaction with services from maids and security staff during project visits, reservations/contract signing.
- Satisfaction for home quality and repairs during home/condominium delivery acceptance.
- Satisfaction for the services of client service employees in providing recommendations about loans and services during rights transfers.
- Satisfaction on post-transfer repair services, service usage, repair quality and speed of service.
- Satisfaction while living at the apartments and houses in the C-Star Project.

Key Performance Indicators on Client Satisfaction on the Organizational Level (Non-Monetary Indicators)

In measuring the KPIs on client satisfaction on the organizational level, it consists of evaluating scores on every aspect from the customers viewing the projects to placing reservations, creating contracts, transferring the ownership and post-transfer repair services as well as the renting service satisfaction of renting businesses. In 2021, the company received a satisfaction score of 4.31 out of 5.00 which is rated as “excellent”, a similar score to the previous year. The parts that the customers were more satisfied with were the quality of the construction and transfer of the low-rise projects, especially the Rayong project which began transfers in 2021. The company gives importance to regularly reviewing the service standard and the implementation of various systems to help add conveniences at the service center in order to consistently maintain a service quality.

3. Trade Partners and Creditors

The company has created a clear policy governing the treatment of trade partners and creditors and has a process in place for selecting trade partners fairly. Accordingly, the company has created an anti-corruption manual to provide guidelines concerning the transparent and equitable treatment of trade partners. The company specifies the qualifications of trade partners and judges the security and reliability of each organization by relying on at least three references and important company certification documents, secure financial status, history of on-time and effective delivery of quality and up-to-standard work and products, and appropriate prices. Furthermore, the company uses the information of trade partners in comparing with at least three different parties in order to ensure

equality, and the company does not demand any benefits that might lead to injustice and strictly complies with its contracts and conditions. Moreover, the company treats trade partners and creditors fairly and pays debt obligations to creditors according to schedule and in line with set conditions, all the while strictly complying with all contractual conditions, specifications and obligations. In addition, in cases where appropriate reasons require changes to conditions or might cause significant impacts to financial status and might impact the debts which the company has to repay, the company will notify creditors and seek joint prevention or corrective guidelines without causing harm and will use loans granted by creditors or financial institutes in line with the company's objectives as stated to creditors and financial institutes.

4. Competitors

The company will conduct business with a policy to treat competitors fairly in line with the framework for transparent trade competition and in compliance with the law and business ethics governing treatment of trade competitors and will not mistreat or commit any violation that might lead to the seeking of secret information from competitors through fraudulent means and will not violate the intellectual property rights of competitors. In addition, the company refrains from making malicious and false accusations against competitors and does not harm the reputation of competitors or engage in monopoly regarding the allocation of revenue and market share.

5. Employees

The company recognizes the value of employees and believes that they are the most important factors in operating business. Therefore, the company gives importance to caring for employees and ensuring that they receive continuous promotion and improvement. Hence, the company has made it a policy to manage human resources and employee ethics concerning employee remuneration and benefits as follows:

As the company has already stated in its human resource management policy and employee ethics in the corporate governance manual, the company firmly adheres to the principle of treating employees equitably and fairly without exception or discrimination in terms of origin, race, religion, gender, marital status, language, or position, and the company does not support the use of child labor or human trafficking, and the company is against corruption in every form. Moreover, the company pays remuneration to employees appropriately with short-term remuneration including minimum wages for unskilled or inexperienced employees pursuant to the law and raises based on annual employee performance and additional benefits beyond legal specifications such as overtime fees, bonuses, off-site work allowances, travel fees, annual health examinations, and New Year parties. In any case, the wages and benefits of each employee vary according to their positions, and in addition to tangible benefits the company provides long-term benefits that include provident fund subsidies.

6. Participatory Society

The company conducts business with consideration for communities, society and the environment and instills a sense of responsibility to society and environment in employees continuously and seriously on every level, and the company gives importance to and holds it to be a duty to participatory society and has set it as a policy on health, safety and environment and policy on support for public activities, whereby executives support activities that benefit communities and society and organizes activities beneficial to continuously instilling conscience in the company and employees on every level.

7. Occupational Health and Safety and Work Environment

The company recognizes the tremendous importance of occupational health and safety and work environment and so has created a policy on occupational health and safety and work environment in the corporate governance manual in order to have employees on every level adhere to it. The purpose of this is to promote, care for and preserve safety to the life of employees and property under the company's responsibility. Thus, these practice guidelines are to be held for their own safety, the safety of their colleagues and the company's assets and with consideration to the importance of prevention measures for accidents that might occur in work and impact employees and other people such as annual fire prevention drills.

In 2021, the company did not commit violation of any laws governing labor, employment, consumers, trade competition, and the environment and did not receive any complaints from stakeholders.

Section 4 – Disclosure of Information and Transparency

The company gives importance to disclosing important information accurately and sufficiently in an up-to-date and transparent manner in line with the specifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in order to ensure that shareholders and stakeholders receive extensive news and information. Thus, the company discloses the following information:

The company discloses information through the electronic system to report information about various situations in Thai and in English with information including financial statements, annual information report forms (56-1 Form), annual report forms (56-2 Form) and other information about various situations. In addition, the company publishes up-to-date information on the company's website in Thai and English such as under the “Investor Relations” title along with other significant information such as meeting invitation letters and reports of annual general meetings of shareholders. All of this information can be accessed through the company's website, www.estarpcl.com.

In addition to disseminating information through important agencies and on the company's website, the company regularly announces its performance and important activities through other public relations activities and communities information and activities in line with communication work plans consistent with the company's strategies and objectives, which are continuously reviewed, and business directions with primary consideration to disclosures of important information through key agencies involved in information disclosures as follows:

The Sale and Marketing Department serves to publicize and disseminate information about the movements and activities of the company as well as publish pictures, news and news statements through various media.

The company's Secretary Department serves to publicize information in line with the specifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission correctly, fully, transparently in line with consideration procedures for beneficial information to investors in order to ensure fair and equitable treatment of stakeholders and give opportunities to stakeholders in making inquiries through set channels such as email.

Accordingly, the company discloses information to shareholders, investors, stock analysts and the news media, and the managing director and high-ranking executives announce the company's activities in addition to giving additional information and answering inquiries made at shareholder meetings and meetings with stakeholders, in addition to information published throughout the year on the company's website, with the following disclosures in 2021:

Activity	Number (times)
Special interviews	-
Newspaper publications	124
Stock market news announcements	34
Press releases	-

Due to the Covid-19 situation, press releases could not be held. However, news content was sent to media outlets instead.

In 2021, the company did not encounter a situation in which it was subject to actions by a supervisory agency as a result of the company's failure to disclose or publish essential information according to schedule.

Furthermore, in order to communicate information disclosures from the company to every stakeholder involved such as shareholders, analysts, investors, business partners, supervisory agencies and the media to ensure understanding and effectiveness and hear about the opinions of every party involved in order to make improvements and/or benefits in the company's activities, the company has established an investor relations agency or "IR" to perform these tasks, and every party concerned can contact the investor relations agency as follows:

Investor Relations: Ms. Poonsri Pholpanitcharoen

Address: Eastern Star Real Estate Public Co., Ltd.
898, 5th Floor, Ploenchit Tower, Ploenchit Road,
Lumphini, Pathumwan, Bangkok 10330

Email: ir@estarpcl.com

Telephone: 0 2263 1010 to 890

Fax: 0 2263 1009

Preparation of Financial Reports

The board of directors is responsible for the creation of financial reports that are accurate, complete and transparent in order to prevent company assets from being lost or used by individuals who lack the authorization to do so, prevent corruption and irregular activities and to be consistent with the generally accepted accounting standards in Thailand and comply with relevant laws and announcements so that stakeholders can have confidence in the company's financial reports. Thus, the board of directors has assigned the Audit Committee the task of auditing financial reports by using appropriate accounting policies on a regular basis in line with relevant laws and announcements as well as audit the correctness and sufficiency of financial reports. In doing so, the Audit Committee schedules at least four joint meetings with the company's auditor without the attendance of management in order to obtain auditor

opinions on various issues, and the company has assigned an auditor from EY Office Co., Ltd. to be the company's auditor with professional knowledge and without conflict of interest that might hinder the independence or neutrality and with all the required qualifications in line with specifications in order to ensure confidence in directors and shareholders that the company's financial reports reflect the company's actual financial position and performance while being correct and credible in every factual respect.

In 2021, the company disclosed its annual financial statements and quarter financial statements to shareholders and investors according to schedule, and the company does not have any history of being ordered to revise its financial statements by the Office of the Securities and Exchange Commission.

Disclosure of Directors' and Executives' Remuneration

The company has set performance indicators for each year to connect the criteria and policies set by the board of directors and pay remuneration in the form of salaries in monetary and other forms. Accordingly, the specification of the remuneration of the board of directors, executive directors and high-ranking executives occurs transparently and clearly, and remuneration are consistent with levels for the industry. Moreover, the company makes considerations based on the Nomination and Remuneration Committee and stipulates for the disclosure of remuneration for the company's directors and executives in the company's annual reports clearly in line with the disclosure requirements of the Office of the Securities and Exchange Commission. Remuneration are disclosed on an individual basis only for company directors not involved in management, while those for executives are disclosed in total amounts. The remuneration of directors and executives in 2021 are shown under "Management Structure".

Managing Director Performance Evaluation

The board of directors stipulated that there should be an evaluation of the managing director's performance in accordance with the criteria and conditions specified in the employment contract. The Executive Committee is tasked with the establishment of the KPIs. Indicator criteria includes overall company growth, customer satisfaction and brand creation, and successful execution of strategies in order to develop the work system and processes.

The Nomination and Remuneration Committee is responsible for presenting the evaluation results to the board of directors in order to establish a check-and-balance system and monitor the managing director's performance to achieve the established goals and indicators and so the evaluation results can be used to improve the managing director's performance efficiency.

Disclosures of Changes in Company Shares Held by Directors and High-ranking Executives

The company has created a policy concerning the company's secret information, preservation of credibility and information usage readiness, including the purchases and sales of stock, and requires that directors disclose and report company assets in their possession as follows:

Directors and executives are responsible to report any changes in the assets that they hold. Thus, they are to prepare and submit reports of the assets they hold and the purchases and sales of the company's stock to the company's secretary department for later submission to the Office of the Securities and Exchange Commission within a time period stipulated by the law and all other related regulations every time any change occurs. In addition, the company's secretary department is to report such changes in the assets held by directors and high-ranking executives to the board of directors every time.

Reports of Directors' Stakeholdings

The company has set a policy governing the reporting of directors' stakes. Directors and executives are required to report to the company about their stakes and those of persons related to them in accordance with Section 89/1 of the Securities and Exchange Act. In doing so, they are to make submissions to the company's secretary, who will then set a copy of the report of their stakes pursuant to Section 89/14 of the Securities and Exchange Act to the Chairman and Chairman of the Audit Committee within 7 days after the company receives the report.

Section 5 – Board of Directors' Responsibilities

As representatives of shareholders, the board of directors is responsible to shareholders concerning the operation of the company's business and has the duty to set policies and directions concerning the company's work activities. This includes supervising management in line with business objectives and for the benefit of shareholders within the framework or specifications of the law and business ethics principles, all the while considering the interests of all stakeholders. The board of directors recognizes and gives importance to good corporate governance policies aimed at securing the company's growth and security and adheres to the six principles as follows:

1. Responsibility
2. Recognition of duties
3. Justice and integrity
4. Transparency
5. Long-term value for stakeholders
6. Promotion of excellence of performance

1. Board of Directors Structure

The board of directors considers the suitability of its structure in line with the company's regulations and rules governing the board of directors, which the board of directors has set forth. The board of directors' composition, qualifications, and scope of authority and responsibilities are disclosed under "Management Structure".

The company's regulations stipulate that the board of directors is to be composed of no more than 12 directors.

As of 31 December 2021, the board of directors is composed of 11 directors. Of these, 10 are non-executive, which exceeds half of all directors, while 1 are executive. The structure of the board of directors is shown below:

- | | |
|--|-------------|
| - Independent directors | 4 directors |
| - Non-executive and non-independent directors: | 6 directors |
| - Executive | 1 directors |

The board of directors serves as the greatest example of adherence to and compliance with corporate governance principles as follows:

1) Every director is required to demonstrate leadership skills and the ability to effectively and efficiently control the work of management in order to achieve objectives at the heart of business and create and add investment value for shareholders and other stakeholders. The board of directors cooperates with management in specifying the company's vision, mission and values and instructs everyone to adhere to them. In addition, company directors are required to be fully responsible individuals in line with ethics and laws related to the company and stakeholders and must perform their duties with caution while exercising skill and integrity and demonstrating independent expression of opinions.

2) Directors are required to always exercise independent judgment in running the company's business in order to earn shareholders' complete trust.

3) Directors are required to consider nominating suitable people to the board of directors or shareholder meetings for their appointments to become new directors and exercise meticulousness and transparency in doing so, and may establish a nomination sub-committee for this purpose.

4) Directors must fully devote time and attention to the company and always be ready to attend meetings, and every meeting absence should be accompanied by an explanation.

5) Directors are required to conduct themselves consistently with the practice guidelines for directors in listed companies.

6) Directors are required to perform their duties in compliance with the laws and the objectives and regulations of the company as well as shareholder meeting resolutions.

7) Directors are required to refrain from conducting business or becoming partners or shareholders in other juristic persons that share similar characteristics and competes with the company, unless said directors have reported their status to shareholder meetings ahead of their appointment resolutions.

8) Directors are required to inform the company without delay in the event that they hold any stakes in any contract with the company or become holders of shares or stocks or have increases or decreases thereof in the company or other companies in the group or engage in any action that might create conflicts of interest.

9) Directors should manage work while avoiding conflicts between personal interests and those of the organization. This is to ensure that work management takes place fully effectively. Personal stakes include the following:

- (1) Not seeking personal gains from directorships.
- (2) Not misusing the organization's secrets.
- (3) Not being directors in companies that compete with the organization.
- (4) Not holding stakes in contracts with the organization.

10) Directors are required to manage work cautiously and not create obligations that might conflict with their duties at a later date.

11) Directors are required to not seek any inappropriate gains, whether directly or indirectly, from their work, for example, by

- (1) Not using the company's money or secret information for personal gain.
- (2) Not placing personal gains above the company's interests.

12) Directors are required to perform their duties to the fullest extent of their capabilities for the greatest benefits to the organization.

Elections and Position Terms

Members of the board of directors have terms for their positions. Thus, one out of three members of the board of directors are to leave their positions at every annual general meeting of shareholders. If the number of directors cannot be divided evenly by three, then the closest number to three are to vacate their positions. The directors that leave their positions by this measure may be reappointed at a later date, and, for directors who had to leave their positions in the first and second years after the company became a listed public company, they were required to pick a lottery to determine who left and stayed, while in later years, directors in their positions the longest would leave their positions.

Directorships in Other Companies

In order to ensure that directors can fully devote time and attention in performing their duties with the company, the company has stipulated that the total number of registered companies that each director may hold a position in does not exceed five, without exception, and no director current holds positions in more than five other registered companies.

In addition, the managing director is required to fully devote time to working with the company and so may not become a director or take work responsibilities on other registered companies, unless he holds a position in subsidiaries to supervise its activities based on his position in the parent company.

2. Responsibilities of Directors

1) The board of directors have roles and responsibilities primarily concerned with the specification and consideration of approval in important matters relating to the company's activities such as in setting the company's vision, mission, strategies, policies, business plans, budgets and fiscal responsibility reports and in supervising and monitoring activities in line with set strategic plans. Accordingly, management is assigned to carry out these decisions effectively, correctly and transparently while monitoring progress from activities as compared to objectives. Additional details concerning this are specified under "Management Structure".

2) The board of directors has the authority to grant approvals on various company issues as stipulated in Clause 6 in line with the scope of duties and responsibilities in compliance with the law, company regulations and shareholder meeting resolutions. Additional details are specified under "Management Structure".

3) The board of directors has appointed sub-committees. There are three of these in total, namely, the Executive Committee, the Audit Committee, and the Nomination and Remuneration Committee. They are composed of knowledgeable and skilled people who are capable of deciding on various matters in line with their assignments correctly, clearly, completely and preliminarily before making proposals to the board of directors for consideration of approval or certification, as the case may be, and they support the management work of the board of directors for greater thoroughness and effectiveness. The roles and responsibilities of each sub-committee are clearly provided under "sub-committees".

4) The board of directors established the company's good corporate governance principles in writing in 2003.

5) The board of directors has set forth policy governing conflicts of interest in the company's good corporate governance manual, in which clear details are provided, and has set in place procedures for dealing with transactions with potential conflict of interest and which might practice regulations concerning connected transactions. This complies with the stipulations of the Office of the Securities and Exchange Commission, and transactions that require approval from the board of directors and/or shareholder meetings will be considered by the Audit Committee first. The Audit Committee will render opinions regarding the conduct of these

transactions, and in cases where the company holds a different opinion from the Audit Committee's opinions, the company also discloses said differences of opinions. In addition, in cases where a director holds a stake in any agenda, the director would lose the director's voting right in said agenda.

6) The company disclosed transactions with potential conflict of interest in 2021, and the board of directors gave the opinion that said transactions were appropriate and beneficial to the company's business and complied with the specifications of the Office of the Securities and Exchange Commission. Their details are shown under "Connected Transactions".

7) The company has in place an adequate and appropriate internal control system and allocates sufficient personnel in implementing the internal control system effectively and efficiently in the company's work activities. In addition, the company's financial reports are accurate and reliable in line with generally-accepted accounting standards, and the company's work activities are consistent with the system of good corporate governance and comply with the laws and all other obligations related to business activities. Their details are shown under "Internal Control Policy".

8) The board of directors has set in place a risk management policy with emphasis on taking actions in line with the risk management processes for the entire organization in order to support the company in completing its objectives and strategic plans. A risk management work committee evaluates and summarizes work activities in line with risk management processes, all of which are audited by the Audit Committee and reported to the board of directors on a quarterly basis. Their details are shown under "Internal Control and Risk Management".

3. Meetings of the Board of Directors

1) In holding meetings of the board of directors, at least one-half of all directors are to be present in order to form a meeting quorum. In cases where the chairman of the board of directors is absent from the meeting or cannot perform his duties, then if there is one vice chairman is present, the vice chairman will act as the meeting chairman, and if there are many vice chairmen, the directors are to appoint among themselves which vice chairman will chair the meeting. If there is no vice chairman or if he cannot perform his duties as well, the directors are to appoint among themselves a director to chair the meeting. The company's policy on the minimum meeting quorum for when the board of directors cast votes is that at least two-thirds of all directors need to be present.

2) Final meeting decisions are based on majority votes.

3) One director has one vote to cast. However, if a director holds stake in any matter, that director will not be eligible to vote on that matter, and, in cases where votes are evenly split, the chairman shall have an additional deciding vote to cast.

4) The chairman of the board can convene meetings of the board of directors. In cases where the chairman cannot perform his duties, the vice chairman will be allowed to convene meetings. In convening meetings of the board of directors, the chairman of the board or a person designated by him will send meeting invitation letters to directors at least 7 days ahead of each meeting date. However, in urgent cases or in order to protect the rights or benefits of the company, meeting announcements can be made by other ways, and meetings can be scheduled to take place sooner. In addition, two or more directors can ask the chairman to convene meetings, and in cases where two or more directors make such a request, the chairman or a person designated by the chairman will schedule a meeting within 14 days of receiving a request to do so.

5) The chairman or director assigned by the chairman will have the responsibility of scheduling the date, time and place for each meeting of the board of directors, and meeting places can be different from the locality where the company's main office is located or nearby provinces.

6) In cases where directorships become so vacant that fewer directors exist than needed to form a meeting quorum, the remaining directors will perform their duties on behalf of the board of directors in organizing a shareholder meeting to appoint new directors to only fill those vacant positions, and this has to be done within one month after the number of vacant directorships falls below the number required to form a meeting quorum. In addition, persons who become replacement directors may remain in their offices only for the remaining duration of the terms of the directors they replace.

7) The board of directors has the authority and responsibility to manage the company in compliance with the law, the company's objectives and regulations and shareholder meeting resolutions.

8) The board of directors has to hold at least three meetings per month on average.

9) Records of meetings of the board of directors, meeting summaries and opinions of the board of directors have to be clear such that they can be used for reference.

In 2021, the board of directors held a total of eleven meetings in order to closely control and manage the business during the economic crisis. The board of directors held ten regular meetings and one additional meeting without executives in order to give opportunities for non-executive directors to discuss various problems relating to the company's business activities in every topic, including various recommendations for executives for future improvements, and other matters in their interest, and meeting results are reported to the managing director, as the board of directors has a policy to support non-executive directors to hold their own meetings as appropriate without the attendance of executives or management.

6.2 Major Corporate Governance Changes and Development

To summarise the board of directors' performance over the past year, the board of directors adapted to working under different factors due to the affects of Covid-19 in 2021, and major corporate governance performance results include the following:

- Giving importance to the consideration of business strategies and plans. The executive department proposes caution be taken in reducing the debt-to-equity ratio and maintaining the gross profit margin and cash flow while maintaining the competitive capabilities as a response to the affects of Covid-19 on the economy.
- Adding essential operational policies, such as the IT policy, to make operational standards more efficient in response to the company's growth direction.
- Supporting the fluidity of the subsidiaries' operations under the same governance standard.
- The company applied to become certified as a member of the CAC (Thailand's Private Sector Collective Action against Corruption) on 3 June 2021 to show that the company aims to operate business with transparency and consistently support anti-corruption efforts in its operations.
- The company increased the number of meetings to ten meetings of the board of directors, five meetings of the Audit Committee, ten meetings of the Executive Committee, and regular management meetings in order to evaluate work performance in line with set objectives.
- The company operates its projects in compliance with the PDPA (Personal Data Protection Act) by evaluating its preparedness in compliance with the PDPA, training/testing the knowledge of related employees and creating a PDPA manual and uploading it to the company's intranet and website.

For additional details on the board of directors' performance, view the chairman's message to the shareholders, the Audit Committee's report and sections related to corporate governance.

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

7.1 Corporate Governance Structure

As of 31 December 2021, the management structure of Eastern Star Real Estate (Public) Company Limited was composed of the company's board of directors and three sub-committees appointed by the board of directors, namely the Audit Committee, the Executive Committee and the Nomination and Remuneration Committee.

7.2 As of 31 December 2021, the company's board of directors was composed of the following 11 people:

No.	Name	Position
1.	Mr. Anand Panyarachun	Chairman and Independent Director
2.	Mr. Pongpinit Tejagupta ¹	Vice Chairman and Chairman of the Executive Committee
3.	Mrs. Sunanta Tiasuwan	Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Director
4.	Mr. Jessada Promjart	Independent Director, Chairman of the Nomination and Remuneration Committee and Audit Director
5.	Mr. Chatchawin Charoen-Rajapark	Director
6.	Mr. Titiwut Soukpornchaikul ¹	Executive Director
7.	Mr. Tinnawat Mahatharadol ¹	Executive Director
8.	Mr. Nuttawit Boonyawat	Executive Director
9.	Mr. Paiboon Wongjongjaiharn	Director
10.	Mr. Torsak Lertsrisakulrat ¹	Managing Director
11.	Mrs. Wanna Thamsirisup	Independent Director, Audit Director, and Nomination and Remuneration Director

Remarks:

- ¹ Authorized directors.
- Mrs. Sunanta Tiasuwan was appointed Chairman of the Audit Committee effective as of 1 December 2021.
- Mr. Jessada Promjart was appointed Chairman of the Nomination and Remuneration Committee effective as of 1 December 2021.
- Mrs. Wanna Thamsirisup was appointed Independent Director, Audit Director, and Nomination and Remuneration Director effective as of 1 December 2021.
- Mr. Pongpinit Tejagupta was appointed Chairman of the Executive Committee on 18 June 2021.

Scope of Authority and Responsibilities of the Board of Directors

1. The board of directors has the authority and responsibility to operate the company in compliance with the laws, the company's objectives and regulations and shareholder meeting resolutions.
2. The board of directors has the responsibility of setting the company's policies and operational directions and supervising the company's business activities through the appointed Executive Committee.
3. Directors are required to notify the company without delay in cases where they hold stakes in contracts with the company or shares or increases or decreases in debentures in the company or other companies in the group.

4. The board of directors is required to hold at least three meetings per month. Thus, the Chairman will order meetings of the board of directors, and, in cases where the Chairman cannot perform that duty, the Vice Chairman will be the person who gives the order. Otherwise, if necessary, two or more directors may ask the Chairman or a person assigned by the Chairman to schedule a meeting within 14 days subsequent to receiving said request.

5. Directors are entitled to receive remuneration from the company in the form of meeting attendance fees, pension, bonuses or other forms of remuneration in line with regulations or as stipulated by shareholder meetings in fixed amounts or based on criteria and stipulated on an occasional or permanent basis until changes occur, and directors are also entitled to receive various per diem and benefits in line with the company's regulations.

The statements in the first paragraph do not affect the rights of employees or workers of the company appointed to become directors entitled to remuneration and compensation for being employees or workers of the company.

6. The board of directors is authorized to appoint the Executive Committee in addition to authorizing or delegating authority to the Executive Committee and the managing director for granting authorizations and giving instructions in order to ensure that the company's business management proceeds in line with the company's policies and objectives.

The number of company meetings attended by each director in 2021 is as follows:

Director Name	Number of Attendances/Total Number of Meetings			
	Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee
1. Mr. Anand Panyarachun	10/10	-	-	-
2. Mr. Pongpinit Tejagupta	10/10	-	7/7	-
3. Mr. Preecha Oonchitti	7/8	3/3	-	3/3
4. Mrs. Sunanta Tiasuwan	10/10	5/5	-	5/5
5. Mr. Jessada Promjart	10/10	5/5	-	5/5
6. Mr. Chatchawin Charoen-Rajapark	10/10	-	3/3	-
7. Mr. Titiwut Soukpornchaikul	10/10	-	10/10	-
8. Mr. Tinnawat Mahatharadol	10/10	-	10/10	-
9. Mr. Nuttawit Boonyawat	10/10	-	10/10	-
10. Mr. Paiboon Wongjongjaiharn	10/10	-	-	-
11. Mr. Torsak Lertsrisakulrat	10/10	-	10/10	-
12. Mrs. Wanna Thamsirisup	1/1	1/1	-	-

- Remarks:**
- Mr. Preecha Oonchitti remained in the position of Independent Director, Chairman of the Audit Committee, and Nomination and Remuneration Director until 20 October 2021.
 - Mrs. Sunanta Tiasuwan was appointed Chairman of the Audit Committee effective as of 1 December 2021.
 - Mrs. Sunanta Tiasuwan remained in the position of Chairman of the Nomination and Remuneration Committee until 30 November 2021.
 - Mr. Jessada Promjart was appointed Chairman of the Nomination and Remuneration Committee effective as of 1 December 2021.
 - Mrs. Wanna Thamsirisup was appointed Independent Director, Audit Director and Nomination and Remuneration Director effective as of 1 December 2021.
 - Mr. Chatchawin Charoen-Rajapark remained in the position of Chairman of the Executive Committee until 17 June 2021.
 - Mr. Pongpinit Tejagupta was appointed Chairman of the Executive Committee on 18 June 2021.

Schedule of Board of Directors' Meetings and Ordinary Shareholder Meetings for 2022

No.	Meeting	Date	Time	Purpose	Remarks
1.	- Non-Executive Directors - Board of Directors	Friday 14 January 2022	3:00 p.m. 4:00 p.m.	Non-Executive Director Meeting Retreat Meeting	Held via electronic media/at the meeting room on the 5 th floor of the Ploenchit Tower.
2.	Board of Directors	Thursday 24 February 2022	2:00 p.m.	Approval of the financial statements of 2021, scheduling of the general shareholder meeting date and approval of Form 56-1 One Report.	Held via electronic media/at the meeting room on the 5 th floor of the Ploenchit Tower.
3.	General Meeting of Shareholders	Friday 29 April 2022	2:00 p.m.	Evaluation of performance and appointment of auditor, etc.	Held via electronic media.
4.	Board of Directors	Friday 29 April 2022	4:00 p.m.	Approval of directors appointed by the shareholder meeting to assume office as company directors in sub-committees.	Held via electronic media.
5.	Board of Directors	Tuesday 10 May 2022	2:00 p.m.	Approval of the financial statements for Quarter 1/2022	Held via electronic media/at the meeting room on the 5 th floor of the Ploenchit Tower.
6.	Board of Directors	Wednesday 10 August 2022	2:00 p.m.	Approval of the financial statements for Quarter 2/2022	Held via electronic media/at the meeting room on the 5 th floor of the Ploenchit Tower.
7.	Board of Directors	Monday 14 November 2022	2:00 p.m.	Approval of the financial statements for Quarter 3/2022	Held via electronic media/at the meeting room on the 5 th floor of the Ploenchit Tower.

Accordingly, these meeting dates are subject to changes, or additional meetings might be scheduled for special agendas, which will be appointed on a case-per-case basis.

7.3 Sub-committees

The company's management structure is composed of three sub-committees, namely, an executive committee, board of directors, and nomination and remuneration committee. The details are as follows:

A) Executive Committee

As of 31 December 2021, the company's Executive Committee consisted of the following:

No.	Name	Position
1.	Mr. Pongpinit Tejagupta	Chairman of the Executive Committee
2.	Mr. Tinnawat Mahatharadol	Executive Director
3.	Mr. Titiwut Soukpornchaikul	Executive Director
4.	Mr. Nuttawit Boonyawat	Executive Director
5.	Mr. Torsak Lertsrisakulrat	Executive Director and Managing Director

Remarks: Mr. Pongpinit Tejagupta was appointed Chairman of the Executive Committee on 18 June 2021.

Responsibilities of the Executive Committee

1. Consider and decide on issues to propose to the board of directors, and examine meeting reports of the board of directors before presenting them to meetings of the board of directors for approval.
2. Supervise the work management of the company in line with work plans, budgets and policies set or authorized by the board of directors and monitor work activities for issues the board of directors passed resolutions on.
3. Consider and approval other issues within the Executive Committee's authority.

Authority of the Executive Committee

1. Set criteria, conditions and regulations governing the activities of the company in various areas and assign work and grant authority to operators.
2. Authorize and/or make decisions on any issue not specified to require approval from the board of directors.
3. Authorize and/or make decisions on taking actions on behalf of the board of directors regarding urgent matters which cannot wait for a meeting of the board of directors. In doing so, consult the Chairman of the company or the Chairman of the Audit Committee and then make a proposal to the board of directors at a later date for confirmation.
4. The Executive Committee may appoint no more than two company executives who are not already executive directors to become supplementary members of the Executive Committee.

Scope of Topics Requiring Approval from the Board of Directors

1. The company's business guidelines and policies, work plans and annual budgets. Thus, annual budgets are to be composed of profit and loss statements, cash budgets, investment budgets, manpower and employee hiring budgets.
2. Creation of any real estate development project of the company.
3. Work management policies, company organizational chart, employee policies, benefits, bonus payments and annual salary raises.

4. Purchases of land and/or buildings outside the real estate development projects already approved in Item 2.
5. Sales of land and/or buildings not part of the company's regular commercial activities and/or not part of the company's real estate development projects.
6. Rent or renting out of land and/or buildings for periods longer than three years or with values exceeding 10 million baht.
7. Taking loans from financial institutes, shareholders or connected persons.
8. Increasing capital or decreasing capital in subsidiaries and associated companies, discontinuation or merger of said companies, sales of investment capital in subsidiaries and associated companies and participation in joint ventures with any company.
9. Lawsuits or legal disputes involving more than five million baht.
10. Legal issues that require the board of directors' approval.
11. Other issues the board of directors stipulates to require the board of directors' approval.

B) Audit Committee

As of 31 December 2021, the company's Audit Committee was composed of the following:

No.	Name	Position
1.	Mrs. Sunanta Tiasuwan	Chairman of the Audit Committee
2	Mr. Jessada Promjart	Audit Director
3.	Mrs. Wanna Thamsirisup	Audit Director

Remarks:

- Mrs. Sunanta Tiasuwan was appointed Chairman of the Audit Committee effective as of 1 December 2021.
- Mrs. Wanna Thamsirisup was appointed Audit Director effective as of 1 December 2021.

An audit director who possesses knowledge and experience in financial audits is Mrs. Sunanta Tiasuwan.

Scope of Authority and Responsibilities of the Audit Committee

1. Audit the company to ensure that financial reports are correct and adequate and perform special audits on significant accounting policy changes and lists of auditor recommendations for improvements.
2. Audit the company to ensure the presence of an internal control system and perform internal audits as appropriate and effective.
3. Audit the company to ensure compliance with laws governing securities and the stock exchange, stock exchange regulations and all other laws related to the company's business activities.
4. Consider, select and nominate for the appointment of and propose remuneration for the company's auditors with considerations based on auditor independence such as in auditing other services with the auditors' companies and rotation of company auditors.
5. Audit with auditors concerning issues that might impact the reliability of financial reports such as significant complications or conflicts found by auditors during work, facts and differences of opinions between auditors and management, effectiveness of the internal control system, faults encountered in each accounting period, and those that might be found in subsequent accounting periods.

6. Hold meetings with auditors without the attendance of management and hold meetings with the people in charge of internal control without the attendance of management at least once annually.

7. Audit risks and risk assessment methods of internal auditors and audit to ensure that the board of directors and high-ranking executives recognize significant risks and operations risks.

8. Evaluate disclosures of company information whenever connected transactions or transactions with potential conflict of interest occur in order to ensure correctness and completeness, and give opinions to the board of directors regarding connected transactions or transactions with potential conflict of interest before the company conducts said transactions in line with the requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

9. Audit and acknowledge the ethical and moral activities of executives and employees and corporate governance.

10. Create the business oversight reports of the Audit Committee and disclose them in the company's annual reports. These reports must be signed by the Chairman of the Audit Committee and contain at least the following information:

10.1 Opinions about the correctness, completeness and reliability of the company's financial reports.

10.2 Opinions about the adequacy of the company's internal control system.

10.3 Opinions about compliance to laws governing securities and exchange, stock market requirements or other laws related to the company's business activities.

10.4 Opinions deemed appropriate by auditors.

10.5 Opinions about transactions with potential conflict of interest.

10.6 Number of meetings held by the Audit Committee and attendances by each Audit Committee director.

10.7 Overall opinions or observations of the Audit Committee based on performing its duties in accordance with its charter.

10.8 Other transactions that the committee deems worthy of acknowledgement by shareholders and investors within the scope of duties and responsibilities defined by the board of directors.

11. Audit and approve the charter of the internal audit agency and ensure that the charter of the internal audit agency is reviewed at least once annually.

12. Consider and approval annual internal audit plans, prioritize importance based on risks, audit internal audit reports, and make joint considerations with management in significant faults that are encountered and management responses.

13. Give approvals in the appointments, transfers and dismissals of persons in charge of internal audit and judge the independence of said agency.

14. Consider the employment of or obtainment of assistance from specialists in performing audit and reviews as deemed fitting by the Audit Committee.

15. If the board of directors or management fails to apply corrections or does commit actions that might significantly impact financial position or performance of the company, the Audit Committee may report such instances to the Office of the Securities and Exchange Commission.

16. Take any other actions as assigned by the board of directors without hindering the independence of the Audit Committee.

C) Nomination and Remuneration Committee

As of 31 December 2021, the company's Nomination and Remuneration Committee consisted of the following:

No.	Name	Position
1.	Mr. Jessada Promjart	Chairman of the Nomination and Remuneration Committee
2.	Mrs. Sunanta Tiasuwan	Nomination and Remuneration Director
3.	Mrs. Wanna Thamsirisup	Nomination and Remuneration Director

Remarks:

- Mr. Jessada Promjart was appointed Chairman of the Nomination and Remuneration Committee effective as of 1 December 2021.
- Mrs. Wanna Thamsirisup was appointed Nomination and Remuneration Director effective as of 1 December 2021.

Scope of Responsibilities of the Nomination and Remuneration Committee

1. Evaluate policies, criteria and practice guidelines for proposals to the board of directors:

1.1 Policies, criteria and practice guidelines in the nomination of company directors, sub-committee directors and high-ranking executives such as the chief executive officer and/or managing director, deputy managing director and assistant managing director.

1.2 Policies, criteria and practice guidelines in the nomination, selection and screening of appropriate persons to become directors, managing directors or persons holding equivalent positions in organizations or businesses in which the company holds at least 50 percent shares.

1.3 Policies for the payment of remuneration and other benefits, including amounts of remuneration and other benefits, to company directors, sub-committee directors, and high-ranking executives, including the directors, managing directors or persons holding equivalent positions in organizations or businesses in which the company holds at least 50 percent shares.

2. Nomination, Selection, Consideration or Screening of People

Nominate, select, consider or screen persons for holding various positions below and propose them to the board of directors for consideration of approval:

2.1 Company directors.

2.2 Directors in sub-committees that report directly to the board of directors.

2.3 High-ranking executives of the company such as chief executive officers and/or managing directors, deputy managing directors and assistant managing directors.

2.4 Directors, managing directors and persons holding equivalent positions in organizations or businesses in which the company holds at least 50 percent shares.

3. Remuneration Considerations

Make considerations and propose them to the board of directors, so the board of directors, sub-committee directors and high-ranking executives of the company such as chief executive officers and/or managing directors, deputy managing directors, assistant managing directors, including directors, managing directors and persons holding equivalent positions in organizations or businesses in which the company holds at least 50 percent shares receive appropriate remuneration in line with their duties and responsibilities in accordance with the company's policies and criteria or organizations or businesses in which the company holds at least 50 percent shares, depending on the case, with reference to other companies in the same or similar

industries. Accordingly, company directors with increasing responsibility and duties should receive remuneration that are commensurate to their greater duties and responsibilities.

4 Other Duties and Responsibilities

4.1 Make considerations and proposals to the board of directors for ensuring the appropriate size and composition of the board of directors to the organization and make changes in line with changing circumstances. The board of directors has to be composed of knowledgeable, competent and experienced persons in different fields that benefit the governance and business activities of the company.

4.2 Make considerations and proposals to the board of directors concerning performance evaluation guidelines of directors and high-ranking executives, including chief executive officers and/or managing directors, deputy managing directors and assistant managing directors, for considerations of annual remuneration with consideration to related responsibilities and risks, and give importance to increasing the value of shareholders' equity in the long-term during considerations.

4.3 Evaluate the performance of company directors and chief executive officers and/or managing directors in order to make proposals to the board of directors.

4.4 Make considerations and proposals to the board of directors concerning the succession plans of chief executive officers and/or managing directors, deputy managing directors and assistant managing directors.

4.5 Disclose policies and reports summarizing the activities of the Nomination and Remuneration Committee in the company's annual reports.

4.6 Seek opinions from independent external consultants that possess special knowledge as necessary at the company's expenses such as in salary surveys and recruitments of directors and high-ranking executives for the company.

D) Independent Directors

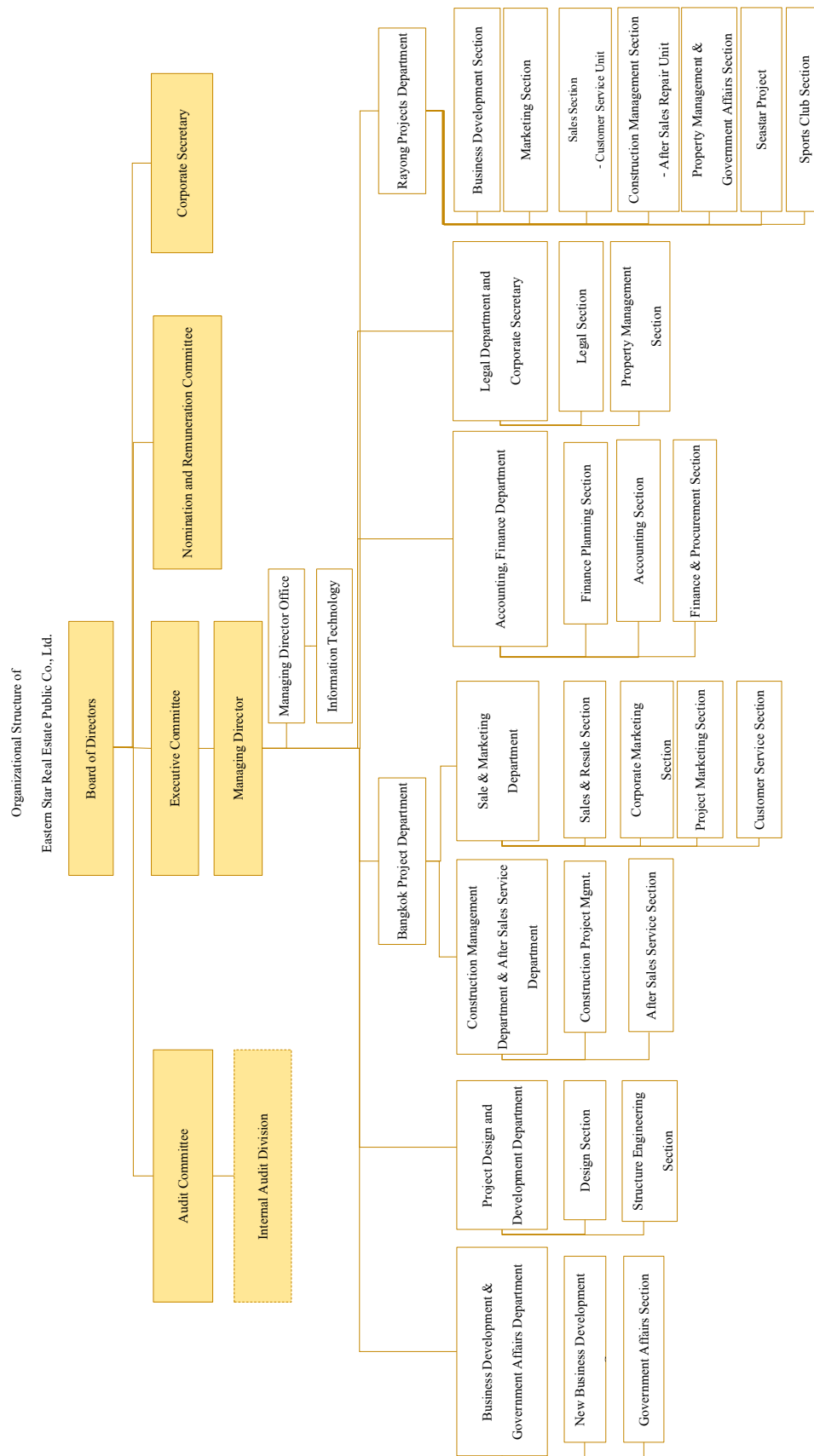
As of 31 December 2021, the company's independent directors consisted of the following:

No.	Name	Position
1.	Mr. Anand Panyarachun	Chairman
2.	Mrs. Sunanta Tiasuwan	Chairman of the Audit Committee and Nomination and Remuneration Director
3.	Mr. Jessada Promjart	Audit Director and Chairman of the Nomination and Remuneration Committee
4.	Mrs. Wanna Thamsirisup	Audit Director and Nomination and Remuneration Director

7.4 Information about Executives

As of 31 December 2021, the company's executives included the following 13 individuals:

No.	Name	Position
1.	Mr. Torsak Lertsrisakulrat	Managing Director
2.	Mr. Pongsak Maison	Assistant Managing Director, Senior Legal Director and Secretary Director
3.	Mr. Pichai Pichayentarayotin	Senior Management Director, Rayong Project
4.	Mr. Rittichai Bunleulab	Acting Management Director, Bangkok Project
5.	Ms. Chalinee Prachyasanti	Director at Managing Director Office
6.	Ms. Poonsri Pholpanitcharoen	Acting Accounting and Financial Director
7.	Mrs. Pitchapas Powattanakul	Accounting and Financial Assistant Director
8.	Mr. Nattawut Saeheng	Business Development Assistant Director
9.	Mr. Chitisan Thirachanidasap	Acting Project Development and Design Assistant Director
10.	Mr. Disawa Sareewattana	Construction Management Assistant Director, Main Office
11.	Mr. Soonthorn Rodsud	Management Assistant Director, Rayong Project
12.	Mr. Surachet Pichitchollaphan	Management Assistant Director, Rayong Project
13.	Mr. Akearchan Puangpradub	Acting Construction Management Assistant Director, Main Office



Director and Executive Remuneration Policy

In setting remuneration for the board of directors and sub-committees, the Nomination and Remuneration Committee bases consideration on suitability and consistency with the duties and responsibilities of the board of directors and sub-committees along with other factors such as the company's business and performance, market and industrial standards, economic conditions, etc. and proposes remuneration to the board of directors and shareholder meetings for consideration of approval.

The payments of remuneration to the company's board of directors occur transparently in line with the principles approved by shareholder meetings, and shareholders authorized director remuneration for 2020 at General Meeting of Shareholders No. 1/2564 on 17 June 2021, by which remuneration within an amount not exceeding 9.5 million baht, equivalent to the amount for 2020, were authorized to be paid to the company's directors, and the board of directors was assigned to allocate remuneration to each director at the board's discretion.

Monthly Director Remuneration: The board of directors receives monthly remuneration within an amount not exceeding 9.5 million baht per year, which the board of directors has the authority to allocate at its discretion. The monthly remuneration for directors above are as follows:

1. Director Remuneration: The Chairman receives 120,000 baht per month, while directors receive 50,000 baht per month.
2. Committee Remuneration: Directors assigned to sub-committees are given additional remuneration based on their responsibilities as follows:
 - 2.1 Executive Committee: The Chairman of the Executive Committee receives 20,000 baht monthly remuneration, and executive directors receive 10,000 baht monthly remuneration.
 - 2.2 Audit Committee: The Chairman of the Audit Committee receives 20,000 baht, and audit directors receive 10,000 baht monthly.
 - 2.3 Nomination and Remuneration Committee: The Chairman of the Nomination and Remuneration Committee receives 20,000 baht monthly, and nomination and remuneration directors receive 10,000 baht monthly.

Monetary Remuneration for Members of the Board of Directors in 2021

Name	Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Total Remuneration
1. Mr. Anand Panyarachun	1,440,000	-	-	-	1,440,000
2. Mr. Pongpinit Tejagupta	600,000	-	120,000	-	720,000
3. Mr. Preecha Oonchitti	500,000	200,000	-	100,000	800,000
4. Mrs. Sunanta Tiasuwan	600,000	130,000	-	230,000	960,000
5. Mr. Jessada Promjart	600,000	120,000	-	130,000	850,000
6. Mr. Chatchawin Charoen-Rajapark	600,000	-	120,000	-	720,000
7. Mr. Titiwut Soukpornchaikul	600,000	-	120,000	-	720,000
8. Mr. Tinnawat Mahatharadol	600,000	-	120,000	-	720,000
9. Mr. Nuttawit Boonyawat	600,000	-	120,000	-	720,000
10. Mr. Paiboon Wongjongjaiharn	600,000	-	-	-	600,000
11. Mr. Torsak Lertsrisakulrat	-	-	-	-	-
12. Mrs. Wanna Thamsirisup	50,000	10,000	-	10,000	70,000
Total					8,320,000

Remarks:

- Mr. Preecha Oonchitti remained in the position of Independent Director, Chairman of the Audit Committee and Nomination and Remuneration Director until 20 October 2021.
- Mrs. Sunanta Tiasuwan was appointed Chairman of the Audit Committee effective as of 1 December 2021.
- Mrs. Sunanta Tiasuwan remained in the position of Chairman of the Nomination and Remuneration Committee until 30 November 2021.
- Mr. Jessada Promjart was appointed Chairman of the Nomination and Remuneration Committee effective as of 1 December 2021.
- Mrs. Wanna Thamsirisup was appointed Independent Director, Audit Director and Nomination and Remuneration Director effective as of 1 December 2021.
- Mr. Chatchawin Charoen-Rajapark remained in the position of Chairman of the Executive Committee until 17 June 2021.
- Mr. Pongpinit Tejagupta was appointed Chairman of the Executive Committee on 18 June 2021.

Other Director Remuneration: None.

Monetary Remuneration for Executives: A total of 33,372,464 baht for 13 people.

Remuneration for Executives: Matching provident fund payments amounting to 877,901 baht.

7.5 Employee Information

The company and its subsidiaries' total number of employees as of 31 December 2021 is as follows:

Number of Employees Sorted by Level	Executive and Finance	Business Development and Marketing Management	Project Development and Construction Service	Business Development in Rayong	Total
Level: Department Assistant Director – Managing Director (Personnel)	5	2	3	3	13
Level: Employee – Department Manager (Personnel)	39	25	14	49	127
Total	44	27	17	52	140

Remarks: The company does not have any labor disputes.

Employee Compensation

The company's core policy for managing compensation is creating equality between the company and its operators. For this reason, it is important to create equality for all parties involved which will lead to them becoming shareholders. Regarding equality in compensation management, the company gives importance to three aspects as follows:

1. Internal Equality: Paying a suitable compensation for the value of the tasks in the position. Positions that are more valuable for the organization naturally receive a higher compensation than less valuable tasks.
2. External Equality: Paying the appropriate wages requires consideration of the labor market's wages and tasks that are similar in responsibilities should be paid for within a suitable range.
3. Individual Equality: Since every person's skills are not the same, although they may be at similar levels, they may be compensated differently. For example, a person with higher skills and better performance should receive more compensation. This will create equality in regards to skills at the individual level.

Remuneration Policy

The company has a policy to manage remuneration to ensure fairness and adequacy for the conditions of employees so that company employees are happy and receive suitable wages for their work responsibility and command. The establishment of wages take into consideration various factors. Nevertheless, the results of the consideration cannot be disclosed in terms of evaluation criteria for work covering the company's challenging short- and long-term objectives. Therefore, the remuneration of company employees uses three criteria: KPI (70%), competency (20%) and development (10%). The salary and annual bonus for company employees depend on their performance and must be approved by the board of directors. Other than the challenging objectives, the aforementioned criteria are also indicators that cover performance efficiency in accordance with the short- and long-term objectives of the company's strategies and vision.

The company has a performance management system with the following four core objectives:

1. Creating a connection to and support for the organization's main objectives, meaning linking the main objectives to tasks at the individual level by creating a work plan or goals at the individual level.

2. Creating incentive and compensating individuals based on the success of their tasks as well as separating individuals with different levels of performance from one another so they can be appropriately compensated for their performance for the company throughout the year. Furthermore, this policy is an incentive that rewards individuals with good performance and encourages individuals with sub-par performance to improve themselves.

3. Developing Employees at the Individual Level: The company gives importance and pays attention to various issues and failure to execute work plans by analyzing the issues to find each individual's weak and strong points and points requiring improvement and creating an improvement plan for the employee so that they can use those goals to improve themselves in the following year. Once the employee has fulfill their skill requirements, they should naturally be able to overcome any obstacle.

4. Making a Succession Plan: The criteria for selecting and evaluating high-performance individuals and successors are as follows:

Promotion Adjustment

- Promotion adjustment means raising an employee's salary when the company appoints the employee to a higher position with clearly more duties and responsibilities. In addition, the employee must meet the minimum requirements in terms of work performance and years of experience based on their career path.
- The employee must have been working in the work level no less than one year, starting from the day the employee was appoint to the work level.
- The employee's average work performance must be above standard.

Capability Adjustment

- Capability adjustment means raising an employee's salary when there is a disparity in terms of salary when compared to the external labor market or internal employees or when the salary is unsuitable when compared to the employee's responsibilities or when the company needs to raise the salary as a special case.
- The proposal of capability adjustment should only be done in cases where it is deemed essential. For example, when an employee's salary is lower than that of a new employee with similar experience, when the salary is lower than the company's standards or when the salary is significantly lower than that of the external labor market.
- Capability adjustment in a period of twelve months, nomater how many times the salary is adjusted, the total cannot exceed 20 percent of the base wage. This does not include the raising of salaries based on performance capabilities (annual adjustment).

The recruitment of successors can be considered by using the following:

- List of high-potential employees.
- Succession plan.
- Career mapping.

In 2021, the company's total employee compensation was 107 million baht in the form of salaries, wages, stipends, fringe benefits, bonuses and other benefits. The company anticipates that the welfare and benefits it has established will be able to give its employees access to support and will truly benefit them as follows:

1. Health Insurance (Group) for Executives and Employees with Monthly and Daily Salaries

1.1 Employee health insurance.

1.2 Life insurance, receiving a maximum of 20 times employee's salary.

1.3 Accident insurance.

2. Employee Benefits

The company offers benefits other than social security to its employees. For example, in case of ordination, marital allowances and gifts for patients are provided. In case of the death of an executive or employee, including the death of a family member, medical benefits are provided in compliance with the company's regulations.

3. Annual Health Check-ups

The company provides annual health check-ups to administrators and employees of all levels.

4. Social Security and Workmen's Compensation Funds

The company registers its employees for the Workmen's Compensation Fund and the Social Security Fund in accordance with the Social Security Act.

5. Other benefits include smart working time, working from home, annual vacation time with a maximum of 16 days for employees and 18 days for administrators, employee uniforms, professional compensation, discount when purchasing a residence, long service awards, access to the company's sports center, etc.

Personnel Development Policy

A major business growth factor for the company is recruiting "good, skilled people". That's why the company gives importance to "people" as the organization's most valuable resources by using human capital management principles to generate maximum benefit from "people" for the organization. Currently, talent management is an important task. This group of individuals are what the organization places its hopes of achieving its challenging goals on. This sets the organization apart and gives it an advantage over its competitors. Hence, it is an important mission to develop the organization's employees to have quality and be as efficient as possible.

Therefore, to allow the company to work toward the aforementioned goals, the company established a career mapping guideline for all levels to achieve functional competency in order to encourage professional performance, systematic and consistent personnel development to work toward achieving the organization's vision. This also helps the organization to create a succession plan for important positions in order to prepare for vacancies. Furthermore, in 2021, the company held town hall meeting activities under the theme "ESTAR Open House, Tales about Overcoming Fears". The main objective was to help all of the employees prepare for the changes brought about by the Covid-19 pandemic by having the company executives and speakers from outside of the organization share stories from real experiences. Selected interesting stories include lessons from the 1997 crisis from several perspectives and stories from the Srichand powder executives about rebranding and reviving a 73-year-old Thai cosmetic powder brand. The purpose of this is to build confidence for everyone to overcome their fears together and give the employees an opportunity to ask questions. At the same time, the executives received opinions and useful suggestions directly from the employees.

7.6 Other Relevant Information

The company's secretary currently is Mr. Pongsak Maison. The secretary's role is to advise on relevant laws and regulations and appropriate practices regarding the business governance and activities of the board of directors in line with legal requirements. The secretary is also responsible for organizing meetings of the board of directors, executive committee and shareholders; coordinating with agencies in the company to take actions in line with resolutions passed by the executive committee, board of directors and shareholder meetings; coordinating with supervisory agencies such as the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand; supervising the disclosure of information to supervisory agencies and the public correctly and fully in compliance with the laws; and performing other duties as assigned by the board of directors.

Information about the company secretary and legally related training history is shown in Addendum 1.

Personnel Directly Responsible for Accounting Supervision

- Chief Responsible Person in Accounting and Finance

Ms. Poonnsri Pholpanitcharoen, Acting Accounting and Finance Director

- Accounting Supervisor

Urairat Boonmee, Accounting Manager

- Company Secretary

Mr. Pongsak Maison, Legal Director and Company Secretary

- Investor Relations

Ms. Phunsri Phonphanitcharoen, Acting Accounting and Finance Director

- Governance Director (Compliance)

N/A

- Important details about the Internal Audit Supervisor are as follows:

Honor Audit and Advisory Co., Ltd. was appointed by the company to perform internal audits with Ms. Piyamat Rueangsaengrob appointed as the person in charge.

Education History of Ms. Piyamat Rueangsaengrob, Internal Audit Supervisor

- Master of Accountancy (Financial Accountancy and Assurance), Thammasat University
- Graduate Diploma in Auditing, Chulalongkorn University
- Bachelor of Business Administration (Accounting), Rajamangala University of Technology Rattanakosin, Bophit Phimuk Chakkrawat Campus
- Bachelor of Arts (Mass Communication), Ramkhamhaeng University

Work Permit and Certifications

- Certified Public Accountant of Thailand, Registration No. 7133
- Certified Internal Auditor, Class 7 from the Federation of Accounting Professions
- Certificate from the "Development of Auditors Approved by the SEC" program from the Securities and Exchange Commission and the Federation of Accounting Professions.

- Certificate from the Federation of Accounting Professions, Program: “Preparing for Visits to the Audit Office to Guarantee Quality under the ISQC1 Standard, Class 3”
- Certificate from the Investor Club Association, Program: “How to Operate after Receiving Investment Promotion”
- Tax Law Certificates from Thammasat University, Programs: “Customs Duty, Excise Tax and Revenue Stamp”, “Value-added Tax and Specific Business Tax”, “Corporate Income Tax”, “Personal Income Tax” and “International Taxes”

Other Seminars (in 2016 – 2021)

- Prevention of Violation of Anti-corruption and Money-laundering Laws (2019)
- Administrators and Sustainability Reporting and Social Return on Investment (2019)
- Land and Building Taxes, Planning and Preparing Before It Becomes Effective in 2020 (2019)
- Introduction to IT-related Corruption (2019)
- Anti-corruption Working Paper Course (2018)
- Every issue of TFRS in 2018, sub-courses 202 on debt and 301 on revenue.
- IT Risks and Management (2017)
- Cyber Security for Auditors and Accountants in the 4.0 Era (2017)

Auditor Remuneration

The company and its subsidiaries paid audit service fees and other service fees to EY Office Co., Ltd. in the fiscal year 2021 as follows:

Company	Audit Service Fees	Other Service Fees
Eastern Star Real Estate Public Co., Ltd.	1,335,000 baht	13,622 baht
Eastern Star Resort Co., Ltd.	200,000 baht	341 baht
Eastern Star-Lai Sun-New World Co., Ltd.	40,000 baht	98 baht
Total	1,575,000 baht	14,061 baht

8. Major Corporate Governance Performance Report

8.1 Summary of the Board of Directors' Performance over the Past Year

Board of Directors Self-Evaluations

The board of directors organizes self-evaluation once annually in the form of self-evaluation of the entire board and self-evaluation of individual sub-committees. The evaluation criteria and scores are as follows:



The evaluation process is as follows:

- 1) The company arranges for self-evaluation to take place for the entire board of directors and by individual sub-committees. The company's secretary prepares the evaluation forms consistently with the guidelines of the Stock Exchange of Thailand and suitably with the nature of the company's business.
- 2) The company's secretary department sends the evaluation forms to each director, who then return them to the secretary department for compilation and presentation to the Nomination and Remuneration Committee.
- 3) The Nomination and Remuneration Committee evaluates the results and gathers the different opinions presented to the board of directors and uses the evaluation results to review work results and problems encountered throughout the year and to evaluate the supervisory effectiveness of the board of directors. Then the results are used to support and support improvements in the work of management.

Self-evaluation Results of the Board of Directors in 2021

They include 10 main topics, and the mean evaluation score is excellent at 97.24 percent. The details are as follows:

Topic	Evaluation Results (%)
1. Structure and qualifications of the board of directors	92.17
2. Board of directors' meetings	98.45
3. Readiness of directors	97.95
4. Roles, duties and responsibilities of the board of directors	96.05
5. Specification of strategies and business plans	98.74
6. Risk management and internal control	96.50
7. Prevention of conflicts of interest	99.11
8. Monitoring of financial reports and performance	96.17
9. Board of directors' meetings	98.25
10. Other (recruitment of directors and managing directors)	99.05

Summary of Self-Evaluation Results by Committee for 2021

These cover four main topics, and the mean evaluation score is excellent at 97.34 percent. The details are as follows:

Topic	Evaluation Results (%)
1. Structure and qualifications of sub-committees	98.05
2. Sub-committees' meetings	97.10
3. Roles, duties and responsibilities of the Audit Committee	97.95
4. Roles, duties and responsibilities of the Nomination and Remuneration Committee	96.25

Evaluation Process for the Managing Director's Performance

1) The board of directors has assigned the Nomination and Remuneration Committee to set the criteria for evaluating the performance of the managing director. The performance evaluation criteria should incentivize business management in line with the company's long-term objectives, business strategies and interests, and they are communicated in advance to the managing directors.

2) The Nomination and Remuneration Committee evaluates the performance of the managing director every year and communicates results along with improvement areas to the managing director.

3) Performance evaluation results are judged in the specification of the managing director's remuneration. Thus, the Nomination and Remuneration Committee would submit a proposal to a meeting of the board of directors for consideration of approval.

Development of Directors and Executives

The board of directors consistently supports every director to receive skill and knowledge development for performing their roles as directors and provides training and knowledge development as required to persons involved in the company's business management system in order to ensure continuous improvement.

Training Sessions Attended by the Board of Directors

Director Name	Class/Year of Course Training (IOD)	Course of the Thai Institute of Directors (IOD)	Course by Other Institutions
1. Mr. Anand Panyarachun	-	-	-
2. Mr. Pongpinit Tejagupta	Class 7/2013	ACEP	-
	Class 4/2013	HRP	-
	Class 7/2013	CDC	-
	Class 14/2012	RCC	-
	Class 2/2012	RNG	-
	Class 1/2011	M&A	-
	Class 2/2010	MFM	-
	Class 10/2010	MFR	-
	Class 7/2010	MIA	-
	Class 9/2010	MIR	-
	Class 1/2010	FGP	-

Director Name	Class/Year of Course Training (IOD)	Course of the Thai Institute of Directors (IOD)	Course by Other Institutions
	Class 7/2010	SFE	-
	Class 30/2010	ACP	-
	Class 126/2009	DCP	-
	Class 71/2008	DAP	-
3. Mrs. Sunanta Tiasuwan	Class 22/2002	DCP	-
	-	-	High-ranking Executive Program, Capital Market Academy, Class 11 (CMA 11)
4. Mr. Jessada Promjart	Class 25/2017	AACP	-
	Class 7/2004	CSP	-
	Class 45/2002	DCP	-
	Class 5/2000	ELP	-
	-	-	Public Director Certification Program (PDI), Class 14, King Prajadhipok's Institute
	-	-	Anti-Corruption Strategic Management for Senior Executives, Class 1, Office of the National Anti-Corruption Commission
	-	-	TCLA Executive Development Program, Class 9, Thai Listed Companies Association
	-	-	Telecommunication Management, Chulalongkorn University
	-	-	Cyber Resilience Leader Workshop, The Bank of Thailand, 2019
	-	-	IIA International Conference in California 2019, The Institute of Internal Auditor
	-	-	IIA International Conference in Dubai 2018, The Institute of Internal Auditor
	-	-	IIA International Conference in Sydney 2017, The Institute of Internal Auditor
	-	-	IIA International Conference in New York 2016, The Institute of Internal Auditor
5. Mr. Chatchawin Charoen-Rajapark	Class 88/2007	DCP	-
	Class 19/2007	ACP	-
	Class 7/2008	RCC	-
	Class 52/2006	DAP	-
6. Mr. Titiwut Soukpornchaikul	Class 21/2020	RCL	-
	Class 7/2020	CRC	-
	Class 298/2020	DCP	-
	Class 53/2020	ACPG	-
	Class 23/2016	AACP	-
	Class 15/2016	CGI	-

Director Name	Class/Year of Course Training (IOD)	Course of the Thai Institute of Directors (IOD)	Course by Other Institutions
	Class 36/2010	CSP	-
	Class 14/2009	EMT	-
	Class 72/2008	DAP	-
	-	-	Certified Investment and Securities Analyst Program, Level 3, The Stock Exchange of Thailand
	-	-	Executive Development Program, Class 6, The Stock Exchange of Thailand
	-	-	Financial Advisor Course, The Investment Banking Club, Association of Thai Securities Companies, 2015
7. Mr. Tinnawat Mahatharadol	Class 205/2015	DCP	-
	Class 6/2015	RMP	-
8. Mr. Nuttawit Boonyawat	-	-	Senior Executive Program (SEP 9) Sasin
9. Mr. Paiboon Wongjongjaiharin	Class 66/2007	DAP	-
	-	-	Building Energy Conservation (The Department of Alternative Energy Development and Efficiency under The Ministry of Energy) Class 18/1996
	-	-	Building Electrical Design and Installation Standard Code for Energy Conservation (The Department of Alternative Energy Development and Efficiency under The Ministry of Energy) Class 1/1997
	-	-	Person Responsible for Energy in Building (The Department of Alternative Energy Development and Efficiency under The Ministry of Energy) Class 1/2003
10. Mr. Torsak Lertsrisakulrat	2018	DCP	-
11. Mrs. Wanna Thamsirisup	Class 71/2008	DAP	-
	Class 102/2008	DCP	-
	Class 24/2010	RCP	-
	Class 3/2011	FGP	-
	Class 1/2013	RMP	-
	Class 8/2015	CGI	-
	Class 2/2016	ITG	-
	Class 28/2018	AACP	-
	Class 9/2019	BMD	-
	-	-	Audit Committee Seminar-Get Ready for the Year-end by SET & SEC, Class 11/2015

Director Name	Class/Year of Course Training (IOD)	Course of the Thai Institute of Directors (IOD)	Course by Other Institutions
	-	-	BOD Meeting by SEC-Promote Culture & Governance, Class 10/2562
	-	-	Personal Data Protection Act-PDPA by PWC, Deloitte 2019-2021
	-	-	TFR 9 by Thammasart University, 2019
	-	-	Ethical Leadership Program, 2021
	-	-	Forensic Accounting ,2021
	-	-	Senior Executive Development Program by the Association of Finance Companies, Thammasat University

Remarks:

AACP : Advanced Audit Committee Program

ACP : Audit Committee and Continuing Development Program

ACEP : Anti – Corruption for Executive Program

ACPG : Anti-Corruption: The Practical Guide

CDC : Chartered Director Class

CGI : Corporate Governance for Capital Market Intermediaries

CSP : Company Secretary Program

BMD : Boards that Make a Difference

DAP : Director Accreditation Program

DCP : Director Certification Program

EDP : Executive Development Program

FGP : Financial Institutions Governance Program

FSD : Financial Statements for Directors

ITG : Driving Company Success with IT Governance

HRP : How to Develop a Risk Management Plan

M&A : The Board's Roles in Merger & Acquisitions

MFM : Monitoring Fraud Risk Management

MFR : Monitoring of The Quality of Financial Reporting

MIA : Monitoring the Internal Audit Function

MIR : Monitoring the System of Internal Control and Risk Management

RCC : Role of the Compensation Committee

RCP : Role of the Chairman Program

SFE : Successful Formulation & Execution of Strategy

Orientation of New Directors

Persons selected to become new directors receive training and/or communication so that they learn about issues important to the company's business, including the responsibilities of company directors. Information used during orientation for appointed directors include issues about legal compliance, the company's memorandum of association, company regulations, the scopes of duties and responsibilities of the board of directors and sub-committees, reports of meetings of the board of directors over the past year, manual for directors in listed companies and good corporate governance principles prepared by the Stock Exchange of Thailand, good corporate governance policy, relevant laws to the company's business activities and other important rules and regulations of the company and other information related to business activities. During such a training session, the Nomination and Remuneration Committee and/or the company's secretary will provide the above information above to the new director. The board of directors has a policy to encourage directors to continuously learn new knowledge and supports directors to attend course training and participate in seminar activities.

Succession Plans for High-ranking Executives

The board of directors has assigned the Nomination and Remuneration Committee to create work succession plans and review development plans for the managing director and high-ranking executives in order to prepare continuous plans for successors in cases where the managing director or other high-ranking executives retire or can no longer perform their duties or manage the company continuously. The managing director and high-ranking executives have their own successor plans in order to maintain confidence in stakeholders such as shareholders, clients and employees that the company's business activities will be continuously in line with the secure and sustainable growth guidelines with good corporate governance. Accordingly, the managing director is instructed to report succession plan activities to the Nomination and Remuneration Committee and the board of directors for acknowledgement at least once annually.

8.1.1 Nomination and Appointment of Directors and High-ranking Executives**(1) Independent Directors**

The company has set in place the criteria for the nomination and appointment of independent directors based on the criteria governing the qualifications of independent directors announced by the Capital Market Supervisory Board as follows:

a) Shareholding not exceeding 1 percent of all shares eligible for voting in the applicant, parent company, subsidiary, associated company, major shareholder or persons with control authority of the applicant, including shares held by persons associated to the independent director.

b) No previous position as a director involved in work management or been a worker, employee or consultant paid a regular salary or been a person with control authority of the applicant, parent company, subsidiary, associated company, subsidiary on the same level, major shareholder or person with control authority of the applicant, unless the person stopped possessing said characteristics for at least two years prior to the date of submission of the application to the office. However, said prohibitions do not include cases where the independent director was a government official or consultant of a government agency holding major shares or with control authority of the applicant.

c) No blood or legal relationship as a parent, spouse, sibling or children, including spouses of children, with other directors, executives, major shareholders, persons with control authority or persons nominated to become directors, executives, or persons with control authority of the applicant or a subsidiary.

d) No current or previous business relations with the applicant, parent company, subsidiary, associated company, major shareholder or persons with control authority of the applicant in a manner that would hinder the independent exercising of judgment, and not be or have never been a significant shareholder or person with control authority with business relations with the applicant, parent company, subsidiary, associated company or major shareholder or person with control authority of the applicant, unless said person stopped possessing said characteristics for at least two years prior to the date of application to the office.

The business relations in the first paragraph include commercial transactions conducted as part of normal business activities and rent or renting out of real estate, transactions related to assets or services, and provision or receipt of financial assistance in the form of loans, guarantees, provision of assets as collateral for debts, including other similar circumstances such that the applicant or contract partner have debt obligations to the other party amounting to at least 3 percent of the net tangible assets of the applicant or at least 20 million baht, depending on whichever amount is lower. Accordingly, the calculation of said debts shall automatically follow the methods used to calculate the value of connected transactions announced by the Capital Market Supervisory Board governing connected transactions, but the consideration of said debt obligations will also include debts created within 1 year prior to the creation of business relations with said individuals.

e) No current or previous position as an auditor of the applicant, parent company, subsidiary, associated company or major shareholder or person with control authority of the applicant, and not be a significant shareholder, person with control authority or a partner of an audit office in which an auditor of the applicant, parent company, subsidiary, associated company, major shareholder or person with control of the applicant resides, unless said person has stopped possessing said characteristics at least 2 years prior to the submission date of the application to the office.

f) No current or previous provision of any professional services, including services as legal consultant or financial advisor, receiving service fees in excess of two million baht per year from the applicant, parent company, subsidiary, associated company, major shareholder or person with control authority of the applicant, and not be a significant shareholder, person with control authority or partner of the providers of said professional services, unless the person stopped possessing said characteristics for at least two years prior to the submission date of the application to the office.

g) No status as a director appointed to be a representative of a director of the applicant or major shareholder or a shareholder associated with a major shareholder.

h) No history of operating a business of the same nature in significant competition with the business of the applicant or subsidiary, and not be a significant partner in a partnership nor be a director involved in work management, worker, employee or advisor with a regular salary or who holds shares in excess of 1 percent of the total shares with eligible voting rights of the other company operating the same nature of business in significant competition with the business of the applicant or subsidiary.

i) No other characteristics that prohibit independent expression of opinions regarding the business activities of the applicant.

Subsequent receipt of an appointment to become an independent director with the characteristics above consistent with (a) to (i), said independent director might be appointed by the board of directors to make decisions relating to the business activities of the applicant, parent company, subsidiary, associated company, subsidiary of the same level, major shareholder or person with control authority of the applicant with decisions made in the form of collective decisions.

In cases where a person the applicant appoints as an independent director has or had business relations or provides or has provided professional services in excess of the values stated in (d) or (f), the applicant shall receive exemption on prohibitions for the existence of or prior existence of business relations or provision of professional services in excess value provided that the applicant presents opinions of the board of directors demonstrating that considerations have been made in accordance with Section 89/7 and that the board deems the appointment of said person would not impact the performance of duties and independent expression of opinions of said person, and the company will disclose the following information in the meeting invitation letters for the meeting of shareholders in which the considerations for the appointment of the independent director would be made:

(a) The nature of the business relations or professional services that would prevent the person from meeting the required qualifications.

(b) The reasoning and necessities for retaining or appointing said person as an independent director.

(c) The opinions of the board of directors on the applicant in nominating for the appointment of said person as an independent director.

For the benefit of the first paragraph in (e) and (f), "partner" means a person assigned by an audit office or professional service provider to affix signatures in audit reports or professional service reports (depending on the case) on behalf of said juristic persons.

(2) Nomination of Directors and High-ranking Executives

The board of directors is composed of no more than 12 directors. The board of directors has appointed the Nomination and Remuneration Committee to select and screen people to be appointed as directors and high-ranking executives, and the company does not use cumulative voting in the selection of directors. Instead, the company relies on the majority of votes of all shareholders in attendance of meetings with eligible voting rights. In the nominating of directors, directors could be nominated individual or in groups or by any other means as deemed appropriate by shareholder meetings. However, in each voting session, shareholders are required to cast votes at a rate by which a single share equals one vote, and shareholders may not give their votes to any person or group by any amount, and the Nomination and Remuneration Committee is responsible for the nomination, selection, consideration and screening of executives to become high-ranking executives of the company such as managing directors and assistant managing directors.

8.1.2 Oversight of Subsidiaries

The company supervises and controls the management of and take responsibilities for the activities of subsidiaries. In doing so, the company has assigned senior and experienced persons who represent the company to become directors in subsidiaries. Persons appointed to become directors in subsidiaries are naturally required to take actions for the greatest interest of subsidiaries.

In addition, the company has set regulations for persons appointed by the company to ensure that subsidiaries have regulations concerning connected transactions and acquisition or disposal of assets or other significant transactions of said companies to ensure completeness and correctness and adherence to the same criteria concerning disclosures of information and the above transactions as those used by the company. In addition, they are required to supervise and ensure the collection of information and accounting records in subsidiaries to allow the company to audit and collect them for creating consolidated financial statements as scheduled.

8.1.3 Care in the Use of Internal Information

The company has set in place policy prohibiting directors, executives and employees/workers in work positions or lines with responsibilities relating to or access to internal information, including the spouses and minor children of said persons, from purchasing or selling company stocks within 15 days before the publication of financial statements and important financial information of the company and within 1 day after the publication of the company's financial statements and important financial information.

Reports of Shares Held by Directors and Directors' Spouses and Minor Children

Valued at 1 baht per share.

No.	Name	Ordinary Shares (shares)		Increase (decrease) in Shares over the Year (shares)
		As of 1 January 2021	As of 31 December 2021	
1	Mr. Anand Panyarachun	4,000,000	4,000,000	-
2	Mr. Pongpinit Tejagupta	-	-	-
3	Mr. Preecha Oonchitti	-	-	-
4	Mrs. Sunanta Tiasuwan	-	-	-
5	Mr. Preeda Tiasuwan (spouse of Mrs. Sunanta Tiasuwan)	1,400,000	1,400,000	-
6	Mr. Jessada Promjart	-	-	-
7	Mr. Chatchawin Charoen-Rajapark	-	-	-
8	Mr. Titiwut Soukpornchaikul	-	-	-
9	Mr. Tinnawat Mahatharadol	-	-	-
10	Mr. Nuttawit Boonyawat	-	-	-
11	Mr. Paiboon Wongjongjaiharn	-	-	-
12	Mr. Torsak Lertsrisakulrat	-	-	-
13	Mrs. Wanna Thamsirisup	-	-	-

8.1.4 Anti-Corruption

The company recognizes the importance of operating business transparently based on the principles of good corporate governance in order to ensure effective business activities and fairness with responsibility for society and stakeholders. Thus, in order to prevent corruption in every form in the organization, the company has set in place business principles that do not support the businesses of groups or people that seek inappropriate gains. This is to ensure trust that the company operates business without corruption. In addition, the company has set its anti-corruption policy for strict adherence by the board of directors, executives and every company employee on every level and in every work section, and the company instructs subsidiaries, associated companies and other companies in which the company holds control authority to conduct business and act in the same line as the anti-corruption policy as follows:

Practice Guidelines

1. This anti-corruption policy covers personnel management processes covering recruitment or selection of personnel, promotions, training, employee performance evaluations, and remuneration. Supervisors on every level are required to communicate with and build understanding in employees for business activities under their responsibilities and are assigned to supervise and ensure effective implementation of this policy.
2. For any action under this anti-corruption policy, the practice guidelines stated in the good corporate governance manual and business ethics and anti-corruption manual, as well as other related regulations and operation manuals of the company are to be used.
3. To ensure clarity concerning activities involving high risk for corruption, the company requires that the board of directors, executives and employees perform their duties with caution.

3.1 Political Neutrality and Assistance

The company has a policy to remain politically neutral and does not support or engages in any political action, whether directly or indirectly, and this includes the use of company resources in activities that might harm the company's political neutrality and/or harm from participation in said activities.

3.2 Charitable Donations and Financial Assistance

Charitable donations are part of the company's organizational culture in assisting under-privileged people in society and to alleviate suffering in people who suffer from natural disasters or in order to promote the overall quality of life in the present and in the future. However, these charitable donations must be approved in line with the process set in place by the company and must occur transparently. Thus, payments must clearly specify recipients, including the names of registered recipient organizations, and the purposes of each donation. In general, financial assistances are provided in order to promote the image or reputation of the organization and usually occurs through various social activities. Accordingly, financial assistances have to be provided based on transparent decision-making criteria and involve accurate and sufficient payment contracts or evidence and must be approved in line with the company's processes and approval authority, and no financial assistances are to be provided so as to conceal corruption or bribery.

3.3 Giving or Receiving Gifts, Assets or Other Benefits, Including Greeting Service Fees and Other Expenses

In the acceptance or giving of gifts, assets, other benefits, greeting service fees, and other expenses that might create risk for corruption, all directors and employees are required to not accept or give any gift, asset or benefits, including greeting service fees and other expenses as can generally be perceived that such acceptance or giving of gifts, assets or benefits, including greeting service fees and other expenses, might create obligations or burdens and a sense that something in return might be required or that doing so

might lead to corruption. This specification also applies to the acceptance or giving of gifts or assets or other benefits to external parties. However, if said acceptance or giving of gifts or assets or other benefits, including greeting service fees and other expenses, do not cause obligations or burdens or feelings of repayment in a manner that constitutes corruption but which is consistent with normal traditional practices and custom, then they are permissible, provided that they are consistent with the company's business ethics and regulations.

3.4 Extortion, Fraud, Trickery, Conspiracy, Collusion, Abuse of Power, Embezzlement and Money Laundering

Abuse of power for these activities such as extortion, fraud, trickery, conspiracy, collusion, and money laundering are corrupt and forbidden acts as stipulated by the law and are explicitly prohibited by the anti-corruption measures manual and are direct breach of trust in the responsibilities and duties of directors or company employees, regardless of whether or not motives exist for such actions.

The high-risk acts for corruption stated above do not cover every situation, and directors and employees are required to exercise their discretion in order to ensure that business activities and transactions do not constitute corruption.

4. Directors, executives and employees are required to not demand or accept any benefits or inappropriate items or engage in dishonesty or acts that deviate from the normal circumstances involving people connected to the company's business.

5. Directors, executives and employees are prohibited from demanding or accepting money, benefits, things or other interests from any person or juristic person in business, whether they are demands or acceptances for the self or others such that they might create a motivation for performing or refraining from performing certain duties, for performing inappropriate activities or for engaging in illegal activity.

6. Giving, offering and receiving donations or support of money or items or any other benefits involving outside parties such that these parties are motivated to commit actions or refrain from committing actions that constitute legal or inappropriate violations in their duties or in order to create advantages or exchanges for inappropriate preferential treatments are strictly prohibited, whether these parties are government officials, brokers, representatives, trade partners, clients, persons with decision-making authority or others. In addition, givings and acceptances of donations or financial assistances must take place transparently and in compliance with the law with certainty that these donations and assistances will not be claimed later on as bribery.

7. In cases where juristic persons or external parties related to the company's business give items or benefits to executives or employees as a reward, executives and employees have to exercise appropriate discretion in whether or not it is appropriate and/or proper to accept them and must consider government regulations and laws. If refusal on the part of executives or employees might dishearten the other party and negatively impact business relations, then acceptance is permitted. However, the values of these items must not exceed those that officials are authorized to accept.

8. Acceptances of gifts and assets should be acceptance of assets or other benefits consistent with ethics. Such acceptances might be from connected persons, acquaintances and should be done in general and not specific and should not be of a value such that constitutes legal violations, and the gifts and assets themselves must not be illegal in nature.

9. Personnel of the company and subsidiaries, including their family members, are strictly prohibited from seeking or receiving gifts, assets or any other benefits from contractors, sub-contractors, clients, trade partners or other persons related to the company's business in any case potentially resulting in bias or distress or conflicts of interest.

10. Personnel of the company and subsidiaries are prohibited from giving bribes or any remuneration of a similar nature to other personnel of the company or external parties, especially government officials. In the giving of gifts, assets and other benefits

to government officials domestically and international, the company's personnel must be certain that doing so will not violate any law or local tradition or custom.

11. It is not appropriate to give or receive gifts of a value greater than what reasonable supervisors or subordinates would give to each other, regardless of the occasion.

12. Directors, executives, employees and subsidiaries must avoid giving or accepting things or benefits from trade partners or people involved in the company's business activities except as part of normal business activities or popular occasions or traditions.

13. Collaborations involving agencies such as government agencies, state enterprises and private sector members domestically and internationally must occur transparently, fairly and correctly in accordance with Thai and the international laws governing where the company conducts business, and the company will comply with anti-corruption laws in every locality in which the company conducts business.

14. Directors, executives, employees and subsidiaries are required to provide knowledge and build understanding with clients, trade partners, contractors and individuals or juristic persons with whom the company conducts business that the company does not support any action that constitutes corruption and will not be involved in any form of corruption, whether such includes collection, acceptance or payment of bribery, and, if these actions occur, the company must be reported to immediately.

15. The company stipulates that this policy also applies to subsidiaries, associated companies and other companies in which the company has control authority, including persons related to business activities.

16. Directors, executives and employees who fail to comply with this policy will be considered to have committed disciplinary violation against the company's regulations, and failure or refusal to follow these regulations may constitute legal violations for which the company will report to law enforcement officials for legal action against violators.

17. Companies and Persons with Business Relations

17.1 Subsidiaries and other companies in the group, including companies in which the company has control authority, are required to adhere to these anti-corruption measures.

17.2 For representatives and business intermediaries (if any), directors, executives and every employee are prohibited from hiring representatives or business intermediaries for any action involving the giving or taking of bribe or corruption.

Implementation Measures

1. The board of directors, executives and employees are required to comply with the anti-corruption policy and measures and the good corporate governance and business ethics principles of the company without becoming involved in corruption, whether directly or indirectly.

2. Employees should not neglect or remain idle upon discovering or having questions about actions that might constitute corruption. Rather, employees should notify their supervisors or responsible persons through set reporting channels and cooperate in the investigation into facts in line with the company's regulations.

3. The company will give justice and protection and will not punish or be impacted in any manner by the refusal of directors, executives and employees in engaging in corruption related to the company's business activities, regardless of whether or not doing so would cause the company to lose business opportunities. In addition, the company will take actions strictly in line with the protection measures for complaint filers and people who cooperate in reporting corruption as prescribed in the company's policies, regulations and practice guidelines governing treatment of personnel and/or complaint and reporting measures.

4. People who engage in corruption will be held in violation of the company's business ethics principles and will be judged for disciplinary actions in line with the company's regulations and might suffer legal penalties as well, if their actions constitute legal violations.

5. The company communicates its anti-corruption policy and measures, including channels for making reports, filing complaints and submitting recommendations, to all directors, executives, employees, subsidiaries and every other party involved through various channels such as orientation for directors and employees, dissemination of information and news inside the organization and the company's group using various media to build knowledge and understanding in the implementation of this policy.

6. The company communicates its anti-corruption policies and measures as well as channels for making reports, filing complaints and submitting recommendations to the public and stakeholders through various means such as the company's website and annual reports.

7. The company arranges for corruption risk management, whereby risks are assessed and ordered in terms of importance, and appropriate measures are put in place along with monitoring of measures already being implemented. Accordingly, the work committee responsible for screening complaints about corruption and other matters coordinates with the Audit Committee about corruption risk in order to permit the internal audit office to perform audits.

8. The company has set in place a personnel management system that reflects the company's determination in adhering to the anti-corruption policy and measures covering recruitment, training, performance evaluation, remuneration, promotions and appropriate separation of duties in order to create checks and balances and create actions that ensure that resources are available and that personnel possess sufficient and suitable skills for the implementation of this policy.

9. The company has created clear, concise, effective, transparent and verifiable regulations governing approval authority.

10. The company has established an internal control system covering finance, accounting, data collection and other processes inside the company related to anti-corruption measures and communicates the effects of internal control to personnel with relevant responsibilities.

11. The company has established an internal audit system covering the important activities of the company such as commercial activities, procurement, etc. in order to ensure that the internal control system achieves its objectives; to audit work activities to ensure that they comply with practice regulations, specifications and rules; and to give recommendations for improving work systems for greater effectiveness in line with the policy.

12. The company has set in place measures for reporting and mechanisms for protecting informants as well as ways to communicate various anti-corruption measures through employee orientation, email, journals, internal and external communication and policy notification letters to trade partners and clients and the company's websites.

Monitoring and Ensuring Practice

The company has made it the duty and responsibility of directors, executives and all employees to know and follow the policies and specifications included in the company's manual governing good corporate governance. In addition, executives on every level are required to take responsibility for and hold it to be an important matter to encourage employees under their supervision to have knowledge about, understanding of and strict adherence to the good corporate governance manual.

The company does not engage in any unlawful activities or activities that contradict the principles of good governance. If a director, executive or employee is found to have committed violations against the set good corporate governance principles, said person will be subjected to strict disciplinary actions. In addition, if there is credible evidence to believe that such a person has committed violations against the laws, regulations, rules or requirements of the government, the company will submit the issue to government officials for further action.

If any employee on any level of the company struggles in making any decision or performing any task for which business ethics specifications do not exist in the company's business ethics, then said employee has to ask himself or herself the following questions concerning the action being considered:

1. Will the action violate the law?
2. Will the action violate any policy or ethics or harm the image of the company?
3. Will the action seriously and adversely impact the company's stakeholders?

Employees on every level can file complaints or submit any recommendations, suggestions or clues concerning legal violations and/or business ethics in line with the good corporate governance principles, including behaviors that might constitute corruption or inappropriate behaviors by any person within the company, and the company's stakeholders are to file reports by using the company's communication channels.

Measures for Filing Reports and Mechanisms for Protecting Informants

The company monitors and cares for employees on every level to ensure that they strictly comply with the policy and specifications in the anti-corruption manual. In addition, the company has set in place a process for handling complaints and filing reports with channels for filing reports for any complaint filers inside or outside the organization about any illegal activity, rights violation, breach of ethics, and behaviors that might constitute corruption or unlawful activities involving any person on any level in the organization, including company executives and employees and those in subsidiaries and other stakeholders. Accordingly, the company's investigation and corrective measures are clear, neutral, and transparent, and the company has in place measures for protecting relevant informants and witnesses in line with the company's complaint and reporting process. Thus, people can file complaints with the company via three channels as follows:

- 1) By the company's website: www.estarpcl.com
- 2) By email: anti-corruption@estarpcl.com
- 3) By registered postal service directly sent to the following:

Work Committee on Screening Complaints about Corruption and Other Matters,
Eastern Star Real Estate Public Co., Ltd.
898, 5th Floor, Ploenchit Tower, Ploenchit Road,
Lumphini, Pathumwan, Bangkok 10330

Complaint Handling Procedures

1. If a complaint is about a violation or failure to comply with policy or practice regulations concerning personnel, the complaint will be sent to the human resources department manager.
2. If the complaint is about a violation or failure to comply with government laws or regulations, or business governance policies or principles or the regulations of the company, the complaint will be sent to the company's secretary.
3. If the complaint is about an action that might constitute corruption, that is, any action that might constitute inappropriate or unlawful seeking of personal gains or gains for others, such as embezzlement, corruption, fraud, etc., the complaint will be sent to the Audit Committee.
4. In cases where a complaint in 1, 2 or 3 is complex or involves many agencies, the complaint will be sent to the managing director in order to establish a committee to conduct an investigation into facts and taking relevant actions.
5. Subsequently, persons who receive complaints are to register the complaint and record information with the company's secretary. In doing so, a summary of all recommendations and issues will be made for presentation according to the complaint and reporting process and will be submitted to the Audit Committee on a quarterly basis. This, however, excludes letters addressed to the Audit Committee, which will be sent directly to the Audit Committee. In addition, urgent cases can be directly reported to the managing director by email. Afterwards, the company will conduct an investigation according to procedures and record the investigation in writing without disclosing the names of informants and will maintain the confidentiality of reported information so as to prevent potential impacts to report filers.

Measures for Protecting the Rights of Complaint/Report Filers

In order to protect the rights of complaint/report filers and people who cooperate in investigations into facts, the company will not disclose the names of complaint filers and will keep information about complaints secret. The purpose of this is to prevent potential impacts to complaint filers and to provide protective measures in cases where said persons might perceive risks to their own safety or might be vulnerable to trouble or harm. Accordingly, the company will operate with fair and appropriate processes and provide alleviation for any damage in cases where the aforementioned occurs.

In 2020, the company received no complaints or reports of ethical violations, failures to comply with corporate governance principles, or any form of corruption.

8.2 Audit Committee Report

On 17 February 2022

Dear Shareholders,

The Audit Committee was appointed by the board of directors and comprise three independent directors in accordance with the criteria and conditions of the SET (Stock Exchange of Thailand). The directors have the appropriate qualifications and experience to perform their duties according to SET's specifications and as given by the board of directors.

In 2021, the Audit Committee held a total of five meetings with the executive directors, Accounting and Finance Director, certified public accountant and internal auditor to discuss and consider important matters freely and transparently. One of the meetings with the auditor was not attended by the Executive Department. The names of the Audit Committee members and meeting details are as follows:

Audit Director Name	Position	Total No. of Attendance (meeting)
1. Mr. Preecha Oonchitti	Chairman of the Audit Committee	3/3
2. Mrs. Sunanta Tiasuwan	Chairman of the Audit Committee	5/5
3. Mr. Jessada Promjart	Audit Director	5/5
4. Mrs. Wanna Thamsirisup	Audit Director	1/1

Remarks:

- Mr. Preecha Oonchitti remained in the position of Chairman of the Audit Committee until 20 October 2021.
- Mrs. Sunanta Tiasuwan was appointed Chairman of the Audit Committee on 1 December 2021.
- Mrs. Wanna Thamsirisup was appointed Audit Director on 1 December 2021.

Major operations in 2021 are summarized as follows:

1. Financial Report Audit

The Audit Committee considered and examined the company's reports, consolidated financial statement and separate financial statements as well as disclosure of financial information to the shareholders and rendered the opinion that the information is correct and complete and in accordance with the financial reporting standards.

2. Risk Management Audit

The Audit Committee considered and examined the annual risk management plan and risk management guidelines, to ensure consistency with changes in the environment and situation by considering internal and external factors and chances of impact, and regularly monitored the progress of risk management to control and reduce major risks to an acceptable level. In addition, the committee has proposed systematic risk management recommendations as deemed appropriate.

3. Internal Audit Supervision

The Audit Committee considered the internal auditor's report and the company's internal control adequacy evaluation report in compliance with the Securities and Exchange Commission and rendered the opinion that there are no major flaws in the company's overall internal control system.

4. Compliance with Securities and Exchange Laws, SET Regulations or Laws Related to the Company's Business

The Audit Committee considered and examined the compliance with securities and exchange laws, SET regulations and laws related to the company's business as well as regularly monitored corrective guidelines by the Executive Department. In 2021, no events were found to significantly indicate that the company is in violation of laws, SET regulations or laws related to the company's business.

5. Audit of Connected Transactions or Transactions That May Cause Conflict of Interest

The Audit Committee considered and examined the disclosure of relevant information to ensure compliance with conflict-of-interest prevention principles and the complete disclosure of information.

6. Audit of Compliance with Anti-corruption Measures

In accordance with the company's certification as a member of Thailand's Private Sector Collective Action Coalition Against Corruption, the Audit Committee audited risk assessments, internal control measures and compliance with anti-corruption measures and monitored complaints about corruption on a quarterly basis. The company has adequate internal control and risk management systems.

7. Auditor Selection, Nomination and Remuneration for 2022

The Audit Committee recommends that the company's Board of Directors make a recommendation at the shareholders' meeting to consider appointing Mrs. Kingkan Atsawarangsarit, Certified Public Accountant License No. 4496, or Miss Pimjai Manitkajohnkit, Certified Public Accountant License No. 4521, or Miss Sumana Punpongsanon, Certified Public Accountant License No. 5872, or Mr. Chayapol Suppasertanon, Certified Public Accountant License No. 3972, of EY Office Co., Ltd. as the company's auditors for the 2022 accounting period with remuneration for auditing by Eastern Star Real Estate Public Co., Ltd. not exceeding 1,335,000 baht.

The Audit Committee has rendered the opinion that the company's financial report is accurate, complete, credible and compliant with general accounting standards. The company has adequate internal control and risk management systems with continuous work process development and improvement to improve quality and ensure overall compliance with company objectives and goals as well as facilitate adaptation in accordance with the rapidly changing situation. In addition, the company has adequate corporate governance.

9. Internal Control and Connected Transactions

9.1 Internal Control

The company continuously gives importance to its internal control system. The board of directors has assigned the Audit Committee to evaluate and audit the internal control system with emphasis on the presence of an adequate and suitable internal control system for business activities along with work effectiveness and efficiency with effective resource utilization, cost-saving and worthwhileness. This includes maintaining the company's assets as well as preventing or minimizing mistakes, damage, leaks, waste and corruption. In addition, financial reports used inside and outside the company must be correct, reliable and available in a timely manner, and activities are to occur in line with the law and policies set by the company to govern them.

The company employs outside parties to serve as internal auditors of the company and audit the work activities inside the company to ensure compliance to regulations and company policies. Internal auditors will perform an audit in accordance with the annual audit plan for 2021 which was approved by the Audit Committee. The audit will take into consideration the evaluation results of possible risks and the adequacy evaluation results for the core work systems' internal control in accordance with the COSO framework and the Institute of Internal Auditors of Thailand's guidelines as well as the Stock Exchange of Thailand's guidelines in order to use the audit observations to make recommendations for improvements for management to apply. In addition, an internal auditor will compile faults encountered in various work activities and report them to the Audit Committee every quarter for acknowledgement and to supervise management to take corrective actions as appropriate.

In 2021, the Audit Committee assessed the company's internal control system by reviewing and inquiring for information from management and the company's internal auditor. The committee's opinion is that the company's internal control system in five parts, namely, the control environment, risk assessment, control activities, information and internal communication and monitoring and evaluation were exhibited adequate and appropriate internal control. The details are as follows:

1. Control Environment

The company's environmental factors promoted the presence of an adequate and appropriate internal control system. The management of various aspects that contributed to the efficiency of internal control is as follows:

1.1 The company has established in writing policies and regulations on good governance and standards for ethics and codes of conduct in business operations.

1.2 The company has established a vision, a mission and objectives clearly for each year, taking into consideration various factors such as the state of the economy, market and competitive environment. In addition, the company has established a clear performance evaluation standard for use as a guideline for operations and for monitoring to ensure that operations are in line with the goals. This standard will be regularly reviewed to ensure consistency with the currently dynamic situation.

1.3 The company has established an organizational structure and segregated the duties and responsibilities of each department as well as created clear operational manuals for tasks in the main agency and improved the minor work system to be efficient and create work fluidity and conciseness with reduced task redundancy so that every department can operate under the same standard.

1.4 The company established a policy for protecting personal data in the process of storing and disclosing of personal data in addition to establishing rights to access personal data in order to comply with the Personal Data Protection Act

(2019) and has appointed a personal data control team to manage and secure personal data acquired by the company and to ensure that the company's personal data is stored, used and disclosed efficiently, adequately and appropriately for the purpose of protecting personal data.

1.5 The company has established a policy that makes the company participate in declaring its anti-corruption intentions, joining Thailand's Private Sector Collective Action Coalition Against Corruption, to show the company's tangible efforts to operate honest businesses. In 2021, the CAC (Thailand Private Sector Collective Action Coalition Against Corruption) voted to certify Eastern Star Real Estate Public Co., Ltd. as a member effective as of 3 June 2021.

2. Risk Assessment

In 2021, the board of directors authorized a risk management plan for the company's business activities created by the risk management work committee. Risk assessment took place covering internal and external factors influencing the company's business strategies and activities. The risk management components are consistent with the COSO-ERM framework and principles for risk management as generally practiced. That is, considerations have been made in regards to (1) corporate governance and organizational culture; (2) organizational strategies and objectives; (3) risk management; (4) risk review and improvements; (5) communication and reporting of risks. The company has considered risks from opportunities and possible impact to various aspects as follows: strategic risks, operational risks, financial risks and compliance risks as well as corruption risks in order to comply with the Collective Action Coalition Against Corruption. The company's risk assessment process includes specification and evaluation of severities, prioritization and risk responses. The company has established a control guideline for the prevention or reduction of risks to maintain them at an acceptable level. The company has reviewed the risk management plan at the Meetings of the Executive Committee, the Audit Committee and the Board of Directors in order to enhance capabilities and build sustainability for the organization.

3. Control Activities

The company has appropriate and sufficient internal control for each main activity. Each main activity is governed by practice guidelines necessary for internal control in the form of important policies described in the control environment component, along with regulations, rules, orders, procedural manuals and operations manuals. In addition, necessary practice guidelines for each activity have been set clearly, and the Audit Committee has been established to serve as an important tool of the board of directors in supervising work activities. The Audit Committee performs its duties according to the scope and responsibilities defined by the board of directors and reports to the board of directors whenever it encounters any activity which does not demonstrate the presence of an adequate and sufficient internal control system.

4. Information and Communication in the Organization

The company possesses information related to work activities, and financial reports and reports of work activities in line with policies and practice regulations as well as information obtained from outside the organization are communicated to executives and users inside the organization in formats that help give enough information to facilitate effective operation and decision-making in information recipients. Therefore, the company's information and communication are appropriate.

5. Monitoring and Evaluation

The company has in place a monitoring process that facilitates the completion of business objectives and exhibits the presence of sufficient and effective internal control. This includes monitoring while activities are ongoing and evaluation of internal control by the internal audit department. Furthermore, in 2021, the company held a total of ten meetings of the board of directors along with five meetings of the Audit Committee, ten meetings of the Executive Committee, and regular management meetings in order to evaluate work performance in line with set objectives.

5.1 Sufficiency and Adequacy of the Company's Internal Control System

The internal auditors will audit the internal control evaluation and report on the audit to the company's executive department and Audit Committee. If any step or control is discovered to be a weak point, the executive department will consider establishing measures for resolving the problem systematically and consistently.

The audited agency will receive recommendations on how to improve their operations or what additional control measures they need to improve control of operations. The internal auditors will perform follow-ups and evaluations as well as regularly report to the company's executive department and Audit Committee on the progress.

5.2 The Audit Committee reported to the board of directors that the Audit Committee already reviewed the internal auditor's report and report on the adequacy of the company's internal control system in line with the guidelines of the Office of the Securities and Exchange Commission and viewed that the company's internal control system contained no significant faults.

Differences in the Opinions of the Audit Committee and the Board of Directors

In 2021, the Audit Committee did not have any opinions that differed from those of the board of directors regarding internal control, and the company's auditor did not raise observations regarding the company's internal control system.

Internal Audit Supervisor

The company relies on the services of an external agency in performing internal audits. Accordingly, the company has employed Honor Audit and Advisory Co., Ltd. with Ms. Piyamat Rueangsaengrob appointed by said company to function as the person in charge of internal audit.

9.2. Connected Transactions

In 2021, the company and subsidiaries disclosed significant connected transactions and connected persons in the financial statements for 2021.

Policies and Guidelines for Future Connected Transactions

For the foreseeable future, the company does not have a policy to conduct connected transactions. However, in necessary cases and for the greatest interests of the company, the company will consider the reasonability of such transactions thoroughly and will consider conducting connected transactions with prices and conditions that are identical to those with external parties. Furthermore, the company will strictly comply with the procedures, specifications and announcements of the Office of the Securities and Exchange Commission and those of the Stock Exchange of Thailand concerning the criteria, procedures and disclosures of connected transactions for listed companies and the criteria and regulations set forth by the law with primary consideration to the interest of the company. Additionally, the Audit Committee will monitor and audit connected transactions of the company to ensure compliance with relevant regulations.

Independent Auditor's Report

To the Shareholders of Eastern Star Real Estate Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Recognition for revenue from sales of real estate

The Company's accounting policy on revenue recognition for revenue from sales of real estate, sales of land, sales of land with houses and sales of residential condominium units, are disclosed in Note 4.1 to the consolidated financial statements. Revenue from sales of real estate is a significant amount in the statement of comprehensive income, and the Company has significant numbers of property units for sale and property sales agreements. I have therefore identified revenue recognition as a key audit matter and focused on the amount and timing of the recognition for revenue from sales of real estate.

I performed the audit procedures on the revenue recognition of the Company including:

- a. Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- b. Applying a sampling method to select property sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant property sales agreement, and whether it was in compliance with the Company's accounting policy.
- c. On a sampling basis, examining supporting documents for actual real estate sales transactions occurring during the year and near the end of the accounting period.
- d. Performing analytical procedures on disaggregated data of revenue from sales of real estate.

Impairment evaluation of investment properties

As discussed in Note 4.12 and Note 13 to the consolidated financial statements, in evaluating impairment of investment properties of the Group, management had to exercise significant judgement with respect to the analysis of the nature of the assets and asset use, and determination of key assumptions. I have therefore identified the provision for impairment of investment properties as a key audit matter and focused on the amount of provision for impairment of investment properties.

I assessed the internal controls of the Group relevant to the determination of provision for impairment of investment properties by making enquiry of responsible executives and gaining an understanding of the controls. In addition, I assessed the methods and the assumptions applied by management in determining such provision. The audit procedures included, among others, the following.

- a. A consideration of related internal and external information to assess whether there are any indicators of impairment of investment properties and an analysis of information related to the asset's fair value less costs to sell and its value in use.
- b. A review of the basis applied in determining impairment of investment properties, the consistency of the application of that basis, and the rationale for the recording of provision.
- c. A review of the reasonableness of the report on net realisable values prepared by the Company's management or the appraisal reports of independent appraisers.

In addition, I assessed the disclosure of information by the Group's management with respect to assessment of impairment of investment properties.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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


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

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

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

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

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



Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 24 February 2022

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	312,172,389	362,559,218	306,074,406	361,033,471
Other current financial assets	8	50,822,171	325,583,479	40,170,518	300,051,565
Trade and other receivables	6, 9	8,406,702	10,899,019	13,529,480	41,922,231
Real estate development costs and inventories	10	2,831,372,771	3,020,339,894	2,835,551,857	3,024,945,605
Advance for construction work		36,992,422	12,079,461	36,992,422	12,079,461
Cost to obtain a contract	17	68,744,204	136,227,006	68,744,204	136,227,006
Other current assets		31,867,789	15,666,857	30,780,830	14,355,790
Total current assets		3,340,378,448	3,883,354,934	3,331,843,717	3,890,615,129
Non-current assets					
Lease receivables	11.1	21,768,170	23,613,967	21,768,170	23,613,967
Investments in subsidiaries	12	-	-	505,374,400	505,374,400
Investment properties	13	922,532,586	883,748,673	960,424,308	922,663,814
Property, plant and equipment	14	413,912,340	430,160,150	251,106,157	251,332,729
Right-of-use assets	21	31,734,677	37,636,171	31,734,677	37,636,171
Intangible assets	15	7,216,641	10,477,132	7,206,785	10,477,123
Deferred tax assets	28	34,924,767	33,523,054	33,660,831	32,510,780
Land and improvement awaiting development	16	1,922,502,116	1,794,990,576	1,776,883,733	1,660,485,281
Other non-current assets		58,359,087	105,999,220	53,367,814	101,020,483
Total non-current assets		3,412,950,384	3,320,148,943	3,641,526,875	3,545,114,748
Total assets		6,753,328,832	7,203,503,877	6,973,370,592	7,435,729,877

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from related party	6	-	-	15,000,000	-
Trade and other payables	6, 19	60,691,568	42,568,512	59,781,924	78,495,516
Current portion of long-term loans	20	441,834,870	226,919,981	441,834,870	226,919,981
Current portion of lease liabilities	21	5,293,934	7,087,824	5,293,934	7,087,824
Advance received from customers	22	121,863,799	279,399,700	119,228,408	278,677,414
Accrued expenses		93,298,110	120,877,863	92,781,576	119,966,718
Income tax payable		1,678,444	53,327,227	1,678,444	53,327,227
Other current liabilities	23	71,172,622	64,090,699	70,009,122	63,312,735
Total current liabilities		795,833,347	794,271,806	805,608,278	827,787,415
Non-current liabilities					
Long-term loans, net of current portion	20	952,716,000	1,347,199,000	952,716,000	1,347,199,000
Lease liabilities, net of current portion	21	27,260,264	31,393,040	27,260,264	31,393,040
Provision for long-term employee benefits	24	32,659,280	29,864,108	23,997,635	22,460,772
Retention guarantees		14,412,213	32,011,303	14,412,213	32,011,303
Advance received from land lease	11.2	2,534,331	2,860,731	2,534,331	2,860,731
Deferred tax liabilities	28	18,738,627	32,336,250	18,738,627	32,336,250
Other non-current liabilities		25,062,201	18,030,421	25,054,435	18,005,136
Total non-current liabilities		1,073,382,916	1,493,694,853	1,064,713,505	1,486,266,232
Total liabilities		1,869,216,263	2,287,966,659	1,870,321,783	2,314,053,647

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Shareholders' equity					
Share capital					
Registered					
5,172,246,185 ordinary shares of Baht 1 each		5,172,246,185	5,172,246,185	5,172,246,185	5,172,246,185
Issued and paid up					
5,022,246,185 ordinary shares of Baht 1 each		5,022,246,185	5,022,246,185	5,022,246,185	5,022,246,185
Share discount		(429,264,886)	(429,264,886)	(429,264,886)	(429,264,886)
Capital reserve for share-based payment transactions		978,875	978,875	978,875	978,875
Retained earnings					
Appropriated - statutory reserve	25	81,604,224	80,004,224	81,604,224	80,004,224
Unappropriated		22,660,086	52,833,057	427,484,411	447,711,832
Other components of shareholders' equity		74,131,479	74,131,479	-	-
Total shareholders' equity		4,772,355,963	4,800,928,934	5,103,048,809	5,121,676,230
Non-controlling interest of the subsidiaries		111,756,606	114,608,284	-	-
Total shareholders' equity		4,884,112,569	4,915,537,218	5,103,048,809	5,121,676,230
Total liabilities and shareholders' equity		6,753,328,832	7,203,503,877	6,973,370,592	7,435,729,877
		-	-	-	-

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenue from sales of real estate	30	1,182,466,445	2,562,154,715	1,182,608,945	2,582,690,467
Services revenue	30	32,248,872	43,411,207	3,247,794	2,475,907
Rental revenue	11, 30	38,904,860	40,557,093	38,862,860	40,543,671
Other income		72,760,755	33,788,656	75,038,652	37,685,616
Total revenues		1,326,380,932	2,679,911,671	1,299,758,251	2,663,395,661
Expenses					
Cost of real estate sold		860,393,241	1,735,754,524	861,117,806	1,733,311,034
Cost of services		27,074,705	32,633,223	2,708,762	1,968,727
Cost of rent		29,539,571	29,145,727	30,562,989	30,171,949
Selling and distribution expenses		135,160,343	243,461,227	133,466,996	241,451,187
Administrative expenses		244,883,136	277,631,062	229,180,437	257,547,685
Loss on diminution in value of assets	13, 14, 16	-	101,199,473	-	95,880,452
Reversal of loss on diminution in value of assets	13	(16,680,242)	(14,558,414)	(16,680,242)	(21,377,870)
Total expenses		1,280,370,754	2,405,266,822	1,240,356,748	2,338,953,164
Profit before finance cost and income tax expenses		46,010,178	274,644,849	59,401,503	324,442,497
Finance costs	26	(17,856,022)	(11,297,955)	(18,198,457)	(11,297,955)
Profit before income tax expenses		28,154,156	263,346,894	41,203,046	313,144,542
Income tax expenses	28	(9,366,784)	(71,843,279)	(9,618,446)	(73,279,127)
Profit for the year		18,787,372	191,503,615	31,584,600	239,865,415
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss)		-	3,314,254	-	4,172,276
Less: Income tax effect		-	(834,455)	-	(834,455)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	2,479,799	-	3,337,821
Other comprehensive income for the year		-	2,479,799	-	3,337,821
Total comprehensive income for the year		18,787,372	193,983,414	31,584,600	243,203,236

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit attributable to:					
Equity holders of the Company		21,639,050	188,515,976	31,584,600	239,865,415
Non-controlling interests of the subsidiaries		(2,851,678)	2,987,639		
		<u>18,787,372</u>	<u>191,503,615</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		21,639,050	190,995,775	31,584,600	243,203,236
Non-controlling interests of the subsidiaries		(2,851,678)	2,987,639		
		<u>18,787,372</u>	<u>193,983,414</u>		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.004	0.038	0.006	0.048

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

Eastern Star Real Estate Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2021

	Consolidated financial statements										(Unit: Baht)	
	Equity attributable to the parent's shareholders											
	Issued and paid-up share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings		Other comprehensive of equity			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity
				Appropriated	Unappropriated (deficit)	Surplus from change in the ownership interests in subsidiaries	Total other attributable to owners of the Company					
Balance as at 1 January 2020	5,022,246,185	(429,264,886)	978,875	68,004,224	(126,162,718)	74,131,479	74,131,479	4,609,933,159	111,620,645	4,721,553,804		
Profit for the year	-	-	-	-	188,515,976	-	-	188,515,976	2,987,639	191,503,615		
Other comprehensive income for the year	-	-	-	-	2,479,799	-	-	2,479,799	-	2,479,799		
Total comprehensive income for the year	-	-	-	-	190,995,775	-	-	190,995,775	2,987,639	193,983,414		
Transfer unappropriated retained earnings to statutory reserve (Note 25)	-	-	-	12,000,000	(12,000,000)	-	-	-	-	-		
Balance as at 31 December 2020	5,022,246,185	(429,264,886)	978,875	80,004,224	52,833,057	74,131,479	74,131,479	4,800,928,934	114,608,284	4,915,537,218		
Balance as at 1 January 2021	5,022,246,185	(429,264,886)	978,875	80,004,224	52,833,057	74,131,479	74,131,479	4,800,928,934	114,608,284	4,915,537,218		
Profit for the year	-	-	-	-	21,639,050	-	-	21,639,050	(2,851,678)	18,787,372		
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	-	21,639,050	-	-	21,639,050	(2,851,678)	18,787,372		
Dividend paid (Note 31)	-	-	-	-	(50,212,021)	-	-	(50,212,021)	-	(50,212,021)		
Transfer unappropriated retained earnings to statutory reserve (Note 25)	-	-	-	1,600,000	(1,600,000)	-	-	-	-	-		
Balance as at 31 December 2021	5,022,246,185	(429,264,886)	978,875	81,604,224	22,660,086	74,131,479	74,131,479	4,772,355,963	111,756,606	4,884,112,569		

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

Eastern Star Real Estate Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share discount	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2020	5,022,246,185	(429,264,886)	978,875	68,004,224	216,508,596	4,878,472,994
Profit for the year	-	-	-	-	239,865,415	239,865,415
Other comprehensive income for the year	-	-	-	-	3,337,821	3,337,821
Total comprehensive income for the year	-	-	-	-	243,203,236	243,203,236
Transfer unappropriated retained earnings to statutory reserve (Note 25)	-	-	-	12,000,000	(12,000,000)	-
Balance as at 31 December 2020	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>80,004,224</u>	<u>447,711,832</u>	<u>5,121,676,230</u>
Balance as at 1 January 2021	5,022,246,185	(429,264,886)	978,875	80,004,224	447,711,832	5,121,676,230
Profit for the year	-	-	-	-	31,584,600	31,584,600
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	31,584,600	31,584,600
Dividend paid (Note 31)	-	-	-	-	(50,212,021)	(50,212,021)
Transfer unappropriated retained earnings to statutory reserve (Note 25)	-	-	-	1,600,000	(1,600,000)	-
Balance as at 31 December 2021	<u>5,022,246,185</u>	<u>(429,264,886)</u>	<u>978,875</u>	<u>81,604,224</u>	<u>427,484,411</u>	<u>5,103,048,809</u>
	-	-	-	-	-	-

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

Eastern Star Real Estate Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax expenses	28,154,156	263,346,894	41,203,046	313,144,542
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Decrease in real estate development costs as a result of transfer to cost of real estate sold	861,698,430	1,737,347,938	862,401,275	1,734,904,448
Reversal of loss on diminution in value of project	(1,283,469)	(1,593,415)	(1,283,469)	(1,593,415)
Allowance (Reversal) for expected credit losses	288,050	(8,513,566)	288,050	(8,513,566)
Depreciation and amortisation	64,636,001	65,160,496	60,429,143	60,285,201
Discount received from rental agreement	(900,000)	(160,000)	(900,000)	(160,000)
Provision for long-term employee benefits	5,858,615	8,008,516	4,600,306	6,331,736
Unearned revenues	(2,701,236)	(9,192,585)	-	-
Recognised income from lease	(1,390,124)	(1,395,629)	(1,390,124)	(1,395,629)
Gain on sales of financial assets	(124,768)	(48,993)	(116,256)	(48,993)
Unrealised gain on changes in value of financial assets	(76,040)	(106,227)	(64,813)	(7,004)
Reversal Loss on diminution in value of investment properties	(16,680,242)	(5,534,676)	(16,680,242)	(5,534,676)
Loss (gain) on sales and written off of investment properties	3,086	(98,144,964)	3,086	(98,144,964)
Loss (reversal) on diminution in value of property, plant and equipment	-	5,319,021	-	(6,819,457)
Loss on disposal and written off of equipment	329,640	17,800,629	257,974	17,771,394
Loss on diminution in value of land and improvement awaiting development	-	86,856,714	-	86,856,714
Loss (gain) on sales and written off of land and improvement awaiting development	4,768,937	(217,187,344)	4,648,157	(217,187,344)
Finance cost	17,856,022	9,467,123	18,198,457	9,467,123
Profit from operating activities before changes in operating assets and liabilities	960,437,058	1,851,429,932	971,594,590	1,889,356,110
Decrease (increase) in operating assets				
Trade and other receivables	2,204,267	6,357,892	28,104,701	(20,857,693)
Real estate development costs and inventories	(572,516,401)	(1,088,875,130)	(572,792,622)	(1,089,129,347)
Advance for construction work	(87,547,367)	(9,782,431)	(87,547,367)	(9,782,431)
Other current assets	(16,195,412)	(147,917)	(16,419,519)	3,298
Lease receivables and advance received from land lease	2,904,000	2,904,000	2,904,000	2,904,000
Cost to obtain a contract	67,482,802	(4,920,739)	67,482,802	(4,920,739)
Other non-current assets	15,605,969	(17,375,875)	15,605,970	(17,375,876)
Increase (decrease) in operating liabilities				
Trade and other payables	18,930,768	(28,925,307)	(17,882,816)	(588,787)
Accrued expenses	(26,931,321)	14,979,440	(26,795,364)	14,959,296
Advance received from customers	(154,834,665)	(72,641,525)	(159,449,006)	(78,394,921)
Other current liabilities	7,089,691	13,568,165	6,704,155	13,792,847
Retention guarantees	(17,599,090)	(20,330,613)	(17,599,090)	(20,330,613)
Employee benefits paid	(3,063,443)	(6,120,022)	(3,063,443)	(3,945,004)
Other non-current liabilities	7,031,780	4,468,997	7,049,299	4,486,516
Cash flows from operating activities	202,998,636	644,588,867	197,896,290	680,176,656
Cash paid for interest expenses	(51,551,973)	(76,757,695)	(51,635,754)	(76,757,695)
Cash paid for income tax	(76,027,438)	(28,435,324)	(76,014,903)	(28,060,116)
Tax refund	-	19,611,070	-	19,611,070
Net cash flows from operating activities	75,419,225	559,006,918	70,245,633	594,969,915

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

Eastern Star Real Estate Public Company Limited and its subsidiaries
Cash flows statement (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Increase in fixed deposits	(132)	(956)	(132)	(956)
Purchase of financial instruments	(12,300,000)	(327,775,000)	-	(307,774,999)
Proceed from sales of financial instruments	287,262,249	102,585,433	260,062,249	77,585,349
Acquisition of investment properties	(4,219,581)	(6,188,469)	(4,219,581)	(6,188,469)
Acquisition of land building and equipment and intangible assets	(17,837,959)	(58,570,293)	(17,479,103)	(53,864,955)
Acquisition of land and improvement awaiting development	(140,059,200)	-	(140,059,200)	(31,244,221)
Acquisition of right-of-use assets	(1,235,096)	-	(1,235,096)	-
Proceed from disposal of investment properties	11,989	393,961,215	11,989	393,961,215
Proceed from disposal of assets	14,206	653,093	14,206	625,990
Proceed from disposal of land and improvement awaiting development	-	364,512,000	142,500	364,512,000
Net cash flows from investing activities	111,636,476	469,177,023	97,237,832	437,610,954
Cash flows from financing activities				
Cash receipt from short-term loans from financial institution	180,000,000	889,000,000	180,000,000	889,000,000
Cash receipt from short-term loans from subsidiary	-	-	25,000,000	-
Cash receipt from long-term loans from financial institution	538,681,229	1,011,626,000	538,681,229	1,011,626,000
Repayment of short-term loans from financial institution	(180,000,000)	(1,669,293,400)	(180,000,000)	(1,669,293,400)
Repayment of short-term loans from subsidiary	-	-	(10,000,000)	-
Repayment of long-term loans from financial institution	(718,249,340)	(989,179,019)	(718,249,340)	(989,179,019)
Repayment of lease liabilities	(7,708,527)	(9,496,233)	(7,708,527)	(9,496,234)
Dividend paid	(50,165,892)	(3,010)	(50,165,892)	(3,010)
Net cash flow from (used in) financing activities	(237,442,530)	(767,345,662)	(222,442,530)	(767,345,663)
Net increase (decrease) in cash and cash equivalents	(50,386,829)	260,838,279	(54,959,065)	265,235,206
Cash and cash equivalents at beginning of year	362,559,218	101,720,939	361,033,471	95,798,265
Cash and cash equivalents at end of year	312,172,389	362,559,218	306,074,406	361,033,471
	-	-	-	-

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

Eastern Star Real Estate Public Company Limited and its subsidiaries
Cash flows statement (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Supplemental cash flows information				
Non-cash transactions				
Transfer real estate development costs to investment properties	32,265,000	-	32,265,000	-
Transfer real estate development costs to building and equipment	73,745	-	73,745	-
Transfer advance for construction work to real estate development costs	62,634,406	36,732,860	62,634,406	36,732,860
Transfer land awaiting development to real estate development costs	33,668,504	-	33,668,504	-
Transfer land awaiting development to land	6,156,917	-	17,248,286	-
Transfer land and improvement awaiting development to other non current assets	32,046,699	16,011,200	32,046,699	16,011,199
Transfer interest expenses to real estate development costs	34,967,271	51,729,388	34,967,271	51,729,388
Transfer interest expenses to land and improvement awaiting development	-	17,010,831	-	17,010,831
Transfer real estate development cost to land and improvement awaiting development	-	611,934,820	-	611,934,820
Transfer equipment to other current assets	-	23,913	-	23,913
Transfer equipment to real estate development cost	-	1,200,953	-	1,200,953
Transfer investment properties to other non-current assets	-	26,961	-	26,961
Accounts payable for purchase of equipment	120,572	915,522	97,508	915,522
Accounts payable for purchase of investment properties	649,694	473,176	649,694	473,176
Dividend payable	976,862	930,732	976,862	930,732

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

Eastern Star Real Estate Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the year ended 31 December 2021****1. General information****1.1 General information of the Company**

Eastern Star Real Estate Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. Its major shareholder is Sunrise Group, which was incorporated in Thailand, and consists of:-

	Percentage of shareholding (base on paid-up capital) (as at 28 May 2021*)
1. Bangkok Broadcasting & Television Co., Ltd.	43.65
2. BBTV Equity Co., Ltd.	11.03
3. Sunrise Equity Co., Ltd.	5.56
4. Person	2.61
5. Person	2.07

*The latest closing date of the shares register book

The registered office of the Company is at 898 Ploenchit Tower Building, 5th floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Eastern Star Real Estate Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Subsidiary companies	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2021</u>	<u>2020</u>
			Percent	Percent
Eastern Star Resort Co., Ltd.	Golf course	Thailand	81.30	81.30
Eastern Star-Lai San				
New World Co., Ltd.	Real estate	Thailand	60.00	60.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenue from sales of real estate

Revenue from sales of land, land with 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 transfer of the legal ownership. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of "Advances received from customers" in the statement of financial position.

The Company allocates the revenues under the contract to the real estate and related furnishings in proportion to the relationship with the standalone selling prices and recognises income when the business has transferred the ownership of the real estate and delivered the related furnishings to the customer by measuring at the amount of the consideration received or receivable, excluding value added tax.

Cost of real estate sales

In determining the cost of land, cost of land with houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land, land with houses, and residential condominium units on the basis of the salable area.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house or residential condominium unit and transferred to a customer in accordance with the contract.

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

Service income

Services income is recognised when the services have been rendered.

Revenue from golf course and sport membership

A subsidiary recognises revenue from golf course and sport memberships over the period of contracts.

Interest income

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

Finance cost

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

4.2 Cash and cash equivalents

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

4.3 Real estate development costs and inventories

Real estate development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs. The details of cost calculation are as follows:

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

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First-in First-out method.

4.4 Cost to obtain a contract

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

4.5 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).

4.6 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 2 - 5 years for fixtures and building infrastructure, 20 years for building development and 40 - 50 years for building. Depreciation of the investment properties is included in determining income.

No depreciation is provided on investment properties - land.

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

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation, and less allowance for impairment loss (if any).

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

Buildings and construction	-	2 - 50 years
Sales office	-	2 - 20 years
Machines and equipment	-	2 - 5 years
Furniture, fixtures and office equipment	-	2 - 10 years
Vehicles	-	3 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

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

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

4.9 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

Computer software	-	5 - 10 years
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4.10 Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

Land and Land improvement	1 - 2	years
Buildings and construction	3	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

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

4.11 Related party transactions

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

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

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment, right-of-use-assets, investment properties, land and improvement awaiting development and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

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

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely gold from long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that they are probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group 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 Group 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 Group 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Lease classification - The Group as lessor

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

Allowance for expected credit losses of trade receivables and contract assets

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

Property, plant and equipment and investment properties and intangible assets / Depreciation

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

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

Project development costs estimation

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

Deferred tax assets

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

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefits is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation. If for the cases that management believes that no loss will result, therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related person or its related parties. These transactions which have been concluded on commercial terms and

bases agreed upon in the ordinary course of businesses between the Company related person and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Income of central service management	-	-	1	1
Other income	-	-	3	4
Sales of assets (Note 14)	-	-	-	21
Purchase of assets (Note 16)	-	-	-	31
<u>Transactions with related parties</u>				
Office rental and service expenses	6	7	6	7
Service expenses	6	7	6	7

The pricing policies for the related parties transactions between the Company with related person or its related parties are as follows: -

- Central service management, office rental and service charges are set on a mutually agreed based on market price basis.
- Service fee is based on the same basis that charge to outside parties.
- The purchase price of assets is based on the agreed price.
- The sales price of assets is based on the agreed price.
- Other income are based on the same basis that charge to outside parties.
- Interest paid is based on contract price.

Nature of relationship

Company's name	Relationship	Connection
Eastern Star Resort Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Eastern Star-Lai San New World Co., Ltd.	Subsidiary company	Direct shareholding and common directors
Related person of Bangkok Broadcasting & Television Co., Ltd.	Related person and parties	Direct and indirect shareholding and some common directors

The balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Other receivables (Note 9)				
Subsidiaries	-	-	5,438	31,159
Other payables (Note 19)				
Subsidiaries	-	-	-	37,279
Related parties	578	952	915	952
Total	578	952	915	38,231
Accrued expense				
Subsidiaries	-	-	322	63
Retentions				
Related party	1,555	1,555	1,555	1,555
Short-term loans from related party				
Short-term loans from subsidiary	-	-	15,000	-

The Company has balance of short-term loans from subsidiary in the form of promissory notes amounting to Baht 15 million (31 December 2020: Nil) which are loans for using as working capital in business operations. The loans carried interest at average rate between rate from fixed deposit and short-term loan, and due within 1 year.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	35,967	35,224	33,588	32,216
Post-employment benefits	2,412	2,801	2,328	2,743
Total	38,379	38,025	35,916	34,959

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	935	586	126	181
Bank deposits	311,237	361,973	305,948	360,852
Total	312,172	362,559	306,074	361,033

As at 31 December 2021 and 2020, bank deposits in current accounts, saving accounts and fixed deposits with an original maturity of three months or less carried interests between 0.05 and 0.25 percent per annum.

8. Other current financial assets

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2021		2020	
	Amount	Interest rate	Amount	Interest rate
	(% per annum)		(% per annum)	
<u>Other current financial assets - Investment in debt instrument designated amortised cost</u>				
Fixed deposits 12 months	45	0.15	44	0.25
<u>Other current financial assets - Investment in debt instrument designated at fair value through profit or loss</u>				
Investments in mutual funds	50,692		325,200	
Add: Unrealised gain on changes in value of unit trust	85		339	
Total	50,822		325,583	

	(Unit: Thousand Baht)			
	Separated financial statements			
	2021		2020	
	Amount	Interest rate	Amount	Interest rate
	(% per annum)		(% per annum)	
<u>Other current financial assets - Investment in debt instrument designated amortised cost</u>				
Fixed deposits 12 months	45	0.15	44	0.25
<u>Other current financial assets - Investment in debt instrument designated at fair value through profit or loss</u>				
Investments in unit trust of mutual fund	40,054		300,000	
Add: Unrealised gain on changes in value of unit trust	72		7	
Total	40,171		300,051	

As at 31 December 2020, the Company and one subsidiary had investments in money market mutual funds and fixed income mutual fund. The funds focus on investing in debt securities issued by the government, by financial institution and corporate, and deposit with bank.

As at 31 December 2021, the Company and one subsidiary have investments in money market funds. The funds focus on investing in debt securities issued by the government, by financial institution and corporate, and deposit with bank.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade accounts receivable - third parties</u>				
Not yet due	848	539	848	434
Past due not over 3 months	349	1,249	36	1,228
Past due 3 - 6 months	5	94	-	94
Past due 6 - 12 months	-	-	-	-
Past due over 12 months	434	331	316	201
Total trade accounts receivable	1,636	2,213	1,200	1,957
<u>Other receivables</u>				
Other receivables - related parties				
(Note 6)	-	-	5,438	31,159
Other receivables - third parties	3,511	4,970	3,509	4,968
Accrued income	905	1,148	905	1,148
Advanced payment	3,031	2,955	3,031	2,955
Interest receivable	-	1	-	1
Total other receivables	7,447	9,074	12,883	40,231
Less: Allowance for expected credit losses	(676)	(388)	(554)	(266)
Total other receivables - net	6,771	8,686	12,329	39,965
Total trade and other receivables - net	8,407	10,899	13,529	41,922

10. Real estate development costs and inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Land	1,859,326	2,179,781	1,863,927	2,185,084
Construction under development	972,241	841,761	972,241	841,761
Total	2,831,567	3,021,542	2,836,168	3,026,845
Less: Provision for loss on diminution in value of projects	(616)	(1,899)	(616)	(1,899)
Real estate development costs - net	2,830,951	3,019,643	2,835,552	3,024,946
Other inventories	422	697	-	-
Total	2,831,373	3,020,340	2,835,552	3,024,946

The Company has mortgaged certain plots of land and structures thereon with total net book value as at 31 December 2021 of Baht 2,559 million (2020: Baht 2,825 million) as collateral for credit facilities granted by banks.

During the year ended 31 December 2021, the Company included borrowing costs in the cost of real estate development amounting to Baht 35 million (2020: Baht 52 million).

Additional information of the Company's projects.

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	2021	2020
Total estimated sales value of projects on hand		
of which contracts have been signed	8,182	9,462
Total value of contracts signed of land and structures thereon	4,603	5,690
Percentage of total estimated sales value of projects on hand	56.25	60.13
Total value of contracts signed of land and structures thereon not yet recognised as revenue*	1,392	2,144

* The revenue will be recognised in the future approximately 1 - 2 years.

11. Lease contract receivables / Advance received from land lease

On 23 August 2007, the Company entered into a contract to lease a land and plaza center building to a company. The lease tenor is for 25 years 5 months commencing from 23 August 2007 and the total contractual value of the lease is Baht 97.3 million, which the Company received the contractual lease fee on the lease registration date at Baht 24 million and for the remaining amount, the Company received the 1st lease fee for the total leasing period of 17 months at Baht 2.4 million. After which, the lease fee is payable annually. The lease fee for the 2nd - 5th year is Baht 2.4 million per year and afterwards the lease fee will be increased by 10% every 5 years. The Company recognises the land and building leasing fee by apportioning all leasing fee under the lease contract to the fair value of the land and the plaza center building as follows:-

- 11.1** From the total building lease fee of Baht 64.2 million, the advance of Baht 15.8 million was received on the lease registration date and the remaining amount will be receivable at 66 percent of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the building lease fee under financial lease contract. The remaining accounts receivable under the finance lease agreement are as follows:-

(Unit: Thousand Baht)

Consolidated and separate financial statements
as at 31 December 2021

	Less than 1 year	1-5 years	Over 5 years	Total
Original investment in lease agreement	1,917	8,433	13,704	24,054
Unearned financial income	(71)	(224)	(145)	(440)
Present value of the minimum payment debtor has to pay under lease agreement	1,846*	8,209	13,559	23,614

*Included in other current assets

(Unit: Thousand Baht)

Consolidated and separate financial statements
as at 31 December 2020

	Less than 1 year	1-5 years	Over 5 years	Total
Original investment in lease agreement	1,917	8,241	15,812	25,970
Unearned financial income	(76)	(248)	(192)	(516)
Present value of the minimum payment debtor has to pay under lease agreement	1,841*	7,993	15,620	25,454

*Included in other current assets

- 11.2** From total land lease fee of Baht 33.1 million, the advance of Baht 8.2 million was received on the lease registration date and the remaining amount will be receivable at 34 percent of annual lease fee as mentioned in above contract. The Company will gradually recognise as income from the land lease fee under the operating lease contract throughout the lease tenor. The outstanding balance is as follows:-

		(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
		2021	2020
Total minimum amount which the debtor has to pay under the outstanding operating lease			
Within 1 year		1,086	987
1 - 5 years		4,344	4,246
Over 5 years		5,974	8,146
Total		11,404	13,379
Add: Advance received for land lease (net from recognised income)		2,534	2,861
Land lease income to be recognised in future		13,938	16,240

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)										
Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Impairment loss on investments		Net	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)						
Eastern Star Resort Co., Ltd.	500,000	500,000	81.30	81.30	409,374	409,374	-	-	409,374	409,374
Eastern Star-Lai San New World Co., Ltd.	160,000	160,000	60.00	60.00	96,000	96,000	-	-	96,000	96,000
					505,374	505,374	-	-	505,374	505,374

As at 31 December 2021 and 2020, the Company possessed 264 remaining golf-membership rights, which were not included in the financial statements because the Company obtained such rights at no cost as a result of its investment in a subsidiary.

13. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Land	Building and improvements	Total
31 December 2021:			
Cost	736,922	719,459	1,456,381
Less: Accumulated depreciation	-	(513,828)	(513,828)
Less: Allowance for impairment	(14,873)	(5,147)	(20,020)
Net book value	722,049	200,484	922,533
31 December 2020:			
Cost	704,657	715,133	1,419,790
Less: Accumulated depreciation	-	(499,341)	(499,341)
Less: Allowance for impairment	(27,676)	(9,024)	(36,700)
Net book value	676,981	206,768	883,749

	(Unit: Thousand Baht)		
	Separate financial statements		
	Land	Building and improvements	Total
31 December 2021:			
Cost	736,922	762,384	1,499,306
Less: Accumulated depreciation	-	(518,862)	(518,862)
Less: Allowance for impairment loss	(14,873)	(5,147)	(20,020)
Net book value	722,049	238,375	960,424
31 December 2020:			
Cost	704,657	758,057	1,462,714
Less: Accumulated depreciation	-	(503,350)	(503,350)
Less: Allowance for impairment loss	(27,676)	(9,024)	(36,700)
Net book value	676,981	245,683	922,664

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	883,749	1,182,718	922,664	1,222,659
Acquisition of assets - at cost	1,379	3,070	1,379	3,070
Costs of asset improvement	3,017	3,013	3,017	3,013
Disposal and written off - net book value	(15)	(295,816)	(15)	(295,816)
Transfer in - net book value at transfer date	32,265	(27)	32,265	(27)
Depreciation	(14,542)	(14,743)	(15,566)	(15,769)
Impairment losses recognised	-	(9,024)	-	(9,024)
Reversal of impairment loss	16,680	14,558	16,680	14,558
Net book value at end of year	922,533	883,749	960,424	922,664
Rental income arising from investment properties	34,534	35,685	34,534	35,685

Future minimum rental income to be generated under these investment properties is as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2021	2020
In up to 1 year	19,926	21,532
In over 1 and up to 2 years	3,040	3,586

Additional information of the investment properties as at 31 December 2021 and 2020 stated below:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2021	2020
The fair value	1,299,912	1,204,689

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the land has been determined based on market price, land and building and improvement has been determined using the market value or force sale price, while that of the land and building for rent has been determined using the income approach.

Furniture and fixtures have carried at net book value of assets. The management believes that the fair value does not have any significant difference.

During the year 2021, the Company reversed Baht 17 million (2020: Baht 15 million) of the impairment losses of land and building previously recognised in profit or loss.

The Company has mortgaged certain plots of land with a net book value as at 31 December 2021 of Baht 282 million (2020: Baht 82 million) as collateral for credit facilities granted by banks.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land and improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
<u>Cost</u>								
1 January 2020	177,108	496,634	44,840	20,196	28,621	37,601	29,879	834,879
Additions	391	4,928	961	1,714	2,303	-	37,991	48,288
Disposals and written off	-	(31,540)	(895)	(1,406)	(307)	(1,467)	(2,092)	(37,707)
Transfer in (out)	(11,153)	35,259	3,293	1,206	-	1,095	(42,079)	(12,379)
31 December 2020	166,346	505,281	48,199	21,710	30,617	37,229	23,699	833,081
Additions	44	5,807	723	553	1,177	2	8,341	16,647
Disposals and written off	-	(9,765)	(2,816)	(387)	(432)	(370)	-	(13,770)
Transfer in (out)	6,156	15,959	180	1,388	2	-	(17,695)	5,990
31 December 2021	172,546	517,282	46,286	23,264	31,364	36,861	14,345	841,948
<u>Accumulated depreciation</u>								
1 January 2020	737	271,823	41,411	13,306	20,055	26,989	-	374,321
Depreciation for the year	50	27,933	1,799	2,252	2,968	3,855	-	38,857
Accumulated depreciation on disposals and written off	-	(15,387)	(823)	(1,289)	(292)	(1,465)	-	(19,256)
31 December 2020	787	284,369	42,387	14,269	22,731	29,379	-	393,922
Depreciation for the year	86	27,315	1,878	2,497	2,994	3,316	-	38,086
Accumulated depreciation on disposals and written off	-	(9,233)	(2,749)	(194)	(425)	(370)	-	(12,971)
31 December 2021	873	302,451	41,516	16,572	25,300	32,325	-	419,037
<u>Allowance for impairment loss</u>								
1 January 2020	-	3,680	-	-	-	-	-	3,680
Allowance for impairment loss	-	5,319	-	-	-	-	-	5,319
31 December 2020	-	8,999	-	-	-	-	-	8,999
Allowance for impairment loss	-	-	-	-	-	-	-	-
31 December 2021	-	8,999	-	-	-	-	-	8,999
<u>Net book value</u>								
31 December 2020	165,559	211,913	5,812	7,441	7,886	7,850	23,699	430,160
31 December 2021	171,673	205,832	4,770	6,692	6,064	4,536	14,345	413,912
<u>Depreciation for the year</u>								
2020 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)								38,857
2021 (Baht 4 million included in cost of real estate sold and services, and the balance in administrative expenses)								38,086

(Unit: Thousand Baht)

Separate financial statements								
	Land and improvement	Buildings and construction	Machines and equipment	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
Cost								
1 January 2020	78,580	184,844	5,359	19,661	22,643	17,579	29,879	358,545
Additions	390	4,827	328	1,714	2,140	-	37,910	47,309
Disposals and written off	-	(31,540)	(681)	(1,406)	(212)	(1,467)	(2,092)	(37,398)
Transfer in (out)	-	35,178	3,293	1,206	-	1,095	(41,998)	(1,226)
31 December 2020	78,970	193,309	8,299	21,175	24,571	17,207	23,699	367,230
Additions	44	5,807	588	553	1,010	3	8,272	16,277
Disposals and written off	-	(9,765)	(133)	(388)	-	(370)	-	(10,656)
Transfer in (out)	17,248	15,890	180	1,388	2	-	(17,627)	17,081
31 December 2021	96,262	205,241	8,934	22,728	25,583	16,840	14,344	389,932
Accumulated depreciation								
1 January 2020	737	53,717	4,388	12,833	15,001	12,922	-	99,598
Depreciation for the year	50	25,309	665	2,252	2,638	2,045	-	32,959
Accumulated depreciation on disposals and written off	-	(15,387)	(659)	(1,289)	(202)	(1,465)	-	(19,002)
31 December 2020	787	63,639	4,394	13,796	17,437	13,502	-	113,555
Depreciation for the year	85	24,889	1,082	2,497	2,688	1,616	-	32,857
Accumulated depreciation on disposals and written off	-	(9,233)	(131)	(194)	-	(370)	-	(9,928)
31 December 2021	872	79,295	5,345	16,099	20,125	14,748	-	136,484
Allowance for impairment loss								
1 January 2020	-	9,161	-	-	-	-	-	9,161
Reversal of allowance for impairment loss (net)	-	(6,819)	-	-	-	-	-	(6,819)
31 December 2020	-	2,342	-	-	-	-	-	2,342
Reversal of allowance for impairment loss (net)	-	-	-	-	-	-	-	-
31 December 2021	-	2,342	-	-	-	-	-	2,342
Net book value								
31 December 2020	78,183	127,328	3,905	7,379	7,134	3,705	23,699	251,333
31 December 2021	95,390	123,604	3,589	6,629	5,458	2,092	14,344	251,106
Depreciation for the year								
2020 (Included in administrative expenses)								32,959
2021 (Included in administrative expenses)								32,857

As at 31 December 2021, certain building and equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment) of those assets amounted to approximately Baht 268 million (Separate financial statements: Baht 57 million) (2020: Baht 149 million (Separate financial statements: Baht 50 million)).

The Company has mortgaged certain plots of land and structures thereon with a net book value as at 31 December 2021 of Baht 7 million (2020: Baht 2 million) as collateral for credit facilities granted by a bank.

15. Intangible assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Computer software - cost	20,649	20,211	19,600	19,173
Less: Accumulated amortisation	(13,432)	(9,734)	(12,393)	(8,696)
Net book value	<u>7,217</u>	<u>10,477</u>	<u>7,207</u>	<u>10,477</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning year	10,477	6,634	10,477	6,629
Additions	439	5,542	428	5,542
Amortisation	(3,699)	(1,699)	(3,698)	(1,694)
Net book value at end of year	<u>7,217</u>	<u>10,477</u>	<u>7,207</u>	<u>10,477</u>

16. Land and improvement awaiting development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Land	1,955,003	1,834,745	1,809,385	1,700,239
Development costs	54,356	47,103	54,356	47,103
Less: allowance for impairment loss	(86,857)	(86,857)	(86,857)	(86,857)
Net book value	<u>1,922,502</u>	<u>1,794,991</u>	<u>1,776,884</u>	<u>1,660,485</u>

A reconciliation of the net book value of land and improvement awaiting development for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	1,794,991	1,400,054	1,660,485	1,250,488
Addition purchase - at cost	140,059	-	140,059	31,244
Sales / Write off - at cost	(4,769)	(147,325)	(4,791)	(147,325)
Transfer in (out) - at cost	(7,779)	629,119	(18,869)	612,935
Allowance for impairment loss	-	(86,857)	-	(86,857)
Net book value at end of year	1,922,502	1,794,991	1,776,884	1,660,485

The Group arranged for an independent professional valuer to appraise the value of these land awaiting development using the Market Approach.

In December 2020, the Company and the subsidiary have sold and allotment of the land awaiting development previously jointly hold, by allocating such land according to the use of each party. The Company and the subsidiary have registered the transfer of ownership of the land on 23 December 2020 and fully paid the amount of land in January 2021.

In December 2020, the Company entered in to a land sales agreement with sales price of Baht 365 million. The Company presented this transaction as revenue from sales of real estate.

As at 31 December 2021, land awaiting development of Baht 0.5 million (separate financial statements: Baht 0.3 million) (31 December 2020: Baht 1 million (separate financial statements: Baht 0.8 million)) was land of which ownership is jointly held by the Company and a subsidiary. The Company and the subsidiary recorded the cost of land based on their ownership, with half allocated to each party.

As at 31 December 2021, the Company mortgaged certain plots of land and improvement awaiting development with a net book value of Baht 1,397 million (2020: 1,304 million) as collateral for credit facilities granted by banks.

17. Cost to obtain a contract

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2021	136,227
Increase during the year	27,092
Recognised in profit or loss	(94,575)
Balance as at 31 December 2021	68,744

18. Short-term loans from financial institutions

As at 31 December 2021 and 2020, the Group had no outstanding balance of short-term loans from financial institutions. The partial of short-term credit facilities are secured by the mortgages of the Company's land and structures there on.

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts payable				
- unrelated parties	50,330	17,544	49,575	16,955
Other payables - related parties (Note 6)	578	952	915	38,231
Other payables - unrelated parties	9,784	24,072	9,292	23,309
Total	60,692	42,568	59,782	78,495

20. Long-term loans

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2021	2020
Long-term loans from banks	1,394,551	1,574,119
Less: Current portion	(441,835)	(226,920)
Long-term loans - net of current portion	952,716	1,347,199

Movements in the long-term loans during the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2021	1,574,119
Add: Additional borrowings	538,681
Less: Repayments	(718,249)
Balance as at 31 December 2021	1,394,551

Long-term loans from local banks are summarised as follows:

Consolidated and Separate financial statements		Interest rate (percent per annum)	Interest Repayment schedules	Principal repayment schedules
Long-term loans balance				
2021	2020			
1,050	1,253	MLR - fixed rate	Monthly	Payments of principal are to be made at percentage of the value of secured real estates which transferred to customers, with full repayment to be made within 48 - 72 months after the date of the loan agreement or the first draw down of principal.
42	48	MLR - fixed rate	Monthly	Payments of principal are to be made at the specific rate by bank, by type of the secured real estates which transferred to customers, with full repayment to be made within 60 months after the date of the loan agreement.
273	273	MLR - fixed rate	Monthly	Payments of principal are to be made at price per square meters of the value of secured real estates which transferred to customers, with full repayment to be made within 90 months after the date of the loan agreement.
30	-	MLR - fixed rate	Monthly	Full repayment to be made within 48 months after the date of the loan agreement.
1,395	1,574			

On 25 January 2021, the Company has entered into long-term credit facility agreement with a financial institute, with facility amount of Baht 112 million. The loan carried interest at MLR - fixed percent per annum and has to draw down within 12 months since the contract date. The Company has mortgaged the Company's land and construction thereon for such credit facility.

The Company has drawn down the facility amounting to Baht 30 million.

On 1 April 2021, the Company has entered into long-term credit facility agreement with another financial institute, with facility amount of Baht 240 million. The loan carried interest at MLR - fixed percent per annum and has to draw down within 48 months since the contract date. The loan is secured by the mortgage of the Company's lands and construction thereon. The Company has drawn down the facility amounting to Baht 92 million.

On 28 December 2021, the Company has entered into long-term credit facilities agreement with a financial institute with facility amount of Baht 305 million. The facility for project development amount of Baht 255 million, interest at MLR - fixed percent per annum, and bank guarantee amount of Baht 50 million. The facilities are valids for 60 months and 78 months respectively. The loan is secured by the mortgage of the Company's lands and construction thereon. The credit facilities of the Company have not yet been drawn down.

The above credit facilities agreements contain covenants relating to various matters, such as the maintenance of financial ratio and restrictions on creating or permitting the subsistence of security interest on property and assets.

As at 31 December 2021, the long-term credit facilities of the Company which have not yet been drawn down totaling Baht 2,700 million (2020: Baht 3,043 million).

The loans and credit facilities are secured by mortgages of land with structures of the Company.

21. Leases

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated and Separate financial statements			
	Land and land improvement	Buildings space	Vehicles	Total
As at 1 January 2020	6,889	40,608	-	47,497
Depreciation for the year	(4,621)	(5,240)	-	(9,861)
As at 31 December 2020	2,268	35,368	-	37,636
Addition during the year	1,200	-	1,207	2,407
Depreciation for the year	(3,068)	(5,240)	-	(8,308)
As at 31 December 2021	400	30,128	1,207	31,735

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2021	2020
Lease payments	36,737	44,118
Less: Deferred interest expenses	(4,183)	(5,637)
Total	32,554	38,481
Less: Portion due within one year	(5,294)	(7,088)
Lease liabilities - net of current portion	27,260	31,393

A maturity analysis of lease payments is disclosed in Notes to the consolidated financial statements No.35.1 under the liquidity risk.

The movement of lease liabilities for the year ended 31 December 2021 are as follows:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance at beginning of year	38,481
Addition	1,171
Increase from interest	1,511
Discount received during the year	(900)
Repayment	(7,709)
Balance at end of year	32,554

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

	(Unit: Thousand Baht)	
	For the year ended 31 December 2021	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	8,308	8,308
Interest expense on lease liabilities	1,511	1,511
Expense relating to short-term leases	2,799	2,799
Expense relating to leases of low-value assets	404	375

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 11 million, including the cash outflow related to short-term lease and leases of low-value assets.

22. Advance received from customers

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
Advance received for real estate	121,864	279,120	119,228	278,397
Deferred revenue for fixtures	-	280	-	280
Total	121,864	279,400	119,228	278,677

23. Other current liabilities

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
Retention payable	54,427	30,328	54,427	30,328
Other current liabilities	16,746	33,763	15,582	32,985
Total	71,173	64,091	70,009	63,313

24. Provision for long-term employee benefits

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	29,864	31,290	22,461	24,246
Included in profit or loss:				
Current service cost	5,410	5,696	4,263	4,471
Interest cost	448	831	337	629
Past service costs and gains or losses on settlement	-	1,481	-	1,232

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions				
changes	-	2,191	-	936
Financial assumptions changes	-	935	-	597
Experience adjustments	-	(6,440)	-	(5,705)
Benefits paid during the year	(3,063)	(6,120)	(3,063)	(3,945)
Provision for long-term employee				
 benefits at end of year	32,659	29,864	23,998	22,461

As at 31 December 2021, the Group expected no employee benefit to be paid during the next year.

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefit is 13 years (Separate financial statements: 13 years)

Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	2021	2020
Discount rate	1.50%	1.50%
Average future salary increase rate	4.0% - 5.5%	4.0% - 5.5%
Staff turnover rate (depending on age)	0% - 35%	0% - 35%
Gold price for 1 Baht gold	26,800	26,800
Gold increase rate	2.50%	2.50%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3)	3	(2)	3
Salary increase rate	3	(3)	2	(2)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(2)	1	(1)	1

(Unit: Million Baht)

	2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3)	3	(2)	2
Salary increase rate	3	(2)	2	(2)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(1)	1	(1)	1

25. Statutory reserve

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

During the year 2021, the Company transferred unappropriated retained earnings to statutory reserve amounting to Baht 1.6 million (2020: Baht 12 million).

26. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Interest expenses on borrowings	16,345	9,467	16,687	9,467
Interest expenses on lease liabilities	1,511	1,831	1,511	1,831
Total	17,856	11,298	18,198	11,298

27. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Payment of land and construction during the year	661,042	679,626	661,042	679,626
Changes in real estate development costs and inventories	289,182	648,473	289,609	645,775
Loss from impairment of property, plant and equipment, investment properties and land awaiting for development	-	101,199	-	95,880
Salaries and wages and other employee benefits	132,679	159,644	120,682	130,704
Depreciation and amortisation	64,636	65,160	60,429	60,285
Marketing expenses	135,160	243,461	133,467	241,451
Cost of other goods incurred and recognised during the year	5,125	6,122	-	-

28. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	26,215	81,387	26,215	81,387
Adjustment in respect of income tax of previous year	(1,849)	-	(1,849)	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax:				
Relating to origination and reversal of temporary differences	(14,999)	(9,544)	(14,748)	(8,108)
Income tax expenses reported in the statement of comprehensive income	9,367	71,843	9,618	73,279

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

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2021	2020	2021	2020
Accounting profit before tax	28,154	263,347	41,203	313,144
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	5,631	52,669	8,241	62,629
Adjustment in respect of income tax of previous year	(1,849)	-	(1,849)	-
Tax effects of:				
Non-deductible expenses	1,270	3,793	992	3,470
Additional taxable revenues	1,768	4,049	1,768	4,049
Additional capital expenditure deductions allowed	-	(129)	-	(129)
Additional expense deductions allowed	(1,590)	(629)	(24)	(121)
Tax exempted expense (revenue)	(13)	1	(13)	1
Tax losses	3,899	8,709	-	-
Others	251	3,380	503	3,380
Income tax expenses reported in the statement of comprehensive income	9,367	71,843	9,618	73,279

The components of deferred tax assets and deferred tax liabilities as at 31 December 2021 and 2020 are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	88	-	88	-
Allowance for diminution in value of inventories	123	380	123	380
Allowance for diminution in value of assets	21,375	24,711	21,844	25,180
Deferred revenue for fixtures	-	56	-	56
Advance received for land rental income	718	783	718	783
Provision for long-term employee benefits	6,533	5,973	4,800	4,492
Right-of-use assets	164	169	164	169
Others	5,924	1,451	5,924	1,451
Total	34,925	33,523	33,661	32,511
Deferred tax liabilities				
Lease contract receivables	4,723	5,091	4,723	5,091
Cost to obtain a contract	13,749	27,245	13,749	27,245
Others	267	-	267	-
Total	18,739	32,336	18,739	32,336

As at 31 December 2021, the subsidiaries has unused tax losses totaling Baht 55 million (2020: Baht 41 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

Details of expiry date of the subsidiaries' unused tax losses are summarised as below:

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2021	2020	2021	2020
31 December 2021	-	7	-	-
31 December 2022	19	19	-	-
31 December 2023	-	-	-	-
31 December 2024	13	13	-	-
31 December 2025	2	2	-	-
31 December 2026	21	-	-	-
	55	41	-	-

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (Thousand Baht)	21,639	188,516	31,585	239,865
Weighted average number of ordinary shares (Thousand shares)	5,022,246	5,022,246	5,022,246	5,022,246
Earnings per share (Baht/share)	0.004	0.038	0.006	0.048

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

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

- (1) Real estate business
- (2) Golf course business
- (3) Rental business

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Transfer prices between business segments are set out in Note 6 to the consolidated financial statements.

Below is the revenue and gross profit of the Group for the year ended 31 December 2021 and 2020 by segments.

(Unit: Million Baht)

Consolidated financial statements for the year ended 31 December										
Revenue from Contracts with Customers										
	Real estate business		Golf course business		Rental business		Adjustments and eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues										
External customers	1,183	2,562	32	43	39	41	-	-	1,254	2,646
Inter- segment	-	21	-	-	-	-	-	(21)	-	-
Total revenues	1,183	2,583	32	43	39	41	-	(21)	1,254	2,646
Operating results										
Gross profit of segments	322	826	5	11	9	12	-	-	336	849
Other income									73	34
Selling and distribution expenses									(135)	(243)
Administrative expenses									(245)	(278)
Loss on diminution in value of assets									-	(101)
Reversal of loss on diminution in value of assets									17	14
Finance cost									(18)	(11)
Income tax expenses									(9)	(72)
Non-controlling interests of the subsidiaries									3	(3)
Profit for the year attributable to equity holders of the Company									22	189

The following table presents segment assets of the Group as at 31 December 2021 and 2020.

(Unit: Million Baht)

Consolidated financial statements as at 31 December								
	Real estate business		Golf course business		Rental business		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Real estate development cost and inventories	2,831	3,019	-	1	-	-	2,831	3,020
Investment properties	615	570	-	-	307	314	922	884
Property, plant and equipment	185	177	227	251	2	2	414	430
Land and improvement awaiting development	1,923	1,795	-	-	-	-	1,923	1,795
Unallocated assets							663	1,075
Total segment assets							6,753	7,204
Additions to non-current assets other than financial instruments, deferred tax assets and other non-current assets*	157	52	1	1	4	7	162	60

*Excluded the classification of assets.

Geographic information

The Group operate 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.

Major customers

For the years 2021 and 2020, the Group have no major customer, with revenue of 10% or more of an entity's revenue.

31. Dividend payment

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Interim dividend announced from operating result of 2020	Board of Directors' meeting on 26 April 2021 (Acknowledged by Annual General Meeting of the shareholders on 17 June 2021)	50	0.01
		<u>50</u>	

On 30 July 2020, the Annual General Meeting of the Company's shareholders no.1/2020 approved the non-dividend payment.

32. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees, and the Group contributed to the fund monthly at the rates of 3 - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 3 million were recognised as expenses (Separate financial statements: Baht 3 million) (2020: Baht 3 million (Separate financial statements: Baht 3 million)).

33. Commitments and contingent liabilities

As at 31 December 2021 and 2020, the Group have the following outstanding commitments and contingent liabilities:

33.1 The Company had the outstanding commitments in respect of agreements to construction including project and interior design of projects amounting to Baht 358 million (2020: Baht 211 million).

33.2 As at 31 December 2021, the Company had no outstanding commitments in respect of land purchase agreements to develop project for sale. (31 December 2020: Baht 128 million).

33.3 As at 31 December 2021, the Company had no capital commitments in respect of the acquisition of software for the Company's operations. (31 December 2020: Baht 2 million).

33.4 As at 31 December 2021, the Company had capital commitments in respect of the construction of land improvement and buildings for the Company's operations amounting to Baht 2 million. (31 December 2020: Baht 4 million).

33.5 The Group have entered into several lease agreements to lease buildings and equipment and services, with terms of generally between 1 and 4 years.

Future minimum payments required under service agreements as at 31 December 2021 are as follows:

		(Unit: Million Baht)
Payable	Consolidated financial statement	Separate financial statements
In up to 1 year	19	18
In over 1 and up to 3 year	-	-

Future minimum payments required under these operating leases contracts as at 31 December 2020 are as follows:

		(Unit: Million Baht)
Payable	Consolidated financial statement	Separate financial statements
In up to 1 year	4	3
In over 1 and up to 3 years	3	3

33.6 Bank guarantees

There were the following outstanding bank guarantees issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2021	2020
Letters of guarantee for arrangement and maintenance of public utilities	66	69
Letters of guarantee for electricity usage	7	7
Letters of guarantee for project area allocation	38	21
Total	111	97

Bank guarantees facilities are secured by the Company's land and structures thereon.

33.7 Litigation

As at 31 December 2021, civil lawsuits were filed against the Company by customers, and consumer lawsuit were filed against the Company by the condominium juristic person and other cases, with the claim amounts totaling Baht 202 million (2020: Baht 124 million). These cases are currently under the court proceedings. Based on the Company's internal and external legal counsel opinion, the Company's management believes that the result of these cases will have no significant impact on the financial position of the Company.

The Company has set aside a provision for claim from customers that may arise from the final of judicial processes in its financial statements as considers appropriate.

34. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated Financial Statements			
	31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	51	-	51
Assets for which fair value are disclosed				
Investment properties	-	993	307	1,300

	(Unit: Million Baht)			
	Consolidated Financial Statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	326	-	326
Assets for which fair value are disclosed				
Investment properties	-	896	309	1,205

	(Unit: Million Baht)			
	Separate Financial Statements			
	31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	40	-	40
Assets for which fair value are disclosed				
Investment properties	-	993	307	1,300

(Unit: Million Baht)

	Separate Financial Statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets	-	300	-	300
Assets for which fair value are disclosed				
Investment properties	-	896	309	1,205

35. Financial instruments

35.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, other current financial asset, trade and other receivables, lease contract receivables, trade and other payables, short-term loans from related party, short-term loans from financial institution and long-term loans from financial institution and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade and other receivables. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables and other receivables as stated in the statement of financial position.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Interest rate risk

The Group exposure to interest rate risk relates primarily to their cash at financial institutions, other current financial asset, lease contract receivables, short-term loans from related party, short-term loans from financial institution, long-term loans from financial institution and lease liabilities with interest bearing. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowing. The Group's policy is to maintain borrowings at the appropriate level.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
							(% p.a.)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	312	-	312	0.05 - 0.25
Other current financial assets	-	-	-	-	51	51	-
Trade and other receivables	-	-	-	-	8	8	-
Finance lease contract receivables	2	8	14	-	-	24	0.30
<u>Financial liabilities</u>							
Long-term loans from financial institutions	-	-	-	1,395	-	1,395	MLR - fixed rate
Trade and other payables	-	-	-	-	61	61	-
Lease liabilities	5	23	5	-	-	33	3.20 - 4.33

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate
							(% p.a.)
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	363	-	363	0.05 - 0.25
Other current financial assets	-	-	-	-	326	326	-
Trade and other receivables	-	-	-	-	11	11	-
Finance lease contract receivables	2	7	16	-	-	25	0.30
<u>Financial liabilities</u>							
Long-term loans from financial institutions	-	-	-	1,574	-	1,574	MLR - fixed rate
Trade and other payables	-	-	-	-	43	43	-
Lease liabilities	7	27	4	-	-	38	4.04 - 4.33

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of long-term loans from financial institution affected as at 31 December 2021, with all other variables held constant.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+0.25	1,031
	-0.25	(1,031)

The above analysis has been prepared assuming that the amounts of loans from and all other variables remain constant over one year. Moreover, the floating legs of loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. (This information is not a forecast or prediction of future market conditions.)

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank loans and lease contracts. Approximately 34% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 17%) (the Company only: 34%, 2020: 18%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	60,692	-	-	60,692
Lease liabilities	-	6,588	25,517	4,633	36,738
Long-term loans	-	489,341	1,026,330	-	1,515,671
Total non-derivatives	-	556,621	1,051,847	4,633	1,613,101

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	59,782	-	-	59,782
Lease liabilities	-	6,588	25,517	4,633	36,738
Long-term loans	-	489,341	1,026,330	-	1,515,671
Total non-derivatives	-	555,711	1,051,847	4,633	1,612,191

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	42,569	-	-	42,569
Lease liabilities	-	8,598	24,709	10,811	44,118
Long-term loans	-	397,240	1,490,934	-	1,888,174
Total non-derivatives	-	448,407	1,515,643	10,811	1,974,861

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	78,496	-	-	78,496
Lease liabilities	-	8,598	24,709	10,811	44,118
Long-term loans	-	397,240	1,490,934	-	1,888,174
Total non-derivatives	-	484,334	1,515,643	10,811	2,010,788

35.2 Fair values of financial instruments

Since the majority of Group's financial instruments are short-term and loans denominated in Thai Baht bearing the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

During the year, there were no transfers within the fair value hierarchy.

36. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial capital structure in order to support its business and maximise shareholder value.

As at 31 December 2021, the Group's total debt-to-equity ratio was 0.38:1 (2020: 0.47:1).

37. Event after the reporting period

On 19 January 2022, the Company entered into land acquisition agreement totaling Baht 264 million. The Company has fully paid the land cost and registered the transfer of ownership in the same day. Moreover, the Company has entered into a long-term credit facility agreement with a financial institute, with facility amount of Baht 389 million to purchase such land and to launch project on the land. The Company has mortgaged the Company's land and construction thereon for the credit facility. The loan carried interest at MLR - fixed percent per annum and payments of principal are to be made at percentage of the value of secured real estates which transferred to customers, with full repayment to be made within 60 months after the first draw down of principal. The Company has drawn down such facility amounting to Baht 169 million.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.

Certification of Data Accuracy

The company has carefully examined the data shown in this issue of the One Report and certifies that the data is accurate, complete and not false and does not cause misunderstanding or is not missing any significant information that should be disclosed. Moreover, the company certifies the following:

(1) The financial statement and data summarized in the One Report accurately and completely represent relevant data in regards to the financial position, performance and cash flow of the company and its subsidiaries.

(2) The company has established a good data disclosure system to ensure the accurate and complete disclosure of relevant data of the company and its subsidiaries, and controls to ensure compliance with the system.

(3) The company has established a good internal control system and controls to ensure compliance with the system. In addition, the company notified the company's auditors and audit directors about the internal control system evaluation data on 17 February 2022, covering the flaws and major changes in the internal control system as well as actions that may affect the financial reporting of the company and its subsidiaries.

As evidence that all of the documents are part of the same set of documents that have been certified for accuracy by the company, the company tasked Mr. Pongsak Maison with signing every page of this document. If any document does not contain the signature of Mr. Pongsak Maison, the company will consider it as not part of the data certified for accuracy by the company as mentioned above.

Name	Position	Signature
1. Mr. Torsak Lertsrisakulrat	Executive Director	_____
2. Mr. Titiwut Soukpornchaikul	Executive Director	_____

Name	Position	Signature
Authorized Person		
Mr. Pongsak Maison	Assistant Legal Director and Company Secretary	_____

Attachment 1

Particulars of Company Directors, Executives, and Secretaries (as of 31 December 2021)

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
1.	Mr. Anand Panyarachun Board Chairman and Independent Director	89	Bachelor of Laws (Honors), University of Cambridge	0.08	No	1992-Present 2019-Present	Board Chairman Board Chairman	Eastern Star Real Estate Public Company Limited C.S. Holding Group Co., Ltd.
2.	Mr. Pongpinit Tejagupta Vice Board Chairman Training programs attended: - Anti - Corruption for Executive Program, Class 7/2013 (ACEP), 2013 - How to Develop a Risk Management Plan, Class 4/2013 (HRP), 2013 - Chartered Director Class, Class 7/2013 (CDC), 2013 - Role of the Compensation Committee Class 14/2012 (RCC), 2012 - Role of The Nomination and Governance Committee, Class 2/2012 (RNG), 2012 - The Board's Roles in Merger & Acquisitions, Class 1/2011 (M & A), 2011 - Monitoring Fraud Risk Management, Class 2/2010 (MFM), 2010 - Monitoring of The Quality of Financial Reporting, Class 10/2010 (MFR), 2010 - Monitoring The Internal Audit Function, Class 7/2010 (MIA), 2010	66	Master of Business Administration, University of Detroit, Michigan, USA Bachelor of Accountancy, Chulalongkorn University	-	No.	2014-2020 2014-2020 2015-Present 2019-Present 2021-Present 8-Present 2003-2018 2016-2019 2015-2018 2014-2017	Chairman of the Corporate Governance and Risk Committee Director Director Vice Board Chairman Chairman of the Executive Committee Independent Director and Audit Committee Director Board Chairman Director Board Chairman Director	Siam City Cement Public Company Limited Eastern Star Real Estate Public Company Limited Allianz Ayudhya Assurance Public Company Limited Siam City Cement (Lanka) Co., Ltd. (subsidiary) (Registered in Sri Lanka) Media Studio Co., Ltd. Bangkok Broadcasting & T.V. Co., Ltd.

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
	<ul style="list-style-type: none"> - Monitoring The System of Internal Control and Risk Management Class 9/2010 (MIR), 2010 - Financial Institutions Governance Program, Class 1/2010 (FGP), 2010 - Successful Formulation & Execution of Strategy, Class 7/2010 (SFE), 2010 - Advanced Audit Committee Program, Class 30/2010 (ACP), 2010 - Director Certification Program , Class 126/2009 (DCP), 2009 - Directors Accreditation Program , Class 71/2008 (DAP), 2008 attended training conducted by the Office of the Securities and Exchange Commission jointly with the Stock and Exchange of Thailand on the following program - Inaugural Corporate Governance Conference 2018 on 19 September 2018 							
3.	<p>Mrs. Sunanta Tiasuwan</p> <p>Independent Director, Chairman of Audit Committee, Chairman of Recruitment and Compensation Committee</p> <p><i>Training programs attended:</i></p> <ul style="list-style-type: none"> -Director Certification Program (DCP) Class 22/2002 - Capital Market Academy, Class 11 	71	Ordinary National Diploma in Business Studies and Administration University of Westminster (U.K.).	0.03	No	<p>2005-Present</p> <p>2005-2021</p> <p>2021-Present</p> <p>2015-2021</p> <p>2021-Present</p> <p>1993-Present</p> <p>1991-Present</p> <p>2012-Present</p>	<p>Independent Director</p> <p>Audit Committee</p> <p>Chairman of the Audit Committee</p> <p>Chairman of the Recruitment and Compensation Committee</p> <p>Recruitment and Compensation Committee</p> <p>Director</p> <p>Director</p> <p>Independent Director and Audit Committee</p>	<p>Eastern Star Real Estate Public Company Limited</p> <p>Pranda Jewelry Public Company Limited</p> <p>Forward Free Land Co., Ltd.</p> <p>Asian Seafoods Coldstorage Co., Ltd.</p>

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
4.	Mrs. Wana Thamsrisap Independent Director, Audit Committee, and Recruitment and Compensation Committee <i>Training programs attended</i> -Top Executive Training Program by the Association of Finance Companies, Thammasat University -Director Accreditation Program (DAP) Class 71/2008 -Director Certification Program (DCP) Class 102/2008 -Role of the Chairman Program (RCP) Class 24/2010 -Financial Institutions Governance Program (FGP) Class 3/2011 -Risk Management Committee Program (RMP) Class 1/2013 -Corporate Governance for Capital Market Intermediaries (CGI) Class 8/2015 -Driving Company Success with IT Governance (ITG) Class 2/2016 -Advance Audit Committee Program (AAP) Class 28/2018 -Boards that Make a Difference (BMD) Class 9/2019 -Audit Committee Seminar-Get ready for the year end by SET & SEC Class 11/2015	65	Bachelor of Accountancy, Thammasat University Diploma in Auditing, Thammasat University Certified Public Accountant, Federation of Accounting Professions	-	No	2021-Present 2019-2021 2017-Present 2017-Present 2011-Present 2018-Present 2007-2016	Independent Director, Audit Committee, Recruitment and Compensation Committee Director Independent Director and Audit Committee Independent Director and Chairman of the Audit Committee Independent Director and Chairman of the Audit Committee Audit Committee (Independent) Chief Operation Officer and Executive Committee	Eastern Star Real Estate Public Company Limited Allianz Ayudhya Capital Public Company Limited Allianz Ayudhya Assurance Public Company Limited Krungsri Asset Management Co., Ltd. Krungsri Securities Public Company Limited National ITMX Co., Ltd. Bank of Ayudhya Public Company Limited

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
	-BOD meeting by SEC-Promote culture & governance Class 10/2019 -Personal Data Protection Act-PDPA by PWC,Deloitte 2019-2021 -TFR 9 by Thammasart University ,2019 -Ethical Leadership Program Class 22/2021 -Forensic Accounting , 2021							
5.	Mr. Jessada Promjart Independent Director, Audit Committee, Recruitment and Compensation Committee <i>Training programs attended:</i> - Cyber Resilience Leadership Workshop of the Bank of Thailand (8 July 2019) -IIA International Conference in California 2019, The Institute of Internal Auditor -IIA International Conference in Dubai 2018, The Institute of Internal Auditor -IIA International Conference in Sydney 2017, The Institute of Internal Auditor -IIA International Conference in New York 2016, The Institute of Internal Auditor -Advance Audit Committee Program (AACCP) Class 25/2017 -Ethical Leadership Program (ELP) Class 5/2000	60	Master of Accountancy, Thammasat University Bachelor of Accountancy, Thammasat University	-	No.	2015-Present 2015-Present 2015-Present 2015-Present 2016-Present 2017-Present 2018-Present 2019-Present 2019-Present 2020-Present 2020-2021 2021-Present	Extension Construction Committee, Committee on Supervision of Utilization Rights Contract for the use of shopping malls in Phahon Yothin Triangle Committee on Supervision of Color TV Joint Operation Contract Director and Audit Committee Director and Audit Committee Audit Committee Director and Executive Committee Capital Market Competitiveness Development Subcommittee Director and Chairman of the Audit Committee Independent Director and Audit Committee Recruitment and Compensation Committee Chairman of the Recruitment and Compensation Committee	Chulabhorn Hospital and Chulabhorn Medical Center between State Railway of Thailand and Central International Development Co., Ltd. MCOT Public Company Limited and Bangkok Entertainment Co., Ltd. Government Savings Bank Expressway Authority of Thailand Chulabhorn Royal Academy Y.S.S. (Thailand) Co., Ltd. The Securities and Exchange Commission AMR Asia Co., Ltd. Eastern Star Real Estate Public Company Limited

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
	-Governance for Top Executives and Public Organizations (PDI) Program, Class 14, King Prajadhipok's Institute -Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers Program, Class 1, Office of The National Anti-Corruption Commission -TCLA Executive Development Program (EDP), Class 9, Thai Listed Companies Association -Company Secretary Program (CSP), Class 7/2004 -Director Certification Program (DCP), Class 45/2002 -Telecommunication Management, Chulalongkorn University							
6.	Mr. Paiboon Wonggajatharn Director <i>Training programs attended:</i> -Director Accreditation Program (DAP) Class 66/2007 -Building Energy Conservation (The Department of Alternative Energy Development and Efficiency under The Ministry of Energy) Class 18/1996 -Building Electrical Design and Installation Standard Code For Energy Conservation (The Department of Alternative Energy Development and	57	- Bachelor of Engineering Program in Industrial Electrical Technology (Honors), King Mongkut's University of Technology North Bangkok -Senior Professional Electrical Engineer Engineering Institute of Thailand -Professional Electrical Engineer (Power), Council of Engineers -Associate Electrical Engineer (Telecommunication/Electronic), Council of Engineers	-	No	2007-2016 2015-2016 2017-Present 2007-Present 2003-Present 2018-Present	Executive Committee Acting Managing Director Director Director Executive Committee Executive Committee	Eastern Star Real Estate Public Company Limited Eastern Star Real Estate Public Company Limited Eastern Star Real Estate Public Company Limited Eastern Star-Lai Sun-New World Co., Ltd. Eastern Star Resort Co., Ltd. BBTV Equity Co., Ltd.

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
	Efficiency under The Ministry of Energy) Class 1/1997 -Person Responsible for Energy in Building (The Department of Alternative Energy Development and Efficiency under The Ministry of Energy) Class 1/2003							
7.	Chachawin Charoen-Rajapark Director <i>Training programs attended:</i> -Director Accreditation Program (DAP), Class 52/2006 - Director Certification Program (DCP), Class 88/2007 - Audit Committee Program (ACP), Class 19/2007 - Role of the Compensation Committee (RCC), Class 7/2008	61	Ph.D. in Management Massachusetts Institute of Technology M.S. in Management Massachusetts Institute of Technology B.S. in Electrical Engineering Massachusetts Institute of Technology	-	No	2005-Present 2014-2021 2005-2021 2021-Present 2021-Present 2021-Present 2020-Present 2006-Present 2005-Present 2005-Present 1998-Present 2010-2018 2009-2018 2008-2018 2007-2018 2007-2018	Director Chairman of the Executive Committee Executive Committee Independent Director Recruitment and Compensation Committee Board Chairman Director Chairman of the Recruitment and Compensation Committee Independent Director Audit Committee Managing Director Recruitment and Compensation Committee Chairman of the Audit Committee Policy and Strategy Committee Independent Director Audit Committee	Eastern Star Real Estate Public Company Limited Bangkok Bank Public Company Limited Rajapark Development Co., Ltd. Nara Thai Cuisine Co., Ltd. Ocean Glass Public Company Limited President Hotel and Tower Co., Ltd. Thai Insurance Public Company Limited
8.	Mr. Titiwat Soukponchaikul Executive Committee <i>Training programs attended</i>	59	Master of Business Administration, Chulalongkorn University	-	No	2007-Present 2006-Present 2006-Present	director Executive Committee Executive Committee	Eastern Star-Lai Sun-New World Co., Ltd. Eastern Star Real Estate Public Company Limited Eastern Star Resort Co., Ltd.

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
	- Certified Investment and Securities Analyst Program, Level 3 ("CISA"), the Stock Exchange of Thailand -Director Accreditation Program, Class 72/2008, the Institute of Directors - Executive Development Program (EDP), Class 6, the Stock Exchange of Thailand - Company Secretary Program, Class 36/2010, Thai Institute of Directors - Advanced Audit Committee Program (AACP), Class 23/2016, Thai Institute of Directors - Corporate Governance for Capital Market Intermediaries Program, Class 15/2016 Thai Institute of Directors - Effective Minutes Taking (EMT) Program, Class 14/2009 Thai Institute of Directors -Financial Advisor Program, Investment Banking Club, Association of Thai Securities Companies, 2015 - Anti-Corruption the Practical Guide (ACPG) Program, Class 53/2020, Thai Institute of Directors - Director Certification Program, Class 298/2020, Thai Institute of Directors - Corruption Risk & Control: Technical Update (CRC) Program, Class 7/2020, Thai Institute of Directors		Bachelor of Economics, Thammasat University Bachelor of Accountancy, Sukhothai Thammathirat Open University			2006-Present 2006-Present 2010-Present 2011-Present	Director Accounting-Finance Manager Audit Committee Audit Committee	Super Assets Co., Ltd. BBTV Equity Co., Ltd. and Group Companies Krungsri Asset Management Co., Ltd. Allianz Ayudhya Assurance Public Company Limited

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
	-Risk Management Program for Corporate Leaders (RCL), Class 21/2020 , Thai Institute of Directors							
9.	Mr. Timawat Mahatharadol Executive Committee <i>Training programs attended:</i> - Director Certification Program (DCP), Class 205/2015 -Risk Management Program (RMP), Class 6/2015	63	Master of Business Administration, Ball State University Bachelor of Laws, Thammasat University	-	No	2009-Present 2014-Present 2015-Present 2015-Present 2015-Present 2017-Present 2018-Present 2018-Present 2020-Present 2020-Present 2020-Present 2020-Present	Managing Director Director Director Director Director Director Director Director Director Director Director Director	Maha Tharadol Co., Ltd. Srivichai Vejvival Public Company Limited BBTV Equity Co., Ltd. Sunrise Equity Co., Ltd. Eastern Star Real Estate Public Company Limited Ratanarak Co., Ltd. Villa Deva Resort & Hotel Co., Ltd. Nara 12 Co., Ltd. The Thai Tapioca Flour Produce Co., Ltd. C.K.R. Co., Ltd. The Bangkok Lighters Co., Ltd. Exclusive Senior Care Co., Ltd.
10.	Mr. Nattawit Boonyawat Executive Committee <i>Training program attended</i> Senior Executive Program (SEP 9) Sasin	60	Master of Science Abilene Christian University Texas, USA. Bachelor of Economics, University of the Thai Chamber of Commerce	-	No	2015-Present 2010-Present 2015-Present 2017-Present	Director Director Executive Committee Executive Committee	Home Sukhumvit Co., Ltd. Grand Larn Luang Co., Ltd. Eastern Star Real Estate Public Company Limited Eastern Star Resort Co., Ltd.
11.	Mr. Torsak Lertsrisakulrat Managing Director <i>Training programs attended:</i> -Director Certification Program (DCP), Class 252/2018	46	Doctor of Engineering, Tokyo Institute of Technology (TIT) Master of Engineering Asian Institute of Technology (AIT) Bachelor of Engineering (Honors), Chulalongkorn University	-	No	2016-Present 2017-Present	Managing Director Executive Committee	Eastern Star Real Estate Public Company Limited Eastern Star Resort Co., Ltd.
12.	Mr. Pongsak Maison Legal Affairs Assistant Manager and	63	Bachelor of Laws, Thammasat University	-	No	2014-Present	Legal Affairs Assistant Manager and Company Secretary	Eastern Star Real Estate Public Company Limited

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
	Company Secretary <i>Training programs attended:</i> - Company Secretary Program (CSP) - Anti-Corruption: The Practical Guide (ACPG)					2014-Present 2014-Present	Executive Committee Executive Committee	Seastar Properties Co., Ltd. Eastern Star Resort Co., Ltd.
13.	Ms.Chaline Pratyasunti Director of the Managing Directors Office <i>Training programs attended:</i> -Mini MRE, Thammasat University, 2011	44	Master of Business Administration, Chulalongkorn University Bachelor of Business Administration (Honors), Assumption University	-	No	2016-Present	Director of the Managing Directors Office	Eastern Star Real Estate Public Company Limited
14.	Mr. Pichai Bjiayendrayodhin Senior Rayong Projects Director	54	Master of Property and Construction Management, University of Denver Bachelor of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang	-	No	2017-Present	Senior Rayong Projects Director	Eastern Star Real Estate Public Company Limited
15.	นางสาวพัชรี ภอพานิชารoen Acting Bangkok Project Management Director <i>Training program attended</i> -Mini MRE, Thammasat University, 2015	38	Master of Business Administration, Assumption University Bachelor of Engineering (Honors), Assumption University	-	No	2018-Present 2016-2018	Acting Bangkok Project Management Director Acting Property Business Director	Eastern Star Real Estate Public Company Limited Ocean Property Co., Ltd
16.	Ms. Poonsri Pholpanicharoen Acting Accounting and Finance Director	38	Bachelor of Accountancy, Chulalongkorn University Master of Business Administration, Chulalongkorn University	-	No	2020-Present 2019-2020 2017	Acting Accounting and Finance Director Accounting, Finance and Information Assistant Director Accounting and Finance Director	Eastern Star Real Estate Public Company Limited Ocean Property Co., Ltd

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship between executives	Work experience over the past five years		
						Period	Period	Period
17.	Mrs. Pichapas Phowattanakul Accounting, Finance, and Information Assistant Director	57	Bachelor of Finance and Banking, Ramkhamhaeng University	-	No	2006-Present	Accounting, Finance, and Information Assistant Director	Eastern Star Real Estate Public Company Limited
18.	Mr. Nattawoot Seaheng Business Development Assistant Director <i>Training program attended</i> -The Next Tycoon, Class 3/2017	34	Master of Business Administration, Assumption University Bachelor of Business Administration, Assumption University	-	No	2016-Present	Business Development Assistant Director	Eastern Star Real Estate Public Company Limited
19.	Mr. Disawa Serewittana Construction Management Assistant Director (Head Office)	53	Bachelor of Civil Engineering, Chiang Mai University	-	No	2018-Present	Construction Management Assistant Director (Business Operation Section 2)	Eastern Star Real Estate Public Company Limited
20.	Mr. Sunorn Rodut Rayong Project Management Assistant Director	57	Certificate of Vocational Education in Industrial Trades (Electrical Power)	-	No	2011-2018	Project Manager	Stonehenge Inter Public Company Limited
21.	Mr. Chitsan Tirachanasap Acting Project Development and Design Assistant Director	48	Master of Applied Finance, Faculty of Business Administration, Kasetsart University Bachelor of Interior Architecture King Mongkut's Institute of Technology Ladkrabang	-	No	2021-Present 1995-2021	Rayong Project Management Assistant Director Rayong Project Sales Manager	Eastern Star Real Estate Public Company Limited
22.	Mr. Surachet Pichitchonlapan Rayong Project Management Assistant Director <i>Training programs attended</i> -Mini Human Resource Management -Managing Finance for Business Owners, Marketers & Non-Finance Executives	49	Bachelor of Sports Management Chumphon Physical Education College, Chumphon Campus Diploma Hospitality Management (Major Food and Beverage) Wageningen Hotel School in The Netherlands	-	No	2021-Present 2019-2021	Acting Project Development and Design Assistant Director Rayong Project Management Assistant Director Director	Eastern Star Real Estate Public Company Limited Thana City Golf & Sports Club Co., Ltd.

No.	Name-Surname Position	Age (year)	Educational Qualification	Company shareholding ratio ¹	Family relationship Between executives	Work experience over the past five years		
						Period	Period	Period
23.	Mr. Ek-achan Puangpradab Acting Construction Management Assistant Director (Head Office) <i>Training program attended</i> -Building Inspector, Class 61/2020	50	Master of Transport Engineering, King Mongkut's Institute of Technology North Bangkok Bachelor of Civil Engineering, King Mongkut's Institute of Technology North Bangkok	-	No	2021-Present 2016-2020	Acting Construction Management Assistant Director Project Manager	Eastern Star Real Estate Public Company Limited

Addendum 2

Details about Directors in the Company and Subsidiaries as of 31 December 2021

Details about Directors in the Company and Subsidiaries and Company Directors with Positions in Joint-stock or Related Companies

Name	Company	Subsidiaries	
		1	2
Company			
1. Mr. Anand Panyarachun	P		
2. Mr. Pongpinit Tejagupta	V		
3. Mrs. Sunanta Tiasuwan	I		
4. Dr. Chatchawin Charoen-Rajapark	D		
5. Mr. Jessada Promjart	I		
6. Mr. Titiwut Soukpornchaikul	A	A	A
7. Mr. Nuttawit Boonyawat	D	D	
8. Mr. Tinnawat Mahatharadol	A		
9. Mr. Torsak Lertsrisakulrat	A	A	
10. Mr. Paiboon Wongjongjaiharn	D	A	A
11. Mrs. Wanna Thamsirisup	I		
Subsidiaries			
1. Mr. Phanchai Sattayaphon		A	
2. Mr. Thaweephon Khongseri		D	A
3. Mr. Preedee Boonyophat		D	
4. Mr. Pongsak Maison		A	
5. Mr. Cheng Ming Pei			A
6. Mr. Cheng Gar Chun			A
7. Mr. Peter Lam Kin-ngok			A
8. Mr. Siu Fuk Ahn			A

Remarks: P = Chairman

V = Vice Chairman

A = Authorized Director

I = Audit Director

D = Director

Subsidiaries: 1 – Eastern Star Resort Co., Ltd.

2 – Eastern Star-Lai Sun-New World Co., Ltd.

Addendum 3: Details about the Company's Internal Audit Supervisor and Corporate Governance Supervisor

--None--

Addendum 4: Asset Appraisal Details

--None--

Addendum 5 – Corporate Governance: Full Version

Corporate Governance

Eastern Star Real Estate Public Company Limited

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1. General Provisions

a. Eastern Star Real Estate PCL (ESRE) recognizes the importance of good corporate governance in maintaining the organization's ability to compete and be successful with sustainability. ESRE adheres to the following six principles:

1. Accountability
2. Responsibility
3. Fairness and Integrity
4. Transparency
5. Creation of Long-Term Value to all Stakeholders
6. Promotion of Best Practices

b. In these six good corporate governance principles, ESRE has three internal driving factors:

1. Professionalism among personnel at every level. For example:

- (1) The company's personnel have knowledge, competency and expertise in duties and responsibilities.
- (2) The company's personnel have honesty.
- (3) The company's personnel are disciplined and accountable to duties.
- (4) The company's personnel are ready to improve toward better things and knows how to respond to change.

2. Good Internal Control System

3. Equitable treatment of stakeholders and fiduciary duties toward stakeholders. Stakeholder rankings do not have different consideration of importance (even though analysis by most businesses show three main stakeholder groups need to be satisfied for the business' survival and prosperity. These groups consist of customers, employees and shareholders.)

The company's operations consider situations on a case-by-case basis in the following order:

(1) Shareholders

Shareholders consist of major shareholders, ordinary investors and minor shareholders. The company's practices are as follows:

1.1 Maintain honesty, making decisions honorably and fairly for the overall good as follows:

- Operate under the scope of the company's authority and benefit.
- Work with the competency and caution of a person with knowledge, experience and expertise.
- Prevent the company's assets from losing value or being wasted.
- Do not illegally disclose the company's secret information, especially to competitors.

1.2 Monitor and maintain investments by shareholders to yield appropriate and fair returns.

1.3 Protect assets and maintain financial status security.

1.4 Improve the company's work to benefit the company's survival and growth.

1.5 Report the company's status and performance completely, accurately and truthfully.

(2) Customers

2.1 Procure cost-effective products and services in terms of price, quality, safety and service excellence.

2.2 Disclose accurate and complete news and information on products and services without distorting facts.

2.3 Offer warranty for products and services under appropriate specifications.

2.4 The company does not deliver products and services to customers if the company knows that products and services are defective, damaged or potentially harmful to customers. The company does not allow substandard products or services to reach customer hands.

2.5 Create customer service mechanisms and systems to enable customers to submit complaints and express dissatisfaction toward products and services conveniently in addition to taking the best action to help customers receive fast response.

2.6 Maintain production costs at the lowest level possible while maintaining product and service quality standards.

2.7 Seek ways to increase benefit to customers.

2.8 In cases where the company is unable to comply with any agreements made with customers, customers must be informed in advance to consider guidelines for solving problems and preventing damage.

(3) Employees

3.1 Promote and improve employees to create the highest work capabilities in addition to supporting employee involvement in determining the company's work directions and solutions for the company's problems.

3.2 Arrange fair employment conditions, provide appropriate returns based on knowledge, capabilities, accountability and performance of each employee along with providing fair opportunity for advancement in the company.

3.3 Appointments, transfers or changes to positions of company employees including rewards and punishments must be carried out with honesty by considering employee knowledge, capabilities and suitability.

3.4 Maintain safe work environments for employees' lives, health, hygiene, bodies and property.

3.5 Comply with laws and regulations concerning labor laws and employee benefits.

3.6 Manage employees by avoiding unfair and incorrect actions that affect employees' career progress and occupational security.

3.7 Treat employees on the basis of human dignity and respect individuality and personal rights and duties.

3.8 Employees are not prohibited from working in other occupations not in competition with the company without reason.

3.9 Disseminate ethical guidance to all employees and reiterate understanding concerning instructions and roles that employees can perform.

(4) Government

Comply with government policies, laws and regulations by not avoiding taxes and bribing government officials, pay taxes properly and cooperate with the government's good officials.

(5) Partners

Work with professionalism and transparency to attain the highest mutual benefits.

(6) Public & Environment

6.1 Operate the business as a good citizen who is accountable to society and support businesses that benefit community and society overall.

6.2 Be aware of actions in compliance with standards related to health, hygiene, safety and the environment in order to prevent any effects that cause loss of life and property among personnel, communities and the environment.

6.3 Do not save on expenses without giving consideration to the well-being of society in general.

(7) Suppliers

7.1 Treat suppliers/vendors equally and fairly while giving primary consideration to the company's ultimate benefit.

7.2 Comply with agreements made with suppliers/vendors. In cases where the company is unable to comply, the company must negotiate with suppliers/vendors in advance in order to seek guidelines on solutions and damage prevention together.

7.3 Do not demand, accept or offer any dishonest benefits to suppliers/vendors. If there is information on any dishonest payment of benefits, consult with suppliers/vendors to jointly seek a fair solution quickly.

7.4 End trade with suppliers/vendors who bribed the company's employees.

(8) Lenders

8.1 Maintain and comply with conditions of lenders or obligations strictly in terms of repayment, maintaining collaterals and other conditions including conditions which are not funds from loans in a direction against objectives in agreements made with lenders.

8.2 Manage the company in a direction to not increase risks for company staffers without reason.

8.3 Fairly treat lenders in the order of debts in agreements. In cases where the company is unable to comply with agreements, negotiations must be held in advance to seek guidelines on solutions and damage prevention together.

8.4 Provide accurate, complete and truthful financial information.

8.5 Do not demand, accept or offer any corrupt benefits to lenders. If there is information on any corrupt payment of benefits, consult with lenders to jointly seek a fair solution quickly.

(9) Competitors

9.1 Treat competitors and compete within the framework of competition rules with creativity and fairness.

9.2 Do not damage competitors' reputation with slander or perform any false and unfair actions.

9.3 Do not seek competitors' secret information by dishonest, illegal or inappropriate means.

c. This ESRE corporate governance principle combines ESRE's policies and ethics to provide a standard for good behavior in ESRE's business operations and for use as a reference and norms in ESRE's operations. This principle is to be adhered to by the Board of Directors, the management, employees and supporting workers. On some topics, clear specifications have been made to identify groups of individuals under enforcement. As previously stated, ESRE recognizes the importance of all stakeholders. Therefore, ESRE considers it a duty to report corporate governance

regularly in the company's annual report to create confidence in ESRE's business operations in the areas of accountability, equitable treatment of stakeholders and professionalism among investors and the public.

d. The work units with the duty to always examine ESRE's corporate governance are the Audit Committee and the Internal Audit Office. The company expects every person to honestly report actions in conflict with or suspected of being in conflict with this policy directly to supervisors. In cases where employees may not report to a supervisor, employees may ask to consult with the Office of the Managing Director, the Human Resources Department or the Internal Audit Office. Information provided by informants will be considered secret. Supervisors have the duty to oversee and advise subordinates to comply with policies and ethics prescribed by the company in this principle.

Policies and ethics in this principle are a discipline for personnel at every level to understand, adhere to and properly practice in daily work. ESRE would like to remind all personnel that no individual has the right to permit any ESRE personnel to perform actions against policies and ethics in this principle. When a person is found to be in violation of this principle and a fair investigation finds this to be true, the company will consider appropriate disciplinary and/or legal actions, depending on the case.

e. This ESRE corporate governance principle must be considered and updated by the Office of the Managing Director and the agencies responsible for policies and ethics. The company has no intention to specify policies and ethics on every topic. However, the company will specify policies only on matters that have been regular practices, matters with frequent mistakes or complex work methods. Therefore, if you have any questions concerning compliance with any policies or ethics in this principle, you may make inquiries at the Office of the Managing Director or the work unit responsible for the issue.

f. Good corporate governance can occur only with cooperation from personnel at every level, from directors in the management to employees and workers, who must comply with policies and ethics in this policy. Therefore, it is the duty for all of the abovementioned people to be accountable, acknowledge, understand, adhere to and properly comply with policies and ethics by always exercising correct judgment.

g. Exercising correct judgment is simple. Ask yourself the following:

1. Is it correct?
2. Is it acceptable, and can it be disclosed to society?
3. Does it cause the company to lose reputation?
4. And will it damage your reputation and enable you to live in ESRE's society and outside society?

2. Policies Concerning Executives of Eastern Star Real Estate PCL.

2.1 The Board of Directors of ESRE is the company's top organization and the issuer of this principle. Directors are the highest example of adherence to and compliance with this corporate governance policy.

1. All ESRE directors must have leadership and ability to effectively control the management's operations to achieve goals at the core of ESRE's business by creating and adding investment value for shareholders and other stakeholders. ESRE's Board of Directors will cooperate with the management to specify the company's vision, mission and values for every person to follow. Furthermore, ESRE directors must have full ethical and legal accountability to ESRE and stakeholders. ESRE directors must perform duties with caution, skill, honesty and express opinions independently.

2. ESRE directors must always exercise independent judgment in ESRE's business operations in order to be fully trusted by shareholders.

3. ESRE directors must thoroughly and transparently consider and nominate individuals suitable for the ESRE Board of Directors or the shareholder meeting in order to elect new directors to fill vacant positions. And ESRE directors may form recruitment sub-committees.

4. ESRE directors must fully dedicate time and attention to ESRE along with being ready to attend ESRE meetings. Failure to attend Board of Directors meetings should have explanations.

5. Directors must adhere to the Code of Best Practice for Directors of Listed Companies.

6. Directors must perform duties in compliance with laws and the company's objectives and regulations, including resolutions of shareholder meetings.

7. Directors must not engage in the same businesses as the company or become partners or shareholders in other juristic persons with the same status as the company that are in competition with the company's business unless directors notified the shareholder meeting before a resolution to appoint directors.

8. Directors must inform the company without delay if directors hold stakes in contracts made with the company or if directors hold more or less shares or securities in the company, affiliated companies or if directors performed actions that may cause conflicts of interest.

9. Directors are to manage work by avoid conflict between personal interests and the organization's interests in order to make management effective. The aforementioned interests include the following:

- (1) Do not seek personal gain from director status.
- (2) Do not abuse the organization's secrets.
- (3) Do not become a director in companies that compete with the organization.
- (4) Do not hold stakes in the organization's contracts.

10. Directors must manage work with caution and not create obligations that may conflict with personal duties afterward.

11. Directors must not seek direct or indirect illicit gains from work. For example:

- (1) Directors must not use the company's money or secret information for personal gain.
- (2) Directors must not see personal gain or the company's gains.

12. Directors must perform duties at full capacity to create the most benefit for the organization.

2.2 Policies and ethics in this principle must be adhered to by ESRE directors in connected operations such as conflicts of interest, procurement ethics or ESRE's confidentiality policy, etc.

2.3 ESRE's Board of Directors must declare accountability in preparing financial reports in the annual report for show alongside the auditor's report.

2.4 ESRE's Board of Directors must declare policies on the company's governance in the annual report to show how corporate governance was applied to ESRE.

3. Policies Concerning Human Resource Management and Employee Code of Conduct

3.1 Human Resource Management Policy

ESRE will guide employees to work with the highest efficiency and ESRE will arrange fair employment conditions and fair opportunity of advancement in the company.

ESRE recognizes the value of the company's human resources and ESRE will support employees to participate in social activities outside the company under the scope of the company's policies.

ESRE treats all employees equally without discriminating ethnicity, gender, skin color, religion, nation of birth, age, sexual orientation, physical disabilities or personal characteristics irrelevant to work and ESRE will prevent threats or coercion of personnel at every level by any person or method. Main topics concerning employees are as follows:

3.1.1 Employment

1) To enable ESRE to use employees at the highest efficiency, ESRE seeks to recruit employees by considering appropriate qualifications, experience and competency for work positions.

2) ESRE adheres to the principle of recruiting employees by giving first consideration to employees in ESRE with suitable qualifications and capabilities for vacant positions. If ESRE is unable to recruit the Company's employees for vacant positions, ESRE will then select and recruit people from outside the company.

3) To prevent unfairness among employees, ESRE will avoid recruiting close relatives of employees such as children, husbands or wives of employees (regular employees) at the supervisor level and up to work with the company.

4) In cases where ESRE recruits outside personnel, the people involved in the order from the supervisor and the manager to the administrator are to interview with employees from the Human Resources Department. The authority to make the decision to recruit employees is to be consistent with the company's policy.

5) Normally, when outside people are recruited as ESRE employees, ESRE will make the aforementioned employees probationary employees for a period of time before deciding whether to include probationary employees as ESRE's regular employees unless probationary employees receive special approval.

6) Normally, ESRE has no intention to hire employees who previously worked for ESRE except in special cases which require approval beforehand.

7) In cases where employees were recruited from inside the company and the recruitment causes a change to employee positions, ESRE may direct that employee to act in the new position for a period of time in order to consider suitability for that position.

3.1.2 Work and Breaks

1) ESRE wishes for employees to have annual vacations by taking a temporary break from regular work because ESRE believes rest from work will help to refresh employees and enable employees to return to work more effectively.

2) ESRE hopes every ESRE employee will dedicate physical and mental energy to work, duties and personal accountability by fully working at times specified by ESRE.

3.1.3 Wages and Remuneration

1) To be fair to ESRE and employees, ESRE organizes wages by considering the following factors:

a) Current wages and payment methods are dependent on the company's performance, employees' performance and economic conditions.

b) Differences of each work position in the area of knowledge and expertise needed, difficulty of duties, accountability to assignments and normal working conditions.

c) Each employee's abilities in terms of performance to work, duties and accountability to assignments. The company has the objective to attract and retain talented personnel who ESRE wants to remain with ESRE effectively.

2) ESRE considers income tax payments to the government to be a duty of every employee as people who behaves in compliance with laws.

3) In business operations, ESRE may need employees to travel to work or promote employee knowledge and capabilities. The company will pay expenses incurred based on necessity and suitability for employees' social status.

4) In working for ESRE, employees should receive remuneration to prevent expenses incurred by work. At the same time, employees should not receive special remuneration aside from wages and normal merits.

3.1.4 Benefits

1) ESRE will provide and/or modify employee benefits by considering the following factors:

a) Benefits that promote security in the lives of employees and families that most employees cannot provide using personal assets without sufficient protection from the government.

b) Benefits provided by real estate development industry operators in Thailand for employees.

c) ESRE's current ability to pay and long-term ability to pay in the future.

2) Because ESRE provides employee benefits according to the factors specified above, if the government changes laws or enacts new laws concerning employee benefits or new laws with effects on current employee benefits, ESRE has the right to change any part or all of employee benefits. All benefits entitled to employees including from the company and other sources are no less than before unless agreed upon otherwise. However, the company's ability to pay must also be considered.

3) ESRE considers paying income tax to the government to be a duty of the population who earn income. Therefore, if employee benefits paid by the company to employees or employees' family members fall within the scope of assessable income, employees or beneficiaries of the aforementioned benefits will also pay income tax.

3.1.5 Disciplinary Actions and Complaints

1) It is the duty of all supervisors to ensure employees strictly follow discipline to prevent wrongdoing or severe damage to employees, colleagues or ESRE.

2) If employees are in violation of discipline, employees will be appropriately punished by ESRE to prevent recurrence or prevent more severe infractions. Punishments must be administered with no intention to persecute or cause harm to employees.

3) Although infractions against discipline are a single action, punishments may be different if employees committed infractions repeatedly, intentionally or committed infractions with severe effects on the general public.

4) When there are problems between employees and/or problems between employees and supervisors, employees have the right to submit complaints via supervisors and/or submit complaints to the Human Resources Department. ESRE recognizes the value and importance of meeting to solve problems quickly in order to maintain good relations.

3.1.6 Termination from Employee Status

1) Terminating employees from employee status is the direct duty and responsibility of superiors. Supervisors must explain the cause and background of termination of employee status to employees.

2) ESRE considers appropriate benefits due to employees from termination from employee status and appropriate benefits for the cause of that termination.

3.2 Employee Ethics

Employee ethics means practices considered by ESRE as ethical in business operations and will result in good corporate governance, accountability, transparency, honesty, morals, ethics, commitment to growth and the business' security.

ESRE wants very much for the management and all employees to comply with these ethical principles at all times in every case including supporting workers. Therefore, in this place, "employee" means all of the abovementioned people. ESRE specified employee ethics in the following areas.

3.2.1 Instructions on Behaviors toward the Company

3.2.2 Instructions on Behaviors toward Supervisors, Subordinates and Colleagues

3.2.3 Instructions on Behaviors toward Employees

3.2.4 Sexual Harassment

3.2.1 Instructions on Behaviors toward the Company

(1) Work with accountability, honesty, loyalty, sacrifice and full dedication to ESRE's work along with continually finding ways to improve, correct and develop work to be effective while being patient for the progress and security of the company and employees.

(2) Work professionally with knowledge, expertise, determination and caution. See problems in advance and find solutions for potential problems. Maintain the aforementioned work standards and apply knowledge and skills to manage the company to the best of employees' knowledge and ability.

(3) Use the company's resources effectively, conservatively and maintain the company's resources to prevent abnormal depreciation or losses. Do not use the company's assets for personal gain.

(4) Do not use personal authority and duties or allow others to use employees' authority and duties to directly or indirectly seek personal gain or benefit others.

(5) Respect and obey the company's rules, regulations and policies with intention and honesty to maintain consistent practices.

(6) Adhere to laws and regulations concerning business operations. Pay attention to designated industrial standards and practice guidelines to ensure that the business operates effectively.

(7) Avoid allowing yourself or family members to give or receive items, money or other benefits from individuals who have duties or businesses connected to the company, except in traditional opportunities or festivals. Items, money or other benefits must not have an excessive price or exceed the occasion.

(8) Do not use news or information which may significantly change prices of ESRE securities and is not disclosed to the public to seek profit or benefits directly or indirectly from trading in ESRE securities.

(9) Strictly maintain the company's secrets. Do not disclose the company's news, information and production technology. Take care to prevent ESRE's secret documents or news from being leaked or possessed by people who are not involved, which may cause damage to ESRE. This includes not allowing ESRE's undisclosed documents or news to be revealed to outside individuals except when permitted by ESRE.

(10) Be attentive and do everything to maintain safety and a good work environment.

(11) ESRE Be careful of expressing opinions on topics that may affect ESRE's reputation and operations to outside persons.

(12) Do not cause a disturbance or disunity in the organization by creating rumors or leading superiors, subordinates and colleagues to be dissatisfied with one another or the company.

3.2.2 Instructions on Behaviors toward Supervisors, Subordinates and Colleagues

Proper treatment of employees by one another is an important factor in creating good cooperation and coordination to promote unity in ESRE's operations. Therefore, to promote and maintain the aforementioned good characteristics, employees must take the following actions:

(1) Treat subordinates with mercy and fairness. Take care of improving subordinates to advance at work by imparting work knowledge, supporting subordinates to be trained and increase knowledge and experience.

(2) Maintain and promote unity among colleagues and help one another by legal means along with working together and solving problems as a team for the overall benefit of ESRE's work.

(3) Show sympathy, mercy and good will to others. Have good relations and respect for one another at work. Respect the rights and duties of colleagues in the same manner as how you want your colleagues to treat you (Golden Rule) by helping others in what that person wants and finding a method to help the organization's business to achieve objectives with the least damage and the most benefit.

(4) Support and hear opinions or recommendations from subordinates concerning duties and consider beneficial uses for ESRE's work.

(5) Avoid disclosing or criticizing information or stories of other employees including work-related stories and personal matters in order to cause damage to employees or the overall image of ESRE.

(6) Do not falsely and unfairly accuse supervisors, subordinates and colleagues.

(7) Treat colleagues politely and kindly. Maintain good relations. Do not conceal information necessary for the work of colleagues and adapt to be able to work with others.

(8) Respect others by not claiming the achievements of others as your own.

(9) Inform the agencies involved and supervisors of any wrong or illegal actions were found to be committed in the company in order to enable the company to solve or prevent adverse events.

3.2.3 Instructions on Treatment of Employees

(1) Express personal morals and daring to follow personal beliefs by performing actions that employees consider to be right despite pressure to act in the opposite direction. Follow respectable and fair principles by fighting for personal beliefs and refusing to abandon principles for an objective until employees become fraudulent or immoral.

(2) Aim to improve and study knowledge and experience to become a moral person and improve work capabilities to be more effective.

(3) Adhere to morals. Do not wrongfully seek positions, merits or any other benefits from supervisors or from other people.

(4) Be disciplined at work by performing assigned tasks to the best of employees' abilities in order for the work to have quality and deliver work on time.

(5) Accept responsibility for work mistakes without turning accountability to others and be ready to solve problems or correct mistakes.

(6) Do not demand, accept or consent to accept money, items or any other benefits from customers, suppliers/vendors, ESRE contractors or from any other person who does business with ESRE. Do not become financially involved by lending money, borrowing money, raising funds, exchanging cheques for cash, buying goods on faith, purchasing, leasing or letting or creating any financial obligations with the aforementioned individuals including colleagues.

3.2. Sexual Harassment

Sexual harassment means any sexual action performed by an employee to another employee to cause disturbance, annoyance or create a demoralizing, hostile or aggressive work environment in addition to disrupting the work of that employee without reason. The aforementioned behaviors cover molestation, flirting or sexual violations by verbal or physical means. Every employee has the duty to maintain personal behaviors to be without any actions considered as sexual harassment. Every employee should recognize that some behaviors may be considered sexual harassment even if employees had no intention to sexually harass a person. If any employee believes himself/herself to be sexually harassed by any means or if an incident occurred, employees should report to the management at a higher level or the Human Resources Departments immediately depending on employees' convenience in order for the company to investigate and carry out appropriate actions. ESRE will investigate complaints concerning sexual harassment urgently and thoroughly along with taking appropriate corrective actions and protecting employees from danger caused by reporting the aforementioned incident out of good intentions.

The policy require every employee to avoid the aforementioned behaviors and this is considered as a condition for employment. In cases where sexual harassment occurred in violation of this policy, ESRE will take appropriate disciplinary action against policy violators without exception, which may be severe to the point of termination of employment without compensation. In cases where employees committed a crime, employees may also have to accept legal responsibilities.

This policy applies to the fact that employees have the aforementioned behaviors toward contractors or suppliers/vendors and cases where contractors or suppliers/vendors have the aforementioned behaviors toward employees. Employees who have the aforementioned behaviors will have disciplinary and/or legal actions taken against employees, depending on the case.

4. Policies Concerning Internal Control

ESRE has policy to have internal control with sufficient effectiveness for risk appetite and work environments or the work unit's activities. ESRE monitors internal control results regularly to modify control measures to be suitable for various situations, environments and risks in order to achieve the aforementioned intention. ESRE takes the following actions:

1 ESRE is committed to instructing executives to be aware of the importance of internal controls and to create internal control in ESRE's work or activities at every level or embed internal control as part of executives' methods for operating the business.

2 ESRE specifies appropriate internal control measures, models and methods for work environments or work unit activities, risk levels and risk management while considering effectiveness and sufficiency of the aforementioned system.

3 ESRE is committed to directing executives to create balance between flexibility at work and sufficiency of effective internal controls. Internal control costs must be worth the benefits.

4 Personnel at every level must recognize the importance of compliance with all internal control measures created by ESRE by complying with internal control measures regularly and continually.

Definition and Objective of Internal Control

Internal control means work procedures or methods jointly specified by the ESRE Board of Directors, the management and the organization's employees at every level in order to create reasonable confidence that compliance will enable achievement of the following objectives:

- 1 Effective operations including cost-effective use of resources.
- 2 Accurate, reliable and punctual financial reporting.
- 3 Proper compliance with policies, business rules and laws.

Importance of the Internal Control System

The internal control system is an important mechanism for creating reasonable confidence in executives' abilities in reducing business risks, preventing the business' assets from being leaked or lost due to corruption and malfeasance, helping the business to operate effectively with proper resource allocation and goal achievement, helping the business' personnel comply with relevant laws and regulations, helping financial reports have accuracy and reliability while also protecting shareholders' investments. Therefore, internal control is a major factor behind the success of every business, whether large or small, in the government sector or the private sector and regardless of the type of business. It is the duty of executives as leaders to take responsibility for arranging good environments and components of internal control in the organization in addition to building awareness and encouraging subordinates at every level to recognize the importance of regular and consistent cooperation and compliance in order for internal control system measures and mechanisms specified by executives to function successfully according to objectives. This is because even well-planned

systems or methods are completely ineffective without compliance. Furthermore, existing internal control must be regularly monitored and assessed to ensure that measures and mechanisms are suitable for environments and changing risks. Therefore, internal control is a major factor behind the success of every business, whether large or small, state-owned or privately owned, and regardless of the business' group. This is a duty for executives.

Cooperation with Internal Auditors and External Auditors

Personnel at every level must fully cooperate and provide complete information for the Audit Department and ESRE's auditors who have the duty to audit and evaluate steps, processes and internal control systems for sufficiency, efficiency and ability to completely meet goals. In addition, personnel have the duty to recommend points for improvement and correction as personnel consider appropriate.

5. Policies Concerning Conflicts of Interest

ESRE's policies on conflicts of interest are based on the principle that any decisions made by personnel at every level in business activities must be made only for the highest benefit of ESRE. The aforementioned decisions must be made without influence from personal needs, familial needs or the needs of people close to that person, which will have effects on decisions concerning the best interest of ESRE. In particular, all personnel must work for ESRE full-time to the best of employees' capabilities and employees should not have any other business interests outside ESRE that may take time or dedication to duties and accountability to ESRE and may cause damage to ESRE.

Conflicts of interest occur in cases where personnel at every level have personal interests, familial interests or interests of people close to personnel in the areas of finance or any other area in the business which will benefit from:

- 1 Decisions made by that person in performing duties for ESRE or;
- 2 Knowledge of ESRE's work plans or future plans.

ESRE considers it a duty for personnel at every level to avoid financial involvements and/or relationships with outside individuals that may cause ESRE to lose benefits or cause conflicts of loyalty, interest or obstruct effective operations. ESRE has a policy to protect ESRE's rightful benefits while at the same time limiting the scope of freedom in activities of personnel at every level to be as low as possible.

Annual Consideration of Conflicts of Interest

In each year, personnel at every level are notified to review and be aware of ESRE's policies concerning conflicts of interest. Every person must report potential conflicts of interest to the Office of the Managing Director by attaching details on the aforementioned conflicts of interest to the report in order to consult with the Managing Director before the Office of the Managing Director will inform that person and that person's supervisor of ESRE's points. Every person may always report the aforementioned matter when conflicts of interest may have occurred during the year.

In cases where tangible conflicts of interest have occurred, the fact that personnel disclose conflicts of interest and cooperate with the company well when conflicts of interest occur will help to result the aforementioned problem when that person withdraws from being a decision-maker on the topic which is the cause of the aforementioned conflicts of interest.

In cases where personnel have questions or uncertainty regarding appropriateness of personnel's work or if personnel are aware of potential non-compliance with ESRE's policies concerning conflicts of interest by other personnel, every person should consult with supervisors, the Human Resources Department, the Office of the Managing Director or the Internal Audit Office, depending on the case.

Definitions

"Family" means individuals connected to personnel at every level by blood or legal marriage including legitimate children.

“Close associates” means individuals connected to personnel at every level through close relationships.

Examples of Situations Involving Conflicts of Interest

Personnel at every level should hold to the following examples as guidelines for considering personal interests and consider conflicts of interest as an important matter of work. Disclosure or consultation regarding conflicts of interest according to procedure will help to solve problems or lead to appropriate solutions. When personnel have any doubts or uncertainty, employees should always request consultation.

1 General Investments

The basic rule on this matter is that personnel at every level, family members or close associates must not be shareholders or receive any benefits from any competing company or business including suppliers/vendors who ESRE has business contacts with.

ESRE Purchases of stocks in listed companies on stock exchanges or investments via mutual funds or investment units are not conflicts of interest as long as those actions have no effects on employees’ performance of work for ESRE.

2 Procurement of Products and Services for ESRE

Conflicts of interest may occur if personnel at every level, family members or close associates procure products or services for ESRE as a supplier/vendor and if that person has influence over operations of the aforementioned business despite having no duties concerning ESRE’s business operations and that business.

In cases where any ESRE personnel has family members or close associates who are employees or owners of businesses that are ESRE’s customer, supplier/vendor or competitor and that ESRE personnel is involved in decision-making related to business relationships with the aforementioned business, such cases are considered conflicts of interest.

Similarly, if customers, suppliers, vendors or employees of any competitor has family members who are ESRE personnel, authority should not be granted to allow that ESRE personnel to have influence over decision-making concerning business activities involving family members.

ESRE will not purchase or rent assets, equipment, raw materials or use services provided by ESRE personnel, family members, close associates and not enter into contracts on the aforementioned matters (except for only employee hiring agreements) except in special cases with written approval from the Managing Director such as cases where ESRE rents houses owned by ESRE personnel, family members or close associates by properly complying with regulations and procurement ethics.

3 Entertainment and Gifts

Personnel at every level should not accept entertainment, gifts, passenger tickets, sports tickets, any other tickets, vacation offers, lodgings or personal offers, etc., that are connected to duties in ESRE if the aforementioned acts will lead to creation of obligations for ESRE or if acceptance may cause that person to be in a situation with conflicts of interest.

3 Acceptance of Academic Work, Lecturer Positions, Public Services or Any Position

The management, employees and supporting workers may join in outside activities if there is good reason. In many cases, ESRE supports personnel participation in outside activities because ESRE sees the aforementioned activities as capable of helping to expand personnel views and experience, which will help to make work performed by personnel

more beneficial to ESRE. Personnel who will accept work in vocational institutions, become a lecturer, perform public service work or accept any positions such as director and consultant positions, etc., are required to request permission from supervisors within the chain of command before accepting the aforementioned work or positions. Personnel who received approval should always remember to not mix ESRE or ESRE positions in outside activities unless personnel received permission to do so.

In cases where the management or employees were appointed to be a secretary to any ESRE committee or represent ESRE in project management groups/be a director in joint venture companies or affiliates, such cases are not considered cases with conflicts of interest and the management or employees will not receive additional returns because this is part of work.

6. Procurement Ethics

Relationship with Dealers/suppliers

1 Behave toward dealers/suppliers in an appropriately business manner only. Be careful to not create any scandals about having an especially close relationship with any one dealer/supplier more than the others to the point that decisions about procurement, auctions and negotiations, etc., are carried out without fairness and equality for every party.

2 Respect and consider dealers/suppliers as external resources that provide convenience for the company business's survival. Do not consider them as trade opponents or lackeys but as equal business trading partners. Therefore, the procurement process should be based on the foundation of business development, so both the company and the dealers/suppliers receive fair remuneration. The unrestricted benefits of the company alone should not be considered without checking whether the dealers/suppliers can still operate business on the short and long term.

3 Give accurate, correct and straightforward information on the basis of dealers'/suppliers' honesty. Do not persuade dealers/suppliers to make haste misguided decisions or receive the correct but incomplete information.

4 Avoid accepting gifts, incentives and invitations to parties or receptions from the dealers/suppliers where they offer to pay related costs or accepting financial aid from dealers/suppliers for internal activities. This is in order to avoid potential scandals and prevent bias that could help any single party on a later occasion. The acceptance of an invitation to a thank-you party hosted by a dealer/supplier after they receive a procurement order is up to the discretion of only the high-ranking executives not involved in the said procurement decisions or the managing director, depending on the case. Receptions in the form of lunch or dinner with the intention to exchange knowledge or negotiate in a casual setting can only be done occasionally and the party paying the expenses should be alternated.

5 Take care not to make the dealers/suppliers pay for expenses that are part of procurement, especially during the probationary period, negotiations or ongoing procurement decisions. All expenses for traveling to inspect the sources of production, distribution system, quality system and product samples, etc., are the responsibility of the Procurement Department.

6 When visiting the dealers'/suppliers' facilities, they should be notified of the business objectives in advance and a clear visitation date should be given. Take up as little of the dealers'/suppliers' time as possible and try not to become a regular guest without any clear business necessity.

7 Do not expect or demand personal or group benefits and compensation from the dealers/suppliers in any occasion or under any circumstances. Gifts that might have to be accepted at New Year's should not be more special or have higher values than the standard gifts given by the dealers/suppliers to regular customers. Do not accept any money or bribes of any form.

8 Do not contact or have affiliations with dealers/suppliers who operate their businesses in one or all of the following manners:

8.1 Valuing short-term benefits over long-term ones.

8.2 Having a negative attitude about the free trade system, having a monopoly system and preventing competitiveness.

8.3 Having behaviors that indicate mutual agreement with other dealers/suppliers in price quotations in hopes of gaining benefits without actually trying to compete.

8.4 Being disinterested in helping to save on costs or maintaining customers' benefits.

8.5 Offering personal benefits to the employees or executives of the company.

8.6 Having a history of slandering their trade competitors.

8.7 Being dishonest or secretive and not straightforward with customers.

Procurement

1 The acceptance of sample products for testing needs to have a limited time and the samples must be returned to the dealers/suppliers immediately on the due date. Sample products should be tested carefully. The purpose of the test is to inspect and record the products' true quality and capability data. The aforementioned data is recorded as evidence for use as a reference in the decision-making process when the time comes. Products or equipment from the dealers/suppliers should not be used for anything else.

2 Do not invite dealers/suppliers to propose or quote prices if there are no real procurement needs or if there is no intention to purchase products from the said dealer/supplier. Select only dealers/suppliers after determining that they have the qualification, determination and ability to compete in hopes of eventually receiving a procurement order. Dealers/suppliers should not be invited to quote prices only as a tool for negotiating with other dealers/suppliers. If only numbers are needed for estimating expenses or creating a budget, the dealers/suppliers must be clearly notified in advance.

3 Establish clear and accurate rules, opportunities, a schedule, content and data numbers and treat dealers/suppliers invited for price quotations equally. If any dealer/supplier requests for and receives additional information, the additional information should be sent to the other dealers/suppliers who did not request the information. On the other hand, if any dealer/supplier requests for and is granted a postponement of the bidding document submission due date, the other dealers/suppliers also have to be notified of the new due date immediately.

4 Information from each price tenderer or bidder needs to be kept confidential and the prices or technical information from one should not be disclosed to another in hopes of gaining benefits which could be gained in the short term at the cost of the dealer/supplier's trust. Be wary of anyone who acts as a middleperson searching for information without directly or indirectly answering any questions which may lead to the leaking of information.

5 Do not take advantage of or punish dealers/suppliers from small unintentional mistakes. If the price quotation from a dealer/supplier is unusually low, check the details to make sure. In addition, confirm with the bidder again whether they wish to maintain the offer, recalculate it or cancel it. Make certain that the information on the advantages and disadvantages of this bidder is not disclosed to the other bidders.

6 Carry out the procurement process with transparency, fairness and honesty and without influence by any unjust interference.

Negotiation

1 Negotiations are to proceed on the basis of a business relationship that tries to resolve problems and find solutions or satisfying conclusions that are acceptable for both parties. Negotiations should not be done through the use of trickery, intimidation or coercion or be without principles and reason.

2 Negotiations should not be carried out alone and without recorded evidence in order to prevent scandals. There should be no fewer than two representatives of the company group in official or unofficial negotiations. Unless necessary, negotiations via telephone should be avoided. After negotiations, a written summary should be created and signed as evidence by all negotiating parties.

Disclosure of Potential Conflicts of Interest

Persons authorized to make procurement decisions and all related personnel must volunteer, without being asked, to disclose to the company details about their business or personal benefits related to the procurement decisions. They must disclose shareholding information or remuneration from businesses where they are the dealers/suppliers of products or services to the company or where their close relatives work, hold shares or hold positions.

7. Policies Concerning Accounting and Financial Transactions

Transaction Recording Accuracy

For the recording of business transactions, ESRE gives importance to compile an accurate, up-to-date, reasonable and credible accounting and finance report to present to the executives, shareholders, joint venture partners, government agencies and other related persons. Therefore, it is essential that employees of all levels strictly comply with the accounting and finance control procedures, internal control procedures and system as well as company accounting and finance regulations.

The recording of all of ESRE's business transactions must be done accurately and traceable with no restrictions or exceptions whatsoever. The recording of accounting and business transactions must be factual and without any distortion or misrepresentation for any purpose.

Personnel at all levels must conduct business consistently and in compliance with ESRE's rules and regulations and must have the complete documents and evidence of all business transactions. In addition, all personnel must provide useful information adequately, appropriately and in time so that ESRE employees with the responsibility to record the creation and evaluation of accounting and financial reports can record and enter a complete list of ESRE's accounting and financial transaction types in ESRE's accounting system accurately and with all the details.

Accounting and Financial Transactions

In order for the person responsible for recording, creating, evaluating and keeping confidential the accounting and financial information and/or transactions of all types to always remember that ESRE's highest priority is transaction and recording accuracy to ensure that accounting and financial reports are created with consideration to the implementation of a suitable and consistent accounting policy that is in line with ESRE's financial and accounting protocol,

All employees must not distort information or misrepresent transactions such as business transaction data related to accounting and finance or operational transaction data. All employees must recognize that the accuracy of accounting and financial transactions is a shared responsibility of the board of directors, executives, accounting and finance employees and employees with the responsibility to use, prepare and/or provide business transaction information.

Legal Compliance

Personnel at all levels must comply with related national and/or international laws and regulations in order to ensure that the accounting and financial records of the company is carried out correctly and completely in the same way that their other responsibilities are carried out. Personnel at all levels must adhere to principles of unprejudiced truthfulness and honesty in recording data. Honesty, in this case, means not getting involved in illegal or unethical activities. Therefore, ESRE absolutely does not permit the intentional recording of false or misleading data.

8. Policies Concerning Support of Public Activities

Supporting Society and Communities

ESRE considers it a responsibility and core policy to give importance to activities for the following:

- 1 The development of communities and the environment and determination to create and conserve good natural resources.
- 2 The support of youth education.
- 3 The support of public activities that benefit remote, underprivileged communities to strengthen them and help them to be self-reliant under the sufficiency economy principles by teaching skills and developing occupations for communities in general.
- 4 ESRE supports activities in areas where ESRE operates business.

Supporting Democratic Governance

- 1 ESRE believes in democracy and supports its personnel to exercise their constitutional right to vote.
- 2 ESRE does not have a policy to give financial aid direct or indirectly to any politician or political party for the benefit of the politician or political party.

Supporting the Government

ESRE supports government operations that benefits the public while also taking into consideration areas where ESRE has business operations.

9. Policies Concerning Gifts, Assets or Any Other Benefits

9.1 ESRE personnel can receive the following assets or other benefits from any person:

- 1 Assets or benefits obtained legally or that comply with issued regulations by virtue of legislative authority.
- 2 Assets or other benefits on an ethical basis.
 - (a) The acceptance of gratuitous gifts from relatives in appropriate circumstances.
 - (b) The acceptance of gifts from other persons not exceeding a value of three thousand baht.
 - (c) The acceptance of gifts in regular gift-giving circumstances.

9.2 In case of assets or other benefits given from overseas and which the grantor does not specify as private assets or gifts with values exceeding three thousand baht, whether or not they are specified as private property, but there is a necessity to accept the gifts to maintain friendship or good interpersonal relationship, proceed as follows:

(1) The recipient must report to their supervisors as soon as possible and if the recipient is the managing director or a director, report to the ESRE board of directors.

(2) If the supervisors or ESRE board of directors deem that there is no reason to allow the recipient to hold on to the gifts as private property, the recipient must submit them to their supervisors to transfer the ownership to ESRE immediately and the supervisors are to notify the Office of the Managing Director as ESRE's evidence.

9.3 In case of the acceptance of assets or other benefits that conflict with the moral obligations in Item 9.1(2), once the recipient has accepted the gifts due to the need to maintain a friendship or good interpersonal relationship, proceed as follows:

(1) The recipient is to notify the managing director of the details for analysis immediately and if the recipient is the managing director or a director, notify the ESRE board of directors.

(2) If the managing director or ESRE board of directors issues an order that the gifts should not be accepted, the recipient is to return the gifts to the grantor immediately. If the gifts cannot be returned, the recipient is to transfer the ownership to ESRE as soon as possible and submit a copy of the issue to the Office of the Managing Director as ESRE's evidence.

9.4 All levels of personnel and/or their family members are prohibited from demanding gifts, assets or other benefits from contractors, sub-contractors, dealers/suppliers, joint venture partners or anyone involved in ESRE's business under any circumstances.

9.5 ESRE does not support the contractors, sub-contractors, dealers/suppliers, joint venture partners or anyone involved in ESRE's business in the act of giving gifts, assets or other benefits to personnel of any level and/or their family members which could cause their decisions to become biased or put them in a difficult situation or cause a conflict of interest. However, in giving small gifts related to ESRE's business, customary holiday gifts or small traditional gifts, ESRE asks everyone to use their best discretion as mentioned above. If the recipient is uncertain, ask for their supervisors' advice.

9.6 For gifts given to ESRE as memorabilia with sentimental values, such as on the occasion of the signing of a joint venture agreement, ESRE permits personnel of all levels to accept them on behalf of ESRE. Additionally, there is to be a report on the circumstances of the acceptance and the gifts' place of storage and the report is to be submitted to the Office of the Managing Director for notification and storage as ESRE's evidence.

9.7 Vice versa, ESRE will use its best discretion in giving gifts, assets or other benefits to any personnel in a manner that is seen as in appropriate, wasteful, frivolous or against the customs or laws of Thailand or the area where ESRE has made investments.

9.8 ESRE regularly cautions personnel to report about the acceptance of gifts, assets or other benefits and have notified contractors, sub-contractors, dealers/suppliers, joint venture partners or anyone involved in ESRE's business about this policy.

9.9 Definition

(1) "Other benefits" mean items of value such as discounts and offers for entertainment, services, training and other items with similar characteristics.

(2) "The acceptance of assets or other benefits on an ethical basis," means the acceptance of assets or other benefits from relatives or persons who exchange gifts on occasions, normally as a custom, tradition or culture or as a manner practiced in society.

(3) "Relatives" mean the recipient's parents, descendants, full siblings, half siblings, uncles, aunts and the parents or descendants of the recipients' spouse, adopted children or parents.

10. Policies Concerning Company Secrets

10.1 Directors, executives, employees and additional operators some times have to work with confidential information and documents which cannot be disclosed to external personnel and/or are trade secrets, such as confidential information about land properties, plans, maps and numbers owned by ESRE. The protection of this type of information is crucial to the future success of ESRE in addition to being essential to everyone's job security. Directors, executives, employees and additional operators have the responsibility to legally and ethically agree to not disclose confidential information and documents or trade secrets once they leave their positions.

10.2 Information Confidentiality Levels

Information about trade secrets that are ESRE's internal information must be prevented from leaking out. The confidentiality of this information can be divided into several levels according to the degree of success from minimal to substantial. For example, information is classified as disclosable information, undisclosed information, confidential information and highly confidential information. The use of internal information must be within the scope of the user's given duties and responsibilities.

10.3 Information Disclosure to External Personnel

All information disclosed to the public must be approved by the managing director. The managing director, or a delegate, is responsible for responding to the following:

- (1) Information about other joint ventures must also be approved by the joint venture partners.
- (2) Central agencies responsible for disclosing information to the public include the Office of the Managing Director and the Finance Division.
- (3) Agencies who are owners of the information have the responsibility to provide details and coordinate with the managing director and the Finance Division before the disclosure of information.

10.4 Expression of Opinion to External Personnel

Opinions are not to be disclosed or expressed to personnel outside of ESRE. If any person asks for your opinion, first ask yourself whether or not you are responsible for answering those questions. If not, you should politely refuse to express any opinion and recommend for the person to ask the Office of the Managing Director directly.

11. Policies Concerning Stock Brokerage

11.1 The members of the board of directors and the Executive Department have the duty to report their stock holdings pursuant to the regulations of the SET (The Stock Exchange of Thailand) and the SEC Board (The Securities Exchange Commission Board).

11.2 Internal Information Disclosure

ESRE is a company listed in the SET that must operate with equality and fairness toward every shareholder in order to prevent the illegal activities of all levels of personnel in the ESRE and their family members who have come to learn or receive publicly undisclosed internal information. Hence, ESRE does not permit the aforementioned personnel to conduct any stock transactions or invite others to buy or sell or propose to buy or sell ESRE stocks by themselves or through a broker while they are in possession of the publicly undisclosed information. ESRE and the SET will consider such stock transactions as an attempt to gain profit or create advantage for certain groups.

11.3 The prevention procedures for ensuring compliance and organization at ESRE are as follows:

- (1) Limit access to the publicly undisclosed information and keep it on a need-to-know basis.
- (2) Establish a work security system to protect the confidential data folders and documents.
- (3) It is the responsibility of the owner of the publicly undisclosed information to make sure that those involved

will strictly follow the security protocol.

11.4 Internal Information Disclosure Penalties

Violators will subject to disciplinary and/or legal penalties, depending on the case.

12. Policies Concerning Stock Brokerage

12.1 Personnel at every level must have determination, a good conscience and responsibility toward ESRE in order to achieve objectives under ESRE's HSE (health, safety and environment) policy and system. All personnel must strictly adhere to and operate in accordance with the established policies, laws, rules, regulation and procedures related to the aforementioned topic in order to create sustainable development, consistently improve HSE performance and always maintain a good organizational culture. ESRE will implement every possible method as a good operator to ensure that there is no HSE-related impact to its employees and the assets of ESRE, contractors, the public and related ecosystems.

12.2 In order to achieve the aspirations stated in Item 12.1, ESRE will operate as follows:

12.2.1 ESRE is determined to have the executives give maximum priority to operating in compliance with HSE principles.

12.2.2 ESRE is determined to make its activities and operations consistent with or have a higher standard than HSE laws and other related regulations.

12.2.3 ESRE is determined to survey analyze and control hazards that may have been caused by the company's activities by putting together an HSE system.

12.2.4 ESRE is determine to train its employees and raise awareness about HSE.

12.2.5 ESRE provides a safe work environment and promotes safe operations and the participation of every employee in preventing and reporting accidents, events, work conditions and situations that are hazardous.

12.2.6 ESRE prevents diseases caused by its operations and promotes good hygiene among ESRE employees.

12.2.7 ESRE continuously improves its HSE performance by studying flaws in its operations from the start, investigating accidents and events, analyzing to find the root cause and establishing corrective actions.

12.2.8 ESRE is determined to create sustainable development in its activities by using natural resources and producing as little waste as possible.

12.2.9 ESRE selects trading partners and joint investors who adhere to HSE principles consistent with those of ESRE.

12.2.10 ESRE discloses information about its HSE goals and performance to the public.

Addendum 6: Audit Committee Report

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