



Form 56 - 1
One Report 2021
Land and Houses Public Company Limited

FOR A BETTER LIVING



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2021 Highlight

Land and Houses Public Co., Ltd. & Subsidiaries

	2021	2020	%
Operating Result			
Number of active projects	85	94	(9.6)
Earning Ability			
Return on total revenues	20.70%	23.00%	(2.3)
Highlight of the Financial Statement (Million baht)			
Total revenues	33,510	31,067	7.9
Net profit	6,936	7,145	(2.9)
Inventories	47,256	52,893	(10.7)
Total assets	125,198	122,571	2.1
Total shareholders' equity including minority interest	50,646	50,601	0.1
Per Share Data			
Earning per share	0.58	0.60	(3.3)
Book value	4.18	4.18	0.1
Market price (at year end)	8.80	7.95	10.7
Number of Outstanding Shares (Million shares)	11,950	11,950	-

Report of the Board of Directors

Dear Shareholders,

The COVID-19 pandemic has caused a wide range of damage and negatively affected global economic, leading to the most severe economic contraction in decades. In Thailand, the fourth wave of COVID-19 outbreak was still threat in June - July 2021 as the virus has mutated increase both in Thailand and around the world. The new species, delta has been mostly or almost all found because its wide and fast spread thus patients were found in severe cases and died. As a result, the government issued stringent control measures to contain the COVID-19 outbreak along with the accelerating vaccination to more than 70% of population. Such new measures has an impact on the real estate and construction sector as there was an announcement of the Bangkok Metropolitan Administration regarding the order to shut down the workers' camp for one month from June 28 to July 27, 2021, to control the disease and prevent the epidemic of COVID-19. The Company has taken steps to relieve the effect and help contractors who suffered from the closing of the camps by making a reserved advance payment to the contractors. This can be considered a lesson from the COVID-19 crisis, which is both an obstacle and an opportunity, to overcome this crisis and to create a turning point for the better situation.

In 2021, the Company booked the pre-sales of 28,636 million Baht from the residential business, an increase of 8% from 2020. Of the total 83% were single-detached houses, 14% were townhouses and 3% were condominium units. The Company recognized revenue from the residential units transfer of 30,461 million Baht, an increase of 11% from 2020 which comprised of single detached houses 80%, townhouses 11% and condominium units 9%. The Company also received rental and services incomes from hotels, shopping mall, and apartments for rent in a total amount of 1,809 million Baht, 25% decrease from 2020. In addition, the Company also realized the profit sharing from the investment in the associated companies of 2,333 million Baht, a decrease of 10%.

During the past year, the Company launched 10 new projects (some project comprise more than one product types) worth a combine 19,680 million Baht, consisting of 7 single detached and duplex projects and 5 townhouse

projects. The Company and its subsidiaries had significant transactions in the year as follows:

- Issuance of two lots of debentures, totaling 16,000 million Baht.
Lot 1/2021 No.1, worth 3,000 million Baht with a maturity of 2 years and 16 days and a fixed coupon rate at 1.09% p.a.
Lot 1/2021 No.2, worth 5,000 million Baht with a maturity of 3 years and a fixed coupon rate at 1.50% p.a.
Lot 2/202, worth 8,000 million Baht , maturity 3 years and 2 days, and a fixed coupon rate at 1.46% p.a.
- An interim dividend was paid for the operation in the first six months of 2021 at the rate 0.25 Baht per share and the Board of Directors' Meeting on February 24, 2022 has approved the payment of dividend for the operation in the second half of the year at the rate of 0.25 Baht per share.
- Land and Houses U.S.A., Inc., a wholly-owned subsidiary of the Company, purchased a hotel namely "The SpringHill Suites by Marriott" in the Anaheim city, California, on December 8, 2021 at the price of USD 31 million or approximately 1,056 million Baht.
- In 2021, the Company received;
 - The BCI Asia Top 10 Developers Award 2021 to honor outstanding architects, designers and developers which is important for driving the construction industry economy of the country. The Company received this award from 3 projects, namely The Key Rama 3 Condominium, Siwalee Ratsada Phuket Project and Mantana Phetchkasem-Sai 4 Project.
 - Honor Award Best Company of the year 2021, Real Estate and Construction Sector. This award is organized by Banking and Finance Journal to honor executives, banks, financial institutions and listed companies who have excellent performance in the year.
 - Honor Award Thailand's Top Corporate Brands 2021, organized by the Faculty of Commerce and Accountancy, Chulalongkorn University by

Master of Science in Branding and Marketing Program. The award was given to the Company who has the highest corporate brand value in the real estate development sector in year 2021 with a total brand value of 45,040 million Baht and the Company has received this award for 3 consecutive years.

- In 2021, the Company has participate to help sharing
 - COVID-19 pandemic crisis
 - Donate 900,000 Baht to 10 hospitals to help funding the purchase of necessary medical device and equipment to treat the patients who infected with COVID-19.
 - Donate 100,000 Baht to a group of people volunteering to fight COVID-19 in the name of “Sen Dai Group”.
 - Provide the 500 PPE set and 200 Fighting Set Box to the “Sen Dai Group” and “we must survive” group. Total value of 300,000 Baht.
 - Donate unused boxes and cartons to the project Lotus’s SCGP “Changes BOXES to BEDS” project which brings the boxes and cartons to recycle to make field beds for field hospital.
 - Measures to help the contractors and workers during the camp closure period during the COVID-19 outbreak. The Company has provided food, medicine and also labor costs to contractors for their workers in the aforementioned conditions. The Company also manage public health in the worker camps such as setting Camp Quarantine with separate beds in each zone, providing 5,100 ATK test kits randomly checking the workers every 15 days and implementing the Bubble and Seal measures to prevent the spread of the virus.
 - Assist contractors by making advance payments to all contractors to enhance liquidity from lacking of income during the announcement of the closing of the camp.

- Siriraj Hospital
 - The #THINK project shared by the Company made a souvenir cloth bag for sale at a price of 250 baht. All proceeds will be donated directly to the Siriraj Foundation for poor patients at the hospital without any deducting any expenses. The accumulated donation amount at the end of 2021 was about 421,000 baht which the project is still ongoing in 2022.

The Company remains committed to continually developing products and services to ensure quality products and services which are acceptable and trusted by consumers. Moreover, the Company also strictly adhering to good corporate governance in parallel with the business driving for sustainability that does not focus only on the growth numbers but also taking into account the long term environmental impact.

Finally, I would like to thank all customers, shareholders, Company’s employees, financial institutions, suppliers, contractors who have supported the Company’s business and join together to create a warm family and a quality environmental society within every Land and Houses projects.

Sincerely yours



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

Section 1

Business Operations and Performance



Structure and operations of the Group

1. Policy and business overview

Goals, visions and operating strategies of the Group

The Company aims to remain the leader in the real estate development business in Thailand by focusing on the development of quality residential projects in the category of detached houses, townhouses and residential condominiums for sale to target customers according to the needs of customers at different price levels by focusing on project development in Bangkok and boundaries and projects in the large provinces such as Chiang Mai, Chiang Rai, Nakorn Ratchasima, Khon Kaen, Maha Sarakham, Udon Thani, Prachuap Khiri Khan, Ayutthaya, and Phuket. The Company has adopted a strategy of pre-built houses for sale in 2000, which has been well accepted by customers.

The Company has a policy to invest in subsidiaries and associated companies that operate real estate development business and businesses related to the Company's main business such as retail business, construction materials manufacturing business and business Commercial banks that have a policy to provide credit to retail buyers of residential etc. including if there is any interesting business with good returns, the Company may consider to join the investment, such investments must be considered by the Board of Directors, management policy in subsidiaries and associated companies. The Company will also send the directors who are Company's representatives to participate in the management in the subsidiaries and associated companies in proportion of the shareholding of the Company in order to set the significant policies and control the business operations of subsidiaries and associated companies in the right and proper direction and create profits for the Company.

The Company has 5 associated companies which comprises of

(1) 2 associated companies engaged in real estate development business, namely Land and Houses Property Fund II and Quality House Public Company Limited.

(2) 2 associated companies which engaged in business related to real estate business, namely Quality Construction Products Plc, which produces and sells aerated concreted used in construction and Home Product Centers Plc. which operates retail business.

(3) Another 1 associated company engaged in other business which is LH Financial Group Plc. that is a holding company whose subsidiaries operate business in Banking,

fund management companies, securities companies and consultant companies.

Policy on dividing operations of the Company, Subsidiaries and Associated Companies

The Company has a clear policy to divide the operations of the companies in the group as follows :

(1) Its 10 subsidiaries and 2 associated companies engaged in real estate development business, shopping mall business and hotel business.

(2) 2 Associated companies engaged in business related to real estate development such as construction material manufacturing business and building materials retail business.

(3) 1 subsidiary company and 1 associated company operate in investment consultant and a holding company which has its subsidiaries operate Banking business, fund management companies, securities companies and the consultant company.

Investment policy in subsidiaries and associated companies.

The Company has a policy to invest in the subsidiaries and associated companies which operate real estate development business and business related to the Company's main business such as retail business, construction material manufacturing business and Commercial bank that has policy to provide credit loan to retail residential buyers etc. In addition, if there is any interesting business with good returns, the Company may consider to invest in such company, such investment must be considered by the Board of Directors of the Company.

Management policy in subsidiaries and associated companies.: The Company will send directors who are representatives of the Company to participate in the management of the subsidiaries and associated companies in proportion to the percentage of shareholding of the Company. This is to set the significant policies and control the business of the subsidiaries and associated companies to be in the right and proper direction and create profits return to the Company.

Major changes and development

Land and Houses Public Company Limited was established on August 30, 1983 to operate in real estate development with an initial registered capital of 5 million Baht. Major shareholders at the beginning comprised of

Mr. Anant Asavabhokin and Ms. Piangjai Harnpanij. The Company was approved to list on the Stock Exchange of Thailand on February 17, 1989 and has changed its status to become a listed company on April 1, 1991.

The Company has faced the financial problems during 1998-1999 as a result of the economic crisis and the change in the foreign exchange rate to be floating rates. The

Company has completed its debt restructuring in 1999 by increase its capital among existing shareholders and also the new shareholder which is the Government of Singapore Investment Corporation (GIC). After the capital increased, as at August 25, 2021 which is the latest Registration Book Closing Date, the Asavabhokin's family is still remain the largest shareholder group with a stake of 30.73%.

During the year 2016 to August 25, 2021 which is the latest Registration Book Closing Date, the Company has significant changes and development with regard to the shareholding structures and capital increase as follows :

Shareholder	% of shareholdings					
	Aug 2016	Aug 2017	Aug 2018	Aug 2019	Aug 2020	Aug 2021
1. Mr. Anant Asvabhokin's Group						
1.1 Mr. Anant Asvabhokin	24.27	23.93	23.93	23.93	23.93	23.93
1.2 Mayland Co., Ltd. *	5.74	5.66	5.67	5.67	5.67	5.67
1.3 Ms. Piangjai Harnpanij **	1.15	1.13	1.13	1.13	1.13	1.13
Total. Mr. Anant Asvabhokin's Group	31.16	30.72	30.73	30.73	30.73	30.73
2. GIC Private Limited	17.01	16.17	8.01	8.01	1.27	-
3. Others	51.83	53.11	61.26	61.26	68.00	69.27
Total	100.00	100.00	100.00	100.00	100.00	100.00
Paid-up capital (million Baht)	11,779.1	11,949.7	11,949.7	11,949.7	11,949.7	11,949.7

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

Use of the proceeds from the issuance of debentures

The use of proceeds is as its objectives that is to redeem the maturity debentures and to use as working capital in its operation.

The obligations that the Company has given in the registration statement

-None-

Name and Location of the office and address

1. Name : Land & Houses Public Company Limited
2. Nature of Business : Develop real estate for sale
3. Head Office Location : No.1, Floor 37-38, QHouse Building, Lumpini Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
4. Company registration number : 0107535000249
5. Telephone : +66 2343 8900
6. Telefax : +66 2230 8133
7. Home Page : www.lh.co.th
8. Total number of shares sold : as of Dec 31, 2021, total common shares 11,949,713,176 shares of the Company at the par value of Baht 1

2. Nature of Business

2.1 Revenue structure

Product	Operated by	% shareholding by the Company	2021		2020		2019	
			Million Baht	%	Million Baht	%	Million Baht	%
1. Real Estate Development								
Single detached	The Company		21,310	63.6	19,946	64.2	18,634	56.0
	Subsidiary: Land and Houses Northeast Co., Ltd.	100	519	1.6	205	0.7	-	0.0
	Subsidiary: LH Muang Mai Co., Ltd.	55	264	0.8	140	0.4	208	0.6
	Subsidiary: LH Assets Co., Ltd.	100	1,873	5.6	864	2.8	229	0.7
	Subsidiary: Siam Tanee Property Co., Ltd.	100	173	0.5	31	0.1		
	Subsidiary: LH Real Estate Co., Ltd.	100	2	0.0				
Total Revenue from Single detached home			24,141	72.1	21,186	68.2	19,071	57.3
Townhouse	The Company		2,336	7.0	1,580	5.1	2,241	6.7
	Subsidiary: Land and Houses Northeast Co., Ltd.	100	207	0.6	195	0.6	207	0.6
	Subsidiary: LH Assets Co., Ltd.	100	916	2.7	1,727	5.6	273	0.8
Total Revenue from townhouse			3,459	10.3	3,502	11.3	2,721	8.1
Condominium	The Company		2,661	7.9	2,794	9.0	3,358	10.1
Total Revenue from Condominium			2,661	7.9	2,794	9.0	3,358	10.1
Vacant Land	The Company		200	0.6	43	0.1	-	0.0
	Subsidiary: Atlantic Real Estate Co., Ltd.	100	-	0.0	-	0.0	1	0.0
Total Revenue from Vacant Land			200	0.6	43	0.1	1	0.0
Total Revenue from Real Estate Development			30,461	90.9	27,525	88.6	25,151	75.5
2. Rental	Subsidiary: L&H Property Co., Ltd.	60	72	0.2	36	0.1	1,392	4.2
	Subsidiary: Land and Houses U.S.A. Inc.	100	598	1.8	688	2.2	645	1.9
	Subsidiary: LH Mall and Hotel Co., Ltd.	100	1,139	3.4	1,693	5.5	2,870	8.6
Total revenue from rental and services			1,809	5.4	2,417	7.8	4,907	14.7
3. Profit from sale of assets to Real Estate Investment trusts	Subsidiary: Land and Houses U.S.A., Inc.	100	-	0.0	405	1.3		
	Subsidiary: LH Mall and Hotel Co., Ltd.	100	-	0.0	-	0.0	2,418	7.3
4. Other Income			1,240	3.7	720	2.3	831	2.5
5. Total Revenue 1 - 4			33,510	100.0	31,067	100.0	33,307	100.0
6. Share of profit from investments in associated companies			2,333	7.0	2,588	8.3	3,383	10.2
Total Revenue 5 + 6			35,843	107.0	33,655	108.3	36,690	110.2

2.2 Product and Service



Product or service characteristics

The Company and its subsidiaries engage in real estate development for sale in the category of single detached house, townhouse and residential condominium. The Company focuses to develop the projects in Bangkok and its boundaries while its subsidiaries will develop the projects in large provinces such as Chiang Mai, Chiang Rai, Khon Kaen, Nakorn Ratchasima, Phuket, Prachuap Khiri Khan (Hua Hin), Udon Thani, Maha Sarakham, and Ayutthaya.

The projects that the Company and its subsidiaries develop for sale to customers will be pre-built sale which consists of single detached house, and townhouse. The Company will complete the construction of the house before selling to customers, so when customers are interested to buy, they can pay the reservation fee and a certain amount of the contract advance. After that, the customers will pay the rest of the house price to the Company, then the Company will therefore transfer the house and land to the customer. For residential condominium which needs a long construction period, the Company will make customers to reserve the units and pay the down payment in installments about 10 - 25% of the total value. The rest will be paid on the day of ownership transfer when the condominium is completed.

The Company is a leader in the Pre-built house business in 2000 which has been well accepted by the customers. At present, the Company still carry on operating with this strategy which has helped the Company's operations in various field to be more accurate. The key point is to reduce production costs. The pre-built house construction allows the Company to know the actual cost incurred and can control the quality of work as well as provide confidence to the customers that they will receive a complete house in the complete project environment. The customers can choose, can see the completeness of readiness to move in, safety and social conditions. And for the residential condominiums, the construction will be carried out immediately when opening the reservations in order to comply with the construction plan and achieve good quality.

The Pre-built house construction allows the customers who buy the houses in the project can transfer the ownership immediately after the booking and the ownership can be transferred within 7 days. For the Condominium project, the Company will transfer the ownership when the customers have fully paid the amount of price, thus the Company has no outstanding payments from customers.

Projects currently in progress and projects in preparation (as at December 31, 2021)

No.	Year that Started the Project	Project Name	Location	Type of Project	Numbers of unit (units)	Size of Project's Land (Rai)	Sales /Rental area (Rai/ Sq.m.)	Total Investment in the project (Million Baht)	Progress in construction		Total sale value of the project (Million Baht)	Amount of Unit sold (units)	Amount of Unit transferred (units)
									Total funded (Million Baht)	% of work completed			
Land and Houses Public Company Limited													
1	2004	074 - Chaiyapruet Chiang Mai	Chiang Mai Road - Maejo km. 4.5, Nong Chom, Chiang Mai	DH	321	65	64	330	326	98.8%	522	301	301
2	2001	075 - Nantawan Chiang Mai	Chiang Mai Road - Maejo km. 4.5, Nong Chom Chiang Mai	DH	87	41	30	382	317	83.0%	755	79	79
3	2004	107 - Chonlada Chiang Mai	Moo 4, Chiang Mai Road - Maejo, Tambon Nong Han, Amphur San Sai, Chiang Mai	DH	327	109	70	741	713	96.3%	1,110	316	315
4	2019	120 - Nantawan - Remintra Phrahoiyothin 50	Thepharak Road, Khwaeng Tha Raeng, Khet Bang Khen, Bangkok	DH	205	98	59	3,077	2,798	90.9%	4,563	187	184
5	2005	140 - Siwalee Klong Chol Chiang Mai	Khlong Chonprathan Road, Moo 2, Tambon Mae Hia, Muang Chiang Mai, Chiang Mai	DH	294	82	55	710	697	98.1%	1,163	291	291
6	2013	188 - Villaggio Bangna	Bang na trad Road, ABAC, Tambon Bang Bo, Amphur Bang Bo, Samut Prakan	DH, TH	1016	153	82	2,156	1,989	92.2%	3,126	914	914
7	2016	203 - Nantawan Serene Lake - Chiang Mai	Chiang Mai 700 Years Sompoch Road, Tambon Suthep, Amphoe Muuang, Chiang Mai	DH	98	69	32	1,113	773	69.5%	2,008	32	32
8	2012	205 - Ladawan Ratchapruet Pinkkiao	Ratchapruet Road, Khwaeng Bang Ramat, Khet Taling Chan, Bangkok	DH	234	215	130	5,337	4,844	90.8%	14,035	234	230
9	2019	206 - VVE Rattanathibet - Ratchapruet	Rattanathibet Road, Tambon Bang Rak Noi, Amphur Muuang Nonthaburi, Nonthaburi	DH	34	20	12	685	566	82.6%	1,026	31	31
10	2019	223 - Mantana Westgate	Kanchanapisek ring Road, Tambon Bang Rak Yai, Amphoe Bang Bua Thong, Nonthaburi	DH	293	94	58	3,118	1,905	61.1%	4,466	213	209
11	2013	224 - The Bangkok Sathorn	Sathon Tai Road, Khwaeng Yan Nawa, Khet Sathon, Bangkok	CD	476	5	40,747	5,005	5,005	100.0%	7,708	427	424
12	2011	229 - Siwalee Sankampaeng Chiang Mai	Chiang Mai - San Kamphaeng Road, Moo 3, Tambon San Klang, Amphur San Kamphaeng, Chiang Mai	DH	309	86	55	944	828	87.8%	1,418	232	231
13	2019	230 - Villaggio Prachauthit 90	Prachauthit Road - Ban Khlong Suan, Tambon Ban Khlong Suan, Amphoe Phra Samut Chedi, Samut Prakan	DH, SEMI - DH	351	58	38	837	586	70.1%	1,409	277	274
14	2016	240 - Villaggio Pinkkiao - Salaya	Samret Phatthana Road, Tambon Sala Klang, Amphur Bang Kruai, Nonthaburi	DH, TH	944	163	104	2,353	1,839	78.2%	3,647	787	773
15	2012	243 - Siwalee Mittraphap Road Nakhon Ratchasima	Mittraphap Road, Tambon kokkrud, Amphur Muang, Nakhon Ratchasima	DH	379	97	63	1,152	1,135	98.5%	2,180	361	354
16	2012	245 - INIZIO Malivan Khon Kaen	Malivan Road, Tambon Ban Thum, Amphur Muang, Khon Kaen	DH	340	74	49	793	757	95.5%	1,352	339	339
17	2014	246 - Siwalee Malivan Road Khon Kaen	Malivan Road, Tambon Ban Thum, Amphur Muang, Khon Kaen	DH	305	97	63	1,236	801	64.8%	1,380	215	193
18	2018	249 - Villaggio Rangsit Khlong 2	Liap Khlong Song Road, Tambon Khlong Song, Amphur Khlong Luang, Pathum Thani, 12120	DH, SEMI	483	87	55	1,534	1,058	69.0%	2,143	350	349
19	2016	253 - Nantawan Udon Thani	Asian Highway Road, 12, Tambon Mak Khaeng Amphoe Muuang, Udon Thani	DH	82	38	23	707	543	76.9%	1,015	34	34
20	2013	254 - Siwalee - Udon Thani	Mittraphap Road, Tambon Kut Sa, Amphur Muang, Udon Thani	DH	316	82	50	1,030	1,023	99.3%	1,478	237	226
21	2013	257 - North 2	51 Chiang Mai 700 Years Sompoch Road, Tambon Suthep, Amphur Muang, Chiang Mai	CD	69	2	2,664	108	102	94.6%	165	68	68
22	2013	258 - North 3	51 Chiang Mai 700 Years Sompoch Road, Tambon Suthep, Amphur Muang, Chiang Mai	CD	69	2	2,664	110	104	94.7%	169	59	59
23	2013	259 - North 4	52 Chiang Mai 700 Years Sompoch Road, Tambon Suthep, Amphur Muang, Chiang Mai	CD	69	2	2,664	120	106	88.3%	183	66	66

No.	Year that Started the Project	Project Name	Location	Type of Project	Numbers of unit (units)	Size of Project's Land (Rai)	Sales /Rental area (Rai/Sq.m.)	Total Investment in the project (Million Baht)	Progress in construction		Total sale value of the project (Million Baht)	Amount of Unit sold (units)	Amount of Unit transferred (units)
									Total funded invested (Million Baht)	% of work completed			
24	2013	260 - North 5	53 Chiang Mai 700 Years Sompoch Road, Tambon Suthsep, Amphur Muang, Chiang Mai	CD	69	2	2,664	120	107	89.1%	173	58	57
25	2017	261 - North 6	54 Chiang Mai 700 Years Sompoch Road, Tambon Suthsep, Amphur Muang, Chiang Mai	CD	69	2	2,664	121	115	95.2%	186	41	40
26	2014	266 - Siwalee Sirvieng Chiang Rai	209/11 Moo 3, Tambon Rop Wiang, Amphur Muang, Chiang Rai	DH	216	57	37	720	717	99.5%	952	138	134
27	2015	286 - Siwalee Maha Sarakhom	Maha Sarakhom - Kosum Phisai - 208 Road, Tambon Tha Song Khon, Amphoe Muang Maha Sarakhom, Maha Sarakhom	DH	323	85	54	1,081	973	90.0%	1,610	216	216
28	2015	288 - Ladawan Rama 2	Rama 2 Road, Khwaeng Samae Dam, Khet Bang Khun Thian, Bangkok	DH	105	69	42	3,712	3,701	99.7%	5,353	91	89
29	2018	292 - Villaggio Phet Kasem Sai 4	Phuttha Sakhon Road 2, Tambon Suan Luang, Amphoe Krathum Baen, Samut Sakhon	DH, SEMI, TH	405	48	28	875	778	88.9%	1,251	331	328
30	2014	293 - The Room Charoenkrung 30	Charoen krung Road, Khwaeng Bang Rak, Khet Bang Rak, Bangkok	CD	214	2	13,316	1,481	1,481	100.0%	2,348	172	172
31	2019	304 - Mantana Serene Lake Chiang Mai	Chiang Mai 700 Years Sompoch Road, Tambon Suthsep, Amphur Muang, Chiang Mai	DH	78	47	22	673	511	75.9%	1,323	48	45
32	2019	316 - Villaggio Bangna Thepa Rak	Bangplee - Tamru Road, Bangplee Yai, Bangplee, Samutprakarn	DH, SEMI - DH	342	63	39	1,158	991	85.5%	1,668	313	312
33	2016	318 - The Bangkok Thonglor	Sukhumvit 55 Road, Khwaeng Khlong Tan Nuea, Khet Vadhana, Bangkok	CD	148	2	11,893	2,415	2,413	99.9%	3,560	65	63
34	2018	321 - EASE 2 Rama 2	Rama 2 Road, Soi 54, Khwaeng Samae Dam, Khet Bang Khun Thian, Bangkok	CD	329	4	11,563	610	610	100.0%	762	234	233
35	2019	323 - Indy WESTGATE	Liap Khlong Bang Phai Road, Bang Rak Phatthana, Amphoe Bang Bua Thong, Nonthaburi	TH	353	36	22	830	726	87.5%	1,169	159	158
36	2019	324 - Chalaphruek Ram Intra - Chatu Chot	Kanchanaphisek Road, Khwaeng Sam Wa Tawan Tok, Khet Khlong Sam Wa, Bangkok	DH	398	99	63	2,032	1,196	58.9%	2,908	266	253
37	2018	328 - Villaggio Ko Rian	Tambon Ko Rian, Amphoe Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya	DH, TH	296	50	31	716	656	91.6%	1,034	277	276
38	2020	329 - Siwalee Srinagarindra Rom Klao	6 Yaek 2, Khwaeng Min Buri, Khet Min Buri, Bangkok	DH	260	70	41	1,287	955	74.2%	1,800	122	121
39	2017	333 - Indy Bang Yai (2)	Thoet Phra Kiat Road, Tambon Bang Mae Nang, Amphoe Bang Yai, Nonthaburi	TH	207	18	11	413	372	90.0%	598	199	199
40	2020	336 - Nantawan Rama 9 Srinagarindra	Krung Thep Kritha Road, Khwaeng Thap Chang, Khet Saphan Sung, Bangkok	DH	88	45	27	2,693	2,104	78.1%	4,021	56	52
41	2020	337 - Anya westgate	Tambon Bang Rak Phatthana, Amphoe Bang Bua Thong, Nonthaburi	SEMI	164	32	18	683	519	76.0%	979	39	39
42	2018	338 - Villaggio San Sai - Chiang Mai	289, Moo 3, Tambon San Na Meng, Amphoe San Sai, Chiang Mai	DH, TH	246	32	20	567	473	83.5%	810	110	106
43	2020	339 - Chalaphruek Westgate	98 Moo 4, Sai Bueng Bua - Klong Prapa Road, Tambon Bang Mae Nang, Amphoe Bang Yai, Nonthaburi	SH	129	31	19	519	430	82.9%	752	100	97
44	2021	342 - Inizio 4 Pinklao - Wongvaen	Atchariya Phatthana Road, Tambon Sala Klang, Amphoe Bang Kruai, Nonthaburi	SEMI	158	26	16	525	294	55.9%	756	39	29
45	2019	343 - VIVE Ekkamai Ramintra	Yothin Phatthana Road, Khwaeng Nawamin, Khet Bueng Kum, Bangkok	DH	48	17	10	1,584	1,472	92.9%	2,151	40	40
46	2020	344 - Mantana San Sai Chiang Mai	242 Moo 5, Chiang Mai - Doi Saket Road, Tambon San Na Meng, Amphoe San Sai, Chiang Mai	DH	122	41	26	839	480	57.2%	1,255	12	11
47	2018	345 - The Room Sukhumvit 38	Soi Sukhumvit 38, Sukhumvit Road, Khwaeng Phra Khanong, Khet Khlong Toei, Bangkok	CD	229	2	14,436	2,170	2,108	97.2%	3,157	19	15

No.	Year that Started the Project	Project Name	Location	Type of Project	Numbers of unit (units)	Size of Project's Land (Rai)	Sales /Rental area (Rai/Sq.m.)	Total Investment In the project (Million Baht)	Progress In construction		Total sale value of the project (Million Baht)	Amount of Unit sold (units)	Amount of Unit transferred (units)
									Total funded invested (Million Baht)	% of work completed			
48	2018	346 - Indy 2 Srinakarin	Srinakarin Road, Tambon Bang Mueang, Amphoe Mueang Samut Prakan, Samut Prakan	TH	445	46	27	1,043	918	88.0%	1,471	435	435
49	2018	347 - The Room Phayathai	567, Si Ayuthaya Road, Khwaeng Thanon Phaya Thai, Khet Ratchathewi, Bangkok	CD	437	3	20,078	2,603	2,332	89.6%	3,534	160	148
50	2021	349 - Village Srinakarin Bangna	Bua Nakarin Road, Tambon Bang Kaeo, Amphoe Bang Phli, Samut Prakan	DH, TH	399	69	39	1,355	600	44.3%	1,926	54	30
51	2018	353 - Mantana Phutthamonthon Sai 2	Bang Waek Road, Khwaeng Bang Phai, Khet Bang Khae, Bangkok	DH	146	73	47	1,615	1,408	87.2%	2,359	133	130
52	2018	357 - The Key MRT Phetkasem 48	234 Phet Kasem Road, Khwaeng Bang Wa, Khet Phasi Charoen, Bangkok	CD	639	4	20,115	1,491	1,476	99.0%	2,226	234	229
53	2020	358 - Mantana Motorway - Krungthepkreetadmai	Phatthana Chonnabot 4, Khwaeng Khlong Song Ton Nun, Khet Lat Krabang, Bangkok	DH	177	48	30	1,228	1,043	84.9%	1,753	160	159
54	2019	369 - The Key Rama 3	Rama 3 Road, Khwaeng Bang Khlo, Khet Bang Kho Laem, Bangkok	CD	484	3	18,179	1,402	1,051	75.0%	1,887	451	-
55	2020	370 - Indy Srinagarindra - Phraeksa	Tambon Thai Ban Mai, Amphoe Mueang Samut Prakan, Samut Prakan	TH	286	28	17	675	583	86.4%	942	231	230
56	2021	372 - Mantana Ratchaphruek - Nakhonin	Talingchang - Suphanburi Road, Bang Len, Amphoe Bang Yai, Nonthaburi	DH	346	99	61	2,749	1,627	59.2%	4,071	41	39
57	2021	373 - Indy5 Bangna km 7	Tambon Bang Kaeo, Amphoe Bang Phli, Samut Prakan	TH	81	10	5	257	234	90.9%	358	79	79
58	2021	375 - Village Suksawat Prachauthit	929 Moo 10, Tambon Nai Khlong Bang Pla Kot, Amphoe Phra Samut Chedi, Samut Prakan	DH, TH	482	73	44	1,326	493	37.2%	1,877	52	50
59	2021	376 - Chaiyaphruek Bangna km 15	Bang Na - Trat 15 Road, Tambon Bang Chalong, Amphoe Bang Phli, Samut Prakan	DH	329	87	54	2,313	1,150	49.7%	3,329	33	20
60	2020	378 - Mantana Bangna - Wongwaen	Soi Ramkhamhaeng 2, Khwaeng Dok Mai, Khet Prawet, Bangkok	DH	261	96	57	2,455	1,729	70.4%	3,750	156	150
61	2021	383 - Prueklada Ratchaphruek - 345	345 Road, Tambon Lahan, Amphoe Bang Bua Thong, Nonthaburi	DH	376	86	55	1,610	666	41.4%	2,170	28	21
			(Rai)		13,684	3,309	2,057	65,769	51,296	78%	103,196	9,388	9,207
			Sq.m.		3,301	35	163,647	17,756	17,010	96%	26,058	2,054	1,574
L.H. Muang Mai Company Limited													
62	2011	300 - 88land and houses	88 Chao Fah Road, Tambon, Chalong, Amphoe Mueang Phuket, Phuket	DH	63	15	9	245	237	96.6%	420	62	62
63	2012	301 - 88 L&H Hillside	Moo 5, Chao Fah Road, Tambon, Chalong, Amphoe Mueang Phuket, Phuket	DH	100	52	30	524	485	92.5%	1,279	84	83
64	2012	302 - Inizio Koh Keaw	Moo 4, Tambon Ko Kaeo, Amphoe Mueang Phuket, Phuket	DH	128	27	18	345	341	98.7%	600	121	119
65	2013	303 - 88 L&H Koh Keaw	88/11, Moo 5, Thep Krasatri Road, Tambon Ko Kaeo, Amphoe Mueang Phuket, Phuket	DH	182	54	32	850	681	80.1%	1,450	125	122
66	2020	401-Siwalee Rasada	Pracha Uthit 1 Road, Tambon Ratsada, Amphoe Mueang Phuket, Phuket	DH	192	84	45	1,900	287	15.1%	2,730	19	17
			(Rai)		665	232	134	3,864	2,030	53%	6,479	411	403

No.	Year that Started the Project	Project Name	Location	Type of Project	Numbers of unit (units)	Size of Project's Land (Rai)	Sales /Rental area (Rai/ Sq.m.)	Total Investment In the project (Million Baht)	Progress in construction		Total sale value of the project (Million Baht)	Amount of Unit sold (units)	Amount of Unit transferred (units)
									Total funded invested (Million Baht)	% of work completed			
Land and Houses Northeast Company Limited													
67	2019	405 - Indy Rangsit Klong 2	Liap Khlong Song Road, Tambon Khlong Song, Amphoe Khlong Luang, Pathum Thani	TH	198	20	10	376	358	95.3%	550	198	198
68	2020	407 - Sivalee 3 Ayutthaya	Ayothaya Road, Tambon Khlong Suan Phlu, Amphoe Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya	DH	70	18	10	300	296	98.7%	426	48	48
69	2020	408 - Villaggio Srinakarin	Sap Phatthana Road, Tambon Bang Mueang, Amphoe Mueang Samut Prakan, Samut Prakan	SH, TH	346	48	30	1,102	784	71.2%	1,587	94	94
			(Rai)		614	86	50	1,778	1,439	81%	2,563	340	340
Huay Kaew Real Estate Company Limited													
70	2014	016 - INIZIO Chiang Mai	111/339, Moo 12, Tambon San Kamphaeng, Amphoe San Kamphaeng, Chiang Mai	DH	336	78	52	894	587	65.6%	1,316	176	175
71	2019	022 - Villaggio Srinakarin - Bangna	Buanakarin Road, Tambon Bang Kaeo, Amphoe Bang Phli, Samut Prakan	DH, TH	304	51	29	958	846	88.4%	1,390	288	287
72	2020	023 - Mantana Phet Kasem - Sai 4	Phuttha sakorn Road, Tambon Suan Luang, Amphoe Krathum Baen, Samut Sakhon	SH	228	57	35	1,146	735	64.2%	1,642	223	87
73	2019	024 - Indy Ayutthaya	Tambon Ban Krot, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya	TH	230	23	14	452	419	92.7%	626	175	175
74	2021	027 - Indy2 Bangna - Ramkhamhaeng 2	Soi Ramkhamhaeng 2, Khwaeng Dok Mai, Khet Prawet, Bangkok	TH	489	49	29	1,341	717	53.5%	1,928	130	130
75	2020	028 - Sivalee Phet Kasem 69	Liap Khlong Phasi Charoen Fang Tai Raod, Khwaeng Nong Khaem, Khet Nong Khaem, Bangkok	DH	82	36	21	638	602	94.3%	924	52	51
76	2021	029 - Anya Ratchapruek Nakhonin	Bang Kruai - Sai Noi Road, Tambon Bang Len, Amphoe Bang Yai, Nonthaburi	SEMI	250	51	28	1,273	1,098	86.3%	1,825	127	126
			(Rai)		1,919	345	208	6,702	5,005	75%	9,652	1,171	1,031
Siamtanee Property Company Limited													
77	2020	007 - Anya Phet Kasem Sai 4	Phuttha sakorn Road, Tambon Suan Luang, Amphoe Krathum Baen, Samut Sakhon	SEMI	260	45	27	862	550	63.8%	1,242	43	41
			(Rai)		260	45	27	862	550	64%	1,242	43	41
			Total TH, DH, L, D (Rai)		17,142	4,018	2,477	78,975	60,318	76%	123,132	11,353	11,022
			Total CD (sq.m.)		3,301	35	163,647	17,756	17,010	96%	26,058	2,054	1,574

DH = Detached House, TH = Townhouse, CD = Condominium, SEMI = Duplex, L = Vacant Land

Project which closed in 2021 are as follows :

No.	Year that Started the Project	Project Name	Location	Type of Project	Numbers of unit (units)	Size of Project's Land (Rai)	Sales /Rental area (Rai/Sq.m.)	Total Investment in the project (Million Baht)	Progress in construction		Total sale value of the project (Million Baht)	Amount of Unit sold (units)	Amount of Unit transferred (units)
									Total funded invested (Million Baht)	% of work completed			
Land and Houses Public Company Limited													
1	2010	195 - Mantana Lake Watcharapol	Sukhaphiban 5 Road, Khwaeng O Ngoen, Khet Sai Mai, Bangkok	DH	886	267	172	4,303	4,303	100.0%	7,622	886	886
2	2011	232 - Sivatee Meechoke Chiang Mai	141 Moo 6, Middle Ring Road, San Phi Suea, Amphoe Mueang, Chiang Mai	DH	254	67	43	771	771	100.0%	1,310	254	254
3	2014	275 - The Room Sathorn - St.Louis	Chan Road, Khwaeng Thung Wat Don, Khet Sathon, Bangkok	CD	376	3	15,867	1,340	1,340	100.0%	1,914	376	376
4	2015	298 - Chaiyaphruek Ramindra Phrayasurain	Phraya Suren Road, 30, Khwaeng Bang Chan, Khet Khlong Sam Wa, Bangkok	DH	225	53	34	851	851	100.0%	1,315	225	225
5	2017	307 - Mantana Wongwaen Bangbon	Bang Bon 4 Road, Khwaeng Bang Bon, Khet Bang Bon, Bangkok	DH	198	97	60	1,324	1,324	100.0%	2,196	198	198
6	2019	314 - Vibe Bangna	Bangna-Trad Road, Tambon Bang Kaeo, Amphoe Bang Phli, Samut Prakan	DH	49	25	15	793	793	100.0%	1,528	49	49
7	2017	335 - Muntana Nakompathom	Ying Pao Tai Road, Tambon Sanam Chan, Amphoe Mueang, Nakhon Pathom	DH	135	25	16	452	452	100.0%	756	135	135
8	2018	269 - Manthana On Nut Wong Waen 5	Kanchanaphisek Road, Khwaeng Dok Mai, Khet Prawet, Bangkok	DH	311	85	55	1,786	1,786	100.0%	3,054	311	311
9	2017	322 - Mantana Srinakarin - Romkiao	Kheha Rom Kiao Road, Khwaeng Min Buri, Khet Min Buri, Bangkok	DH	304	76	49	1,419	1,419	100.0%	2,328	304	304
10	2017	325 - Inizio 3 Pinklao - Wongwaen	Samret Phatthana Road, Tambon Sala Klang, Amphur Bang Kruai, Nonthaburi	DH	243	39	25	696	696	100.0%	1,118	243	243
11	2017	332 - Villaggio 2 Rama 2	Rama 2 Road, Tambon Bang Nam Chuet, Amphoe Mueang, Samut Sakhon	DH	372	61	39	974	974	100.1%	1,625	372	372
12	2020	340 - Anya Bangna - Ramkhamhaeng 2	Ramkhamhaeng 2 Road, Khwaeng Dok Mai, Khet Prawet, Bangkok	SEMI	388	70	42	1,503	1,503	100.0%	2,512	388	388
13	2021	360 - Indy 4 Bangna km.7	Tambon Bang Kaeo, Amphoe Bang Phli, Samut Prakan	TH	3,501	879	558	15,197	15,199	100.0%	25,942	3,501	3,501
					376	3	15,867	1,340	1,340	100.0%	1,914	376	376
Huay Kaew Real Estate Company Limited													
14	2020	026 - Indy Bangna Ramkhamhaeng 2	Ramkhamhaeng 2 Road, Khwaeng Dok Mai, Khet Prawet, Bangkok	TH	355	37	22	810	810	100.0%	1,343	355	355
					355	37	22	810	810	100.0%	1,343	355	355

DH = Detached House, TH = Townhouse, CD = Condominium, SEMI = Duplex, L = Vacant Land



Marketing and Competition

Policy and market characteristics Competitive Strategies

The Company's operational strategy on the low-rise projects still emphasizes the pre-built housing in every project. However for the condominium, in 2021, the Company did not launch any new condominium project, so it sold the units available in the existing project and available for transfer ownership. The strategy of operating new condominium project will be differed from the low-rise housing project, that is to have the unit sales all booked before the construction. This is to reduce the operational risks as the condominium project needs to totally be completed for the entire building before any unit ownership can be transferred. Moreover, it also helps provide time for customers to arrange their financial plans including the payment of down-payments installments which will help the customers to increase their ability to apply for loans from the commercial banks.

Moreover, in the past 2021, the Company's performance in the new project, in some projects that the sales are very well sold with the demand exceeds the units of pre-built house during the opening period. The Company will operate to sell the house in terms of Pre-booking by determining the timeframe of the house that will sell in advance must be completed construction within 3 months. However, every units of pre-booking houses, before the ownership is transferred to customers must pass the Company's Quality Control standards.

The pre-built strategy is still the main strategy of the Company which has been used continuously and is also the strategy that enhance the Company's competitiveness

and gained confidence from the Company's customer. This strategy still has good impact on several operations besides to meet the needs of customer well, it is still also good for the operation in both cost control, quality control and marketing and sales management.

The Company also emphasizes on research to know the requirements and needs of the customers continuously both in terms of house' function, style of house and project which respond to the living of customers and every members in the family especially the needs to the New Normal lifestyle. The key aspect which is the philosophy of the Company's operation is the quality of products, services and the quality of good personnel. In addition, the Company is aware of the operation under various risks and operations that lead to the sustainable development project (Sustainability Development). In marketing and sales operations, the Company has expanded to a wider market both in terms of expanding the customer base and expansion into new locations. The Company also emphasizes the development of living styles and innovation for living to meet the needs of living with a better and higher quality of living. The significances improvements are as follows:

The innovation of "Breathable House" with the innovation of Air Plus Square that is to combine the AirPlus system (the indoor air ventilation system which adjust the quality of indoor air to circulate and flow to get the air that is flowing regularly) to combine with the system that prevent the PM 2.5 dust entering into the house. The new innovation is set as a new standard for the housing projects which are single detached houses and duplex. However, in the future, the Company has the plans to establish this innovation

in residential projects both the condominium and townhome.

Developing the Smart Home or Home Automation system to be integrated into a single application for the convenience of use and better living.

Emphasize taking care of the elderly. The Company has redesigned the house to meet the requirement of the elderly including the common area to prepare for the needs and meet the physical limitation of the elderly.

Development in several working systems so as to increase such convenience to the customers such as

- Implement the Home introduction system for living by using the QR code which will help the customers to understand the details of various applications, the maintenance of internal equipment, the important components in the house including the Project's information and other important information which may be useful.

Development the financial system such as

- The QR Code Credit system.
- The QR Payment, Payment Gateway, QR Cross Bank Systems.

Develop the house inspection through application system.

Design the I-Design system to help customers to access to the design, interior design of residential houses in various forms according to the needs of the customers through the application.

Optimizing the performance of personnel. The company has continuously developed the IT system to be more flexible and work faster in operation to meet the needs of sales, construction and services and various functions that help the operation to be more efficient and faster.

The Company has brought the concept of Service Design to develop in sales which can help to analyze and understand the needs in depth of the customers efficiently.

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

Currently, the Company's operations have been classified the products according to the brand, by considering mainly on the price range and target group of consumers. Including the criteria of marketing mix and segmentation so that the Company's operations can well serve each customer group's needs. The key concerns are as follows ;

Project's location the Company emphasizes on the selection of locations which will have to serve the needs of customers in each target group in terms of transportation, access to public utilities and amenities surrounding the projects. The selection of the Company's location will be widespread over the locations in Bangkok and boundary to meet the residential demands in each location and to match with consumer's structure and residential needs that related to the Geographic and Demographic which is to link to their old residences, working places or status of the population. The operation regarding the residential project still focuses and spreads into various segmentations to increase the opportunity and serve the needs of various target customers. In addition, the Company also has a plan to serve the project in the future by studying potential locations and acquiring the land to the Land Banks of the Company for future development which will bring advantage to the Company in terms of lower cost of land and thus leads to competitive advantage and high returns to the Company. Currently, the Company has several potential land plots which connect to the MRT stations.

House plans or products Due to different needs in each group of customers in each segment of pricing or branding, the Company thus has to emphasize on conducting continuous research regarding the consumers' behavior in each target group in a proactive and a forward-looking with the existing customers who are our residents, visitors to the projects, potential buyers as well as the buyers of other projects. All the fact-findings will be brought to develop the products or requirements to create satisfactions to consumers in every aspects. At present, for the operation of the housing model, the Company has developed new models to the market regularly. It also consists of the new innovative, "the breathable home Air Plus Square" which differentiate the Company's products amongst other products available in the market.

Pricing Policy From the Company's strategy of "Pre-built house before sale" which provides the Company the competitive advantage from knowing the accurate actual cost of construction which will affect the right set of the selling price of the product according to the competitive

situation. The Company's selling price will be determined according to the market condition in each location and each selling period. The Company has no policy to set the prices for customers to negotiate which will have a negative impact and an unfair effect on customers.

The quality of the product The Company is aware and focuses on the importance of standards of every part of work especially the quality of products that will be delivered to the customers.

For the construction section the Company has set the construction standards in every step of operation such as

- Landfilling standards and determination of soil filling materials used to commence the projects.
- Public utility system standards by determining the construction standard and inspection that concentrates on the clear and systematic criteria, procedure and inspection.
- Product design standard including the materials used which the Company will emphasize on good quality products.
- The company has clearly defined the policy that there is a standard of operation method in the construction that is "Every house must pass the quality control (QC) at the Company's accepted good standard level" before delivering to the customer.
- The standards for the good and high quality products : The Company has realized in every step of operations such as checking the construction design, structure of soil analysis, and examination in every step of the construction process that must pass the predetermined criteria etc.
- In developing the project, besides the housing itself, the Company also emphasizes on the environment of the project, such as project layout plan which does not focus on the sales area only but also meet the needs of living, selection of durable materials for various utilities in the project and other facilities which are in line with customers' living.
- Safety of living in the project : The Company also emphasizes providing safety and well-maintained of the project to be a good community. The Company also lays down the foundation for project management, taking care and maintenance of the utility systems in good condition before delivering to the housing estate juristic persons so that the project will be a good and cozy community worth living in forever.

Customers' characteristic and Company's Target Group

The residential operation project of the Company has spread in several locations in Bangkok and its boundaries and in the provincials such as Chiang Mai, Khon Kaen, Nakorn Ratchasima, Maha Sarakham, Udon Thani and Phuket etc. under the main scheme which is "Baan Sabai pre-built before sale" concept which customers can readily move in the new home. The Company adheres to the quality standards of the house, the project environment, the good and standard inspection which enables the Company to reach the wide range of target groups of customers according to the level of customer demand in each brand, reflecting the different price levels in each brand and according to the price level. (Segmentation)

The market expansion in every price range (Segmentation) has enabled the Company to widely serve the needs of customers' requirements and also increase new market opportunities in the new target group, thus making the increase in sale revenue. Even though, the Company still expand the residential market by looking for new groups of customers (New User) and expansion both in Bangkok, its boundaries and provincials, but still realize the good quality of products as an important factor. In addition, the Company also emphasizes on the after-sale services which is the outstanding point of the Company. The Company emphasizes on taking care of all residents in every issue especially security and living condition, facilitating the reporting of any problems that occurred through the Call Center and internet system and also determining the good quality utility system implementation plan before delivery and also oversee the establishment of the housing estate juristic person.

In 2021, the Company has expanded the customer target group continuously from the past year by developing the new product to serve every price range (Segmentation). The duplex Brand anya which operated since 2020 has served the lifestyle of the customers, which requires a location that is not too far and is not attached to a single-detached house. This project has been received consistently well from the customers.

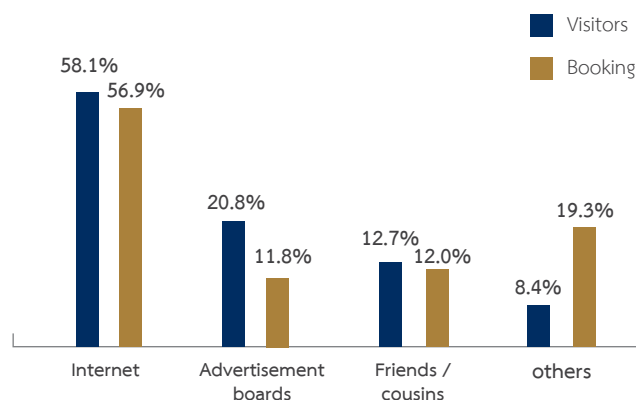
For the sale management, the Company has continually developed the Customer Relationship Management system (CRM) and the Customer Emotional Management system (CEM) to assist in the sale and marketing including customers' satisfaction which then help the Company to better understand the real need of target customers and arranges regular activities with them. Thus, more than 30%

of customers of the Company's project comes from the customers in other existing projects, the relatives or friends of our existing customers. All these factors have good impact on the Company's operation and help the Company to decrease its operating costs.

Distribution and Distribution Channels

The Company uses its distribution channels through the sale offices located at the site of each project which spreads in each location in Bangkok and its boundaries. The Company penetrates to reach the target customers by using advertisement through several media channels especially the internet system development.

Sales promotion In order to communicate any Company's information, the Company prioritizes to the way that the consumers can access to the details of the project's information especially through the online communication which is the most media that the customers use to search for their residential projects. In year 2021, the proportion of customers who visit the project and book the product come from the main 3 media as follows :



For the online media : based on the Company's operation in 2021 can be categorized as follows ;



Industry market and Competition

Housing market in 2021

The overall residential housing market in total in 2021 from the overall number of registered housing mainly on the housing project type. The number of registered houses in the housing project types increase was a total of 58,567 units, a decrease of 35.3% compared to 2020 which had a total of 90,612 units.

Comparative Data of New registered housing units Classified by type during Year 2019 - 2021

(Unit : Units)

Type	2019	2020	2021	1995*
Self Buiding	20,127	21,427	19,166	32,118
% Change	0.6%	6.5%	-10.6%	
Housing Project	98,557	90,613	58,657	146,735
% Change	-11.1%	-8.1%	-35.3%	
Total	118,684	112,040	77,823	178,853
% Change	-9.3%	-5.6%	-30.5%	4.4%

Source : Government Housing Bank, p. = projection

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

** % change of the year 1995 is calculated on year-on-year basis

The new registered housing unit in the housing project type in 2021 compared to 2020, classified by type of the housing, has significant change as follows :

- Single detached house: total units was 9,827 units, a decrease of 8.5% compared to the year 2020 which total units was 10,736 units.
- Duplex : In 2021 had total amount of 2,845 units, an increase of 12.2% when compared to 2020 which total units was 2,536 units.

- Townhouse and Commercial building : in 2021 the total amounts was 12,392 units, a decrease of 24.5% when compared to the amount in year 2020 which was 16,424 units.
- Condominium : in 2021 total amount was 33,593 units, a decrease of 44.9% when compared to amount in 2020 which was 60,917 units.

Comparative data of new registered residence
Classified by the type of residential during the year 2019 - 2021

(Unit : Units)

New registered Housings classified by the type of residentials	2019	2020	2021	1995**
Single detached house	13,552	10,736	9,827	20,793
% Change	-12.9%	-20.8%	-8.5%	16.4%
Duplex	3,024	2,536	2,845	938
% Change	43.9%	-16.1%	12.2%	336.3%
Townhouse and Commercial Buildings	21,274	16,424	12,392	58,093
% Change	6.1%	-22.8%	-24.5%	16.0%
Condominium	60,707	60,917	33,593	66,911
% Change	-17.0%	1.5%	-44.9%	-1.5%
Total registered housings	98,557	90,613	58,657	146,735
% Change	-11.1%	-8.1%	-35.3%	7.8%

Source : Government Housing Bank,

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

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

Condominium market in 2021

The data of residential condominium market situation in Bangkok and boundaries in 2021 from the Real Estate Information Center, Government Housing Bank and Agency for Real Estate Affairs Co., Ltd. (AREA) can be summarized the significant points as follows :

Number of units transferred from juristic persons, was at total of 47,608 units, with the value of 168,455 million Baht, a decrease of 23.8% from the year 2020, details as shown in Table 1.

The number of new projects launched in 2021, was total of 65 projects, a decrease from year 2020 which was 70 projects or a decrease of 7.1%. Total units in the new launched projects was total 23,445 units, a decrease of 9.5% from year 2020 which had new units opened of 25,906 units. Total value of projects was 93,402 million Baht, an increase of 30.3% when compared to the amount in year 2020 which was only 71,679 million Baht.

As for sales from new projects launched in 2021, accounting for 33.4% of the total number of units of new projects which was closed to the same percentage of the year 2020 which was 36.6% But if we compared to the period before the outbreak of COVID-19 which was 2018 and 2019, the sale rate from new projects proportion was 53.8% and 48.6% respectively. Details as shown in Table 2.

Remaining supply situation in Bangkok and boundaries as at the end of 2021 was total 85,313 units which can be classified by the remaining units according to the range of price levels as follows :

- Price range below 2.00 million Baht : Total remaining units for sale is 31,681 units or 37.1% of total remaining units.
- Price range at 2.01 - 5.00 million Baht : Total remaining units for sale is 39,390 units or 46.2% of total remaining units.

- Price range at 5.01 - 10.00 million Baht : Total remaining units for sale is 10,098 units or 11.8% of total remaining units.
- Price range at 10.01 - 20.00 million Baht: Total remaining units for sale is 2,489 units or 2.9% of total remaining units.
- Price range at above 20.01 million Baht: Total remaining units for sale is 1,655 units or 1.9% of total remaining units.

Table 1 : Information on the transfer of ownership of Residential condominium market which operated by legal entities in Bangkok and boundaries, classified by during 2019 - 2021

	2019	2020	2021
Number of units	73,675	74,710	47,608
% Change	-2.0%	1.4%	-36.3%
Value : million Baht	223,393	221,030	168,455
% Change	-5.1%	-1.1%	-23.8%

Source : The Real Estate Information Center, Government Housing Bank

Table 2 : Numbers of residential condominium units which launched in Bangkok and boundaries during 2019 - 2021

	2019	2020	2021
New Projects			
Number of projects	144	70	65
	-14.8%	-51.4%	-7.1%
Number of units	66,367	25,906	23,445
	-10.8%	-61.0%	-9.5%
Value : million Baht	245,551	71,679	93,402
	-27.4%	-70.8%	30.3%
Total units sold from the new launched project			
Number of units	32,253	9,484	7,825
% of total units for sold	48.6%	36.6%	33.4%

Source : From the survey of the Agency for Real Estate Affairs Co., Ltd.

Table 3 : Supply of residential condominium which was still remaining at the end of each year in Bangkok and boundaries, classified by range of price.

Price range	2019	2020	2021	% Change 2021
< 1.0 million Baht	7,491	8,333	7,247	8.5%
1.01 - 2.0 million Baht	24,645	28,607	24,434	28.7%
2.01 - 3.0 million Baht	29,526	26,722	25,073	29.4%
3.01 - 5.0 million Baht	15,938	12,760	14,317	16.8%
5.01 - 10.0 million Baht	11,642	9,998	10,098	11.8%
10.01 - 20.0 million Baht	3,012	2,861	2,489	2.9%
> 20.01 million Baht	1,628	1,560	1,655	1.9%
Total	93,882	90,841	85,313	100%

Source : From the survey of the Agency for Real Estate Affairs Co., Ltd.

Changes in the residential market in year 2021 is due to major factors which have impact to the residential market as follows :

- Though the economic expansion in 2021 was improve from 2020, the estimated growth in economic in the year 2021 was at the level of 1.6% (The expansion in the economy in each quarter of year 2021, according to the Office of The National Economic and Social Development Council was as follows : Q1 = -2.4%, Q2 = 7.7%, Q3 = -0.2%, Q4 = 1.9%) compared to the rate in 2020 which the growth rate was at -6.2% which was the impact from the pandemic of COVID-19 which still has affected to the economy of the country.
- Average inflation in 2021 the full year average inflation of 2021 was at 1.2% compared to the rate in 2020 which was only at -0.8%.
- Interest rate in 2021 which was the year that overall economy still have impact from the pandemic of COVID-19, thus the Policy interest rate through out the year 2021 has not been adjusted and remained constant at 0.5% per year through out the year which caused all the commercial banks did not change any interest rate all the year. So the Minimum Lending Rate of the large commercial banks was at 5.25% per annum and the Minimum Retail Rate was at 5.95% per annum (Reference from interest rates of The Bangkok Bank PCL. and The Siam Commercial Bank PCL.)
- The release of LTV from the Regulatory policy on Residential Mortgage Loan of the Bank of Thailand is a factor that helps to make it easier to apply for a housing loan from the commercial banks. However, the impact of the COVID-19 epidemic still affects the employment and lower the incomes for some groups of customers causing some customers unable to get the credit approval.
- The global Crude Oil Price Brent in 2021 has increased significantly from the price in 2020. The full year average in 2020 was at USD 42.0 per barrel while in 2021, it has increased up to the average first 10 months at USD 67.9 per barrel or an increase of 61.7%. In 2021, the average global Crude Oil Price in each quarter was as follows : Q1 = 59.6, Q2 = 67.1, Q3 = 71.9 USD per barrel which has impact to the higher retail oil price in the country and thus was a factor that drive the higher in inflation rate.
- Overall Construction material price in 2021 has increased from the year 2020 The Construction Material Price Index in 2021 was at 113.1, an increase of 8% when compare to the year 2020 which was at 104.7. In addition, the index of building material of steel and steel products has significantly increased from the index of 85.5 in year 2020, increased to 114.5 in 2021, an increase of 34% while other construction materials index did not change much from the value in 2020.
- Though the economy situation in 2021 has increased from the year 2020 but the impact from the pandemic of COVID-19 in the third and fourth wave, there were the pandemic from the new cluster in the second quarter and the locked down of the construction workers camps and requested employees to WFH in the third quarter thus these factors had great impacted on consumer confidence in spending and income.
- Residential projects that have been severely affected and slow down more than other types were the High Rise Projects which remaining supply is still high and the launch of new projects has also slowed down considerably. However, the operator has turned to work in the development of housing projects in the low rise thus the demand of land has increased which resulted in the land prices that developed in this section did not decrease but also did not increase much from the past year.

Company's operating performance in 2021

Key significant points of operations of Land and Houses PCL. in 2021 are as follows :

- Launched 10 new projects with a total project value of 19,680 million Baht.
- Approximately 9,000 million Baht was spent on investment which can be classified into ;
 - Land acquisition for development of residential projects for sale of 5,100 million Baht.
 - Invest in real estate for lease business through LH Mall & Hotel Co., Ltd. (LHMH) and Land and Houses U.S.A., Inc. (LH USA) in the amount of 3,900 million Baht consists of ;
 - Development of Terminal 21 Rama 3 of 1,285 million Baht.
 - Development of hotel and apartment of 2,615 million Baht.

- In 2021, the LH Mall & Hotel Co., Ltd. (LHMH) has a total project of 6 projects that are already operated and under development and another project is pending under land delivery which is Peninzula Plaza land plot which will be developed to Grande Centre Point Ratchadamri 2.
- In December 2021, the Land and Houses U.S.A., Inc. (LH USA) has acquired The Springhill Suites by Marriott in Anaheim, California, USA which is a complete purchase and get the ownership of 2.07 acres of land, 120 rooms at the price of USD 31 million or 1,056 million Baht.
- Issuance of debenture of 16,000 million Baht, of term 2-3 years with the average interest rate of 1.40% per annum.

At the end of 2021, the Company has net interest-bearing liabilities at the total of 50,800 million Baht with

- Net debt to equity = 101%
- Average financing cost = 2.15%

The Company's performance in section of residential projects

- In 2021, the low-rise building products which are single-detached, duplex and townhouse were still main products that contributed the sales to the Company with the proportion of sale among low-rise products and condominium was at 97% and 3% consecutively.

- When classified by the location, Bangkok and its boundaries were still main area to create the sales with the proportion of sales in the project in Bangkok and its boundaries compared to provincial was at 92% and 8% consecutively.
- The Proportion of housing price at the pricing of lower than 10 million Baht and above 10 million Baht. The proportion in generating sales is nearly close to equal with the rate of 53% and 47%.
- As at the beginning of 2021, the Company has a total 75 projects in operation, 45 projects are in Bangkok and boundaries and 30 projects are in provincial.
- New project launched of 10 projects with total value of 19,680 million Baht. None of them is the condominium project.
- New projects classified by product types are as follows ;
(The project that has mixed products will be classified and counted by the type of products and double counted by the project).
 - Single detached housing 5 projects.
 - Duplex 2 projects.
 - Townhouses 5 projects.
- Total projects operated during the year 2021 is 85 projects with 11 projects closed during the year. Therefore at the end of 2021, there are 74 projects that are carried on to operate in 2022 with a total value of over 53,300 million Baht.

Table : Sales of the Company in 2021 classified by type of product and range of price.

By type of housing		By range of price	
Type	Share	Price range	Share
Single-detached	83%	Less than 3.0 MB	5%
Townhouse	14%	3.01 - 7.0 MB	38%
Condominium	3%	7.01 - 10.0 MB	11%
		10.01 - 20.0 MB	19%
		20.01 - 50.0 MB	20%
		Over 50.01 MB	7%
Total	100%		100%
% in Bangkok & boundaries	92%		
% in provincial	8%		

Table : Information of Operating Projects during 2021 - 2022

As at beginning of January	2021	2022*e
Total numbers of project at the beginning of the year	75	74
Bangkok and boundaries	45	44
Provincial	30	30
New project launched in the year	10	15
Bangkok and boundaries	10	12
Provincial	-	3
Total Project Value (MB)	19,680	29,520
Total numbers of project Operated in the year	85	89

Housing trends in 2022

Housing markets in 2022, considering only the housing markets in low-rise type which are single-detached, duplex, and townhouse. There is tendency to grow from the last year 2021 approximately 10-15% while the condominium market tends to slightly slow down consecutively from the year 2021. The projected additional registered houses in all types of housing increases by 10-12%. In addition, in 2022, there are several significant factors that may affect the residential market as follows :

- Thai Economy is likely to expand from the year 2021. From the NESDC's forecast, the economic growth forecasts in 2022 is at 3.5-4.5% in line with several institutions's projecting which forecast that the economic growth in this year will be not less than 3.5% as a result of the main driving force comes from people's spending in the country in terms of consumption, investment and tourism.
- Government stimulus measures: mainly from the relaxation of the LTV policy and the renewal of the measure to reduce the transfer and mortgage fees for houses worth not more than 3 million Baht.
- Housing interest rate has tendency to increase from the rate in 2021 in accordance with the direction of the Policy interest adjustment. The projected interest rate trend throughout the year 2022 is likely to increase by 0.25-0.5% per annum but the adjustment will be in a gradual manner especially during the second half of the year. However, the strictness of commercial banks in considering loans both to entrepreneurs (Pre-finance) and retail mortgage loans (Post finance) is still not very relaxed.

- Inflation Rate tends to increase from 2021 but not significantly high. The estimate is at the level of 0.9% - 1.9%.
- Construction Costs and construction material costs has tendency to increase from the year 2021. The projection is expected to be increased by 3-5 percent. There is a tendency to increase from 2021 in every category.
- Situation that still affects the residential market is the epidemic of Omicron which is a risk factor that must be taken into account. If the epidemic is more severe and affecting the economic activities such as lockdown the country, in such case, it will affect the confidence, purchasing decision or purchasing power of customers, including the lockdown will affect the construction and transfer.
- Land acquisition price for the development of low-rise project. There will be more competition among entrepreneurs which will affect the increase in the price of land. But for the developed land for high-rise project, the trend of land price is at a stable level or may slightly decrease.
- Housing residential prices in the low-rise type tends to remain constant but for the condominium type, there is a tendency to decline because of the release of remaining supply.

The operation on real estate for lease business

The Company operates the real estate for lease business both in Thailand and in USA. In Thailand, the business operate under the company name LH Mall and Hotel Co., Ltd. (LHMH) and under the name of Land and Houses U.S.A., Inc. (LHUSA) which comprises of Department store, hotels, apartments and office for lease.

Details of projects which are shown in the lease income in the Profit & Loss Statement as in the table as follows :

(Unit : million Baht)

Number	Project	Development value	Owner	Type	Loaction	Expected year which will launch the project
1	Grande Centre Point Ploenchit	1,525	LHPFII	Hotel	Bangkok	Operated
2	Grande Centre Point Ratchadamri	2,800	LHHOTEL	Hotel	Bangkok	Operated
3	Grande Centre Point Terminal 21	2,000	LHHOTEL	Hotel	Bangkok	Operated
4	Grande Centre Point Sukhumvit 55	1,940	LHHOTEL	Hotel	Bangkok	Operated
5	Terminal 21 Pattaya	3,330	LHMH	Shopping Mall	Pattaya	Operated
6	Grande Centre Point Pattaya	1,600	LHMH	Hotel	Pattaya	Operated
7	Terminal 21 Rama 3	4,500	LHMH	Shopping Mall	Bangkok	Q3'65
8	Grande Centre Point Space Pattaya	3,400	LHMH	Hotel	Pattaya	Q3'65
9	Grande Centre Point Surawongse	2,260	LHMH	Hotel	Bangkok	Q4'66
10	Grande Centre Point Lumpini	4,830	LHMH	Mixed-use	Bangkok	Q4'67
11	Grande Centre Point Ratchadamri 2	4,580	LHMH	Hotel	Bangkok	Q1'70
Total development value		32,765				

Note : Project in Thailand Value : million Baht
Project in USA Value : million USD

(Unit : million USD)

Number	Project	Investment value	Type	Location	Expected year which will launch the project
1	Parc	135	Apartment	Campbell, California	Operated
2	Yard	127	Apartment	Portland, Oregon	Operated
3	Revere	119	Apartment	Campbell, California	Operated
4	SpringHill	31	Hotel	Anaheim, California	Operated
Total investment valu		412			

Note : Project in Thailand Value : million Baht
Project in USA Value : million USD

Performance tables of real estate companies listed on the Stock Exchange of Thailand are as follows :

Comparison of financial position and operating results of the year 2020 with other companies operating similar businesses listed on the Stock Exchange of Thailand.

Company	2020					
	Total assets (Million Baht)	Total liabilities (Million Baht)	Shareholders' equity (Million Baht)	Dept to Equity Ratio (Times)	Total revenues (Million Baht)	Net Profit (Million Baht)
Land and Houses Public Company Limited	122,571	71,970	49,904	1.44	33,645	7,145
Quality Houses Public Company Limited	47,667	21,099	26,568	0.79	10,907	2,123
Sansiri Public Company Limited	110,502	73,143	35,432	2.06	26,881	1,085
AP (Thailand) Public Company Limited	58,724	29,461	29,281	1.01	31,906	4,227
Pruksa Holding Public Company Limited	78,273	34,487	43,047	0.80	29,513	2,771
Supalai Public Company Limited	68,207	30,811	36,579	0.84	20,969	4,251
Property Perfect Public Company Limited	54,966	40,187	12,664	3.17	9,642	(440)
Frasers Property Thailand Public Company Limited	93,169	61,049	32,249	1.89	20,490	2,791
SC Asset Corporation Public Company Limited	44,319	25,767	18,662	1.38	19,051	1,898
Noble Development Public Company Limited	19,198	13,334	5,864	2.27	10,723	1,878
Prinsiri Public Company Limited	9,243	4,609	4,634	0.99	2,440	302
Areeya Property Public Company Limited	13,144	9,570	3,574	2.68	5,741	195
M.K. Real Estate Development Public Company Limited	17,985	11,344	6,641	1.71	3,446	(3)

Comparison of financial position and operating results of the year 2021 with other companies operating similar businesses listed on the Stock Exchange of Thailand.

Company	2021					
	Total assets (Million Baht)	Total liabilities (Million Baht)	Shareholders' equity (Million Baht)	Dept to Equity Ratio (Times)	Total revenues (Million Baht)	Net Profit (Million Baht)
Land and Houses Public Company Limited	125,198	74,552	49,947	1.49	33,032	6,936
Quality Houses Public Company Limited	46,236	19,251	26,985	0.71	8,356	1,670
Sansiri Public Company Limited	116,632	75,665	39,225	1.93	29,748	2,017
AP (Thailand) Public Company Limited	60,409	27,986	32,442	0.86	31,980	4,543
Pruksa Holding Public Company Limited	72,052	27,979	43,324	0.65	28,430	2,353
Supalai Public Company Limited	71,432	28,506	42,070	0.68	28,647	7,070
Property Perfect Public Company Limited	52,023	38,448	12,313	3.12	11,601	527
Frasers Property Thailand Public Company Limited	95,022	60,050	35,154	1.71	4,043	750
SC Asset Corporation Public Company Limited	49,754	29,701	20,084	1.48	19,516	2,062
Noble Development Public Company Limited	20,280	14,652	5,627	2.60	7,430	932
Prinsiri Public Company Limited	11,304	6,452	4,852	1.33	2,322	288
Areeya Property Public Company Limited	14,202	10,857	3,345	3.25	2,406	(186)
M.K. Real Estate Development Public Company Limited	19,040	12,572	6,468	1.94	3,413	(185)

Product or services procurement

Characteristics of the procurement of the product.

1. Product Design

In product design, the Company emphasizes on the conducting of the customers behavior research, customers' requirement including the daily lifestyle of consumers and family members of all generations to be defined as the queation of housing design to be in accordance with the new lifestyle which is a New Normal, which is defined as the concept for designing houses that are New Design Trend and Generational Differences, New Experience of Living, Well Being Living, Universal Design, etc. to meet the needs of customers and families. However, the nature of the operation is in an integrated manner. by being collaborative in all sectors both in sales, marketing, architects, interiors, landscapes and engineers and from various departments related In order to provide products to meet the needs of customers at best.

In addition, the Company has used the VR (Visual Reality) system in assisting the inspection, design and operational checks at the Precast manufacturing plants before the construction so as to prevent any errors and for maximum efficiency. Even when the product has been delivered to the customer, the Company also has a research process to ask for the opinions of the customers both about the satisfactions in the products and services in order to bring them to use in a design in the proactive manner to support and prepare to be used to design the new home in the future. In addition, for the house model that used in the project development, when it was used for a certain period of time or with a certain level of units constructed, the Company has the criteria to change the house model style so as to create the modernness and appropriate for the period of time.

For the product design, the Company not only focuses on the house design but also pays attention to the design of the project environment, facilities in the project, clubhouse, common garden and surrounding at the front of project which is the highlight that the customers can see clearly the differentiated when compared to other projects in the market.

2. Characteristics of production and procurement

Production and Production Policy

The Company has a policy to produce and increase the production capacity of housings for sales to be in line with the needs of the customers' housing. That is, when the needs of customers increase, the Company can increase its capacity by hiring more contractors in order to relate to the demand of housing quantity. However, the Company

still has a policy to control the quality of the contractors to ensure that the housing construction is of the good quality at the same standard as follows :

- 1) The Company has set the construction standards by defining each step of the construction and selecting the construction materials, in which each step will have a quality check and control to meet the specified standards without any flexibility.
- 2) The Company regularly organize training on construction methods according to the Company's standards for contractors.
- 3) The Company also has a supervisor for each project to control and inspect the work from the contractors.

Raw materials Procurement

In the residential industry, major and significant raw materials of the operation is land and construction materials. So in order to procure the raw materials of the Company efficiently and effectively will base on

- Land acquisition : The Company has the policy to acquire the lands which have good potential and can be brought to developed as soon as needed. The procurement of land can be classified into 3 ways as follows:
 - Post on an advertisement to purchase land in various locations through the web site.
 - Contact to buy land through a land broker.
 - Contact to purchase the land directly from the landowner.
 - The land purchasing of the Company rely on the feasibility of the developing projects both in terms of target group, competitiveness and returns that the Company will receive from the operation. Besides all these factors, the Company has a clear policy on good governance and transparency as well as considering that the purchase of such land will not cause any disputes with the adjacent land plots and in its operation, the Company will have a land acquisition committee to consider and approve the purchase.
- For the part of construction materials, the procurement of raw materials for construction can be divided into 2 parts :
 - The Company purchases some parts of construction materials by itself, of approximately 40% of total construction cost.

- The Company provides the contractors that the Company hires to do the partial procurement which the Company has the fair operational fee to the contractor.

In addition, the Company still has good relationship with the raw materials suppliers as the Company has

continuous orders for a long time, so the Company can order the raw materials at the required amount and there is no shortage of raw materials. Most of raw materials that the Company purchases are from within the country and during the past, the Company has distributed the purchase of raw material from distributors in order to prevent the monopoly sale.

Assets used in business operation

Main characteristics of assets

The important characteristics of assets used in business operations of the Company and its subsidiaries as at December 31, 2021 comprises of

- (1) Inventory 47,256 million Baht consists of 47,256 million Baht.

	Value (million Baht)	Liability
Land	27,443	Mortgaged as collateral for bank loans of 10,960 million Baht
Land Improvement	2,310	
Construction in progress	12,238	
Deferred interest cost	1,964	
Public Utilities expense	3,306	
Houses held for sales	283	
Total	47,544	
less allowance for diminution in project value	(288)	
Balance	47,256	

- (2) Property, plant and equipment - net 1,565 million Baht consists of

Item	Location	Net Book Value (million Baht)	Ownership characteristic	Obligations
Hotels and land in USA	USA	998	Owner	Secured Loan
Sale office at site & land	In all projects	131	Owner	-none-
Office equipment	Head office and at all projects	32	Owner	-none-
Office and Club furnishing	In all projects	209	Owner	-none-
vehicles	Head office and at all projects	17	Owner	-none-
Other assets	Head office and at all projects	68	Owner	-none-
Assets under construction	In all projects	110	Owner	-none-
Total		1,565		

(3) Leaserright net total 16,732 million Baht consists of

Company	Project name	Location	Net Book Value (million Baht)	Obligations
LHMH	The Grande Centre Point Hotel and Terminal 21 shopping center, Pattaya	Pattaya, term of 27 years	4,878	Mortgaged as collateral for Bank's Loan
LHMH	Terminal 21 Rama 3 shopping center	Rama 3, term of 32 years	3,442	Mortgaged as collateral for Bank's Loan
LHMH	Leasehold under construction	Bangkok and Pattaya	4,382	Partial mortgaged as collateral for Bank's Loan
LHMH	Rights over 3 hotels	Bangkok, Term 4 - 7 years	3,611	-none-
LHP	Rights over 1 hotel	Bangkok, Term 3 years	210	-none-
LH and LHMH	Right over office building and other	Bangkok, Term 4 - 8 years	209	-none-

LH = Land and Houses Pcl., LHMH = LH Mall and Hotel Co., Ltd., LHP= L&H Property Co., Ltd.

(4) Investment Properties

As at December 31, 2021, net book value of investment properties is 11,884 million Baht, details are apartment for rent 2 units in California and 1 in Oregon in USA and vacant land.

Company	Location	Net Book Value (million Baht)	Ownership	Obligation
LH USA	California and Oregon in USA	11,672	Owner	Partial mortgaged as collateral for Bank's Loan
LH	Bangkok	212	Owner	-

LH USA = Land and Houses U.S.A. Inc. LH = Land and Houses Pcl.

The Apartment in California consists of Project Parc Residence and The Revere, the apartment in Oregon is namely The Yard Residence. The Company has objective for rent and will sell when the price is well acceptable in the future.

Land of the projects which have for sale

(Attachment 3)

Works that have not yet transferred

As at December 31, 2021, the Company and its subsidiaries have houses and residential condominium projects which have already been booked 54 projects, details as follows :

Type	Number of Projects	Values (Million Baht)
Condominium	9	2,172
Single Detach Houes & Townhouse	45	3,256
Total	54	5,428

3. Shareholding Structure of the Group

Shareholder structure of the Group

The Company has 11 direct owned subsidiaries and 4 subsidiaries that are held through subsidiaries. (details in the shareholding structure chart in subsidiaries and associates, page 3) The Company engages in real estate development business. The Company and its subsidiaries have developed residential project for sale in styles of single detached, townhouse and residential condominium for sale by focusing develop the project in Bangkok and boundaries and projects in large provinces, namely Chiang Mai, Chiang Rai, Nakorn Ratchasima, Khon Kaen, Mahasarakam, Udonrthani, Prachuab Kirikhun, Ayutthaya and Phuket. The Company has implemented the strategy of “Pre-built houses” in 2000 which has been well accepted from the customers.

Overall Pictures of the Company’s shareholding in subsidiaries and associates

(As at December 31, 2021)



Investment in Subsidiaries and Associates more than 10%

Company	Paid-Up Capital (Million Baht)	Holding Shares	Par Value	% Hold Direct and Indirect
Investment In Related Parties				
Listed Company				
1. Quality Construction Products Plc.	400	84,627,680	1	21.16
2. LH Financial Group Plc.	21,184	4,634,761,967	1	21.88
3. Quality Houses Plc.	10,714	2,675,945,601	1	24.98
4. Land And Houses Freehold And Leasehold Property Fund	3,300	88,958,300	10	26.96
5. Home Product Center Plc.	13,151	3,975,878,432	1	30.23
Non-Listed Company				
1. Land And Houses Property And Loan Fund-II	1,486	74,278,549	10	49.99
2. LH Muang Mai Co., Ltd.	900	49,499,995	10	55.00
3. L&H Property Co., Ltd.	130	15,599,994	5	60.00
4. Asia Asset Advisory Co., Ltd.	0.10	9,994	10	99.94
5. Atlantic Real Estate Co., Ltd.	15	149,979	100	99.99
6. Land And Houses North Co., Ltd.	14	134,998	100	99.99
7. LH Mall And Hotel Co., Ltd.	2,000	19,999,995	100	99.99
8. Siam Tanee Property Co., Ltd.	100	999,994	100	99.99
9. LH Asset Co., Ltd.	100	999,994	100	99.99
10. LH Real Estate Co., Ltd.	58	579,994	100	99.99
11. Land And Houses North-East Co., Ltd.	150	1,499,994	100	99.99
12. Land And Houses U.S.A., Inc.	(USD) 40	40,000,000	1	100.00
Holding by SIAM TANEE PROPERTY Co., ltd.				
1. Siam Tanee Real Estate Co., Ltd.	88	1,749,994	50	99.99
Holding by LH MALL AND HOTEL Co., ltd.				
1. L&H Hotel Management Co., Ltd.	10	999,997	10	99.99
2. L&H Retail Management Co., Ltd.	0.10	9,995	10	99.99
3. L&H Management Co., Ltd.	0.10	9,993	10	99.99
4. LH Hotel Leasehold Real Estate Investment Trust	5,379	71,275,310	10	13.25
Holding by LH FINANCIAL GROUP Plc.				
1. Land And Houses Bank Plc.	20,000	1,999,999,900	10	22.16
2. Land And Houses Securities Plc.	1,274	1,274,140,676	1	22.16
3. Land And Houses Fund Management Co., Ltd.	300	2,999,995	100	22.16
Holding by Subsidiaries of LH FINANCIAL GROUP Plc.				
1. Land And Houses Advisory Co., Ltd.	20	1,999,998	10	22.16

Company Name	Address	Phone Number	Fax Number	Type of Business	Authorized share Capital	% Hold Direct and Indirect
1. Quality Construction Products Plc.	144 Moo 16 Bangpa-in Industrial Estate, Udomsorayuth Road, Bangkrasan, Bangpa-in, Ayutthaya, Thailand 13160 Website: www.qcon.co.th	+66 3525 8999	+66 3525 8948 +66 3525 8721	Building Material	400 million common shares of Baht 1 each	21.16
2. LH Financial Group Plc.	5 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhfg.co.th	+66 2359 0000	+66 2677 7223	Holding Company	21,813.7 million common shares of Baht 1 each	21.88
3. Quality Houses Plc.	6-7 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.qh.co.th	+66 2677 7000	+66 2677 7009	Property Development	10,714.4 million common shares of Baht 1 each	24.98
4. Land and Houses Freehold and Leasehold Property Fund	14 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhpf-pf.com	+66 2286 3484 +66 2679 2155	+66 2286 3585 +66 2679 2150	Property Fund	330 million units of Baht 10 each	26.96
5. Home Product Center Plc.	31 Prachachuennonthaburi Road, Bangkhen, Muang, Nonthaburi, Thailand 11000 Website : www.homepro.co.th	+66 2832 1000	+66 2832 1234	Trading of Construction Material	13,151.2 million common shares of Baht 1 each	30.23
6. Land and Houses Property and Loan Fund-II	15 th , 17 th Floor Sindhorn Building Tower III, 130-132 Wireless Road, Bangkok, Thailand 10330	+66 2688 7777	+66 2688 7700	Property Fund	148.6 million units of Baht 10 each	49.99
7. LH Muang Mai Co., Ltd.	9/9 Moo 6 Thepkrasadtrees, Tumbonratsada, Aumphoemuang, Phuket, Thailand 83000	+66 7638 1150-3	+66 7638 1112	Property Development	90 million common shares of Baht 10 each	55.00
8. L&H Property Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8899	+66 2343 8890	Property Development	26 million common shares of Baht 5 each	60.00
9. Asia Asset Advisory Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8899	+66 2343 8890	Investment Advisor	0.01 million common shares of Baht 10 each	99.94
10. Atlantic Real Estate Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8900	+66 2230 8131	Property Development	0.15 million common shares of Baht 100 each	99.99
11. Land and Houses North Co., Ltd.	319 Moo 4, ThumbonnongJom, Aumphoesansang, Chiangmai, Thailand 50210	+66 5349 8911-3	+66 5311 1111	Property Development	0.5 million common shares of Baht 100 each	99.99
12. LH Mall and Hotel Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhmf.co.th	+66 2343 8899	+66 2343 8890	Property Development	20 million common shares of Baht 100 each	99.99
13. Siam Tanee Property Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8900	+66 2230 8131	Property Development	1 million common shares of Baht 100 each	99.99

Company Name	Address	Telephone	Fax	Type of Business	Authorized share Capital	% Hold Direct and Indirect
14. LH Asset Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8900	+66 2230 8131	Property Development	1 million com- mon shares of Baht 100 each	99.99
15. LH Real Estate Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8900	+66 2230 8131	Property Development	0.58 million common shares of Baht 100 each	99.99
16. Land and Houses North-East Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8900	+66 2230 8131	Property Development	1.5 million common shares of Baht 100 each	99.99
17. Land and Houses U.S.A., Inc.	17485 Monterey Road Suite 308 Morgan Hill, CA 95037 USA	408 796 7337		Property Investment	40 million common shares of USD 1 each	100.00
18. Siam Tanee Real Estate Co., Ltd.	37 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8900	+66 2230 8131	Property Development	1.75 million common shares of Baht 50 each	99.99
19. L&H Hotel Management Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8899	+66 2343 8890	Hotel	1 million common shares of Baht 10 each	99.99
20. L&H Retail Management Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8899	+66 2343 8890	Retail	0.01 million common shares of Baht 10 each	99.99
21. L&H Management Co., Ltd.	15 th Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2343 8899	+66 2343 8890	Management	0.01 million common shares of Baht 10 each	99.97
22. Land and Houses Bank Plc.	G, 1 st , 5 th , 6th, 32 nd Floor Q House Lumpini Building, 1 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhbank.co.th	+66 2359 0000	+66 2677 7223	Bank	2,000 million common shares of Baht 10 each	22.16
23. Land and Houses Securities Plc.	M, 10 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhsec.co.th	+66 2352 5100	+66 2286 2681 +66 2286 2682	Management Fund	1,274.4 million common shares of Baht 1 each	22.16
24. Land and Houses Fund Management Co., Ltd.	14 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhfund.co.th	+66 2286 3484 +66 2679 2155	+66 2286 3585 +66 2679 2150	Management Fund	3 million common shares of Baht 100 each	22.16
25. Land and Houses Advisory Co., Ltd.	10 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120	+66 2352 5100	+66 2286 2681 +66 2286 2682	Advisory	2 million common shares of Baht 10 each	22.16
26. LH Hotel Leasehold Real Estate Investment Trust	14 th Floor Q House Sathon Building, 11 South Sathon Road, Thungmahamek, Sathon, Bangkok, Thailand 10120 Website : www.lhfund.co.th	+66 2286 3484	+66 2286 3585	Property	537.9 million common shares of Baht 10 each	13.25

Persons who may have conflicts of interest hold shares in the subsidiaries or associated companies in aggregate more than 10% of the number of shares with voting rights

-None-

Relationship with the business group of major shareholders

-None-

Shareholders

At the latest register book collecting on August 25, 2021, the top 10 majorshareholders are as follows :

Rank	Name of individual / Juristic Person	Number of shares held (shares)	Percentage of total sold shares
1.	Mr. Anant asvabhokin	2,860,000,071	23.93
2.	Thai NVDR Co., Ltd.	993,745,386	8.32
3.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	763,090,993	6.39
4.	Mayland Co., Ltd.	677,000,075	5.67
5.	Social Security Office	537,537,045	4.50
6.	THE BANK OF NEW YORK MELLON	361,823,131	3.03
7.	STATE STREET EUROPE LIMITED	349,719,058	2.93
8.	STATE STREET BANK AND TRUST COMPANY	175,231,937	1.47
9.	Miss Piangjai Harnpanij	134,960,001	1.13
10.	BuaLuang Long-Term Equity Fund	111,754,001	0.94
	Total	6,964,861,698	58.28

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

4. Number of registered shares and paid-up shares

(1) As at December 31, 2021, the Company has registered shares of 12,031,105,828 Baht, with the amount paid up of 11,949,713,176 Baht which is common share of 11,949,713,176 shares at the par value of 1 Baht

From the information regarding the common shareholders of the Company which hold shares through the Thai NVDR Co.,Ltd. as at February 14, 2022 amounted to 2,131,316,211 shares or representing 17.84% of the paid-up shares. And as the Company's common shares which held by Thai NVDR CO., Ltd. is unable to exercise the right to vote in the shareholders' meeting (except in the case

of exercising rights to vote on the delisting of shares from listed securities). As a result, the shareholders who do not hold shares through Thai NVDR Co., Ltd. shall have more 21.71% increase in voting right, thus the shareholders who hold shares only 20.54% of the paid-up capital will have the right to vote up to 25% of total shares with voting rights. The Investors can check the latest number of shares held through Thai NVDR Co.,Ltd. from the website of the Stock Exchange of Thailand which is www.set.or.th.

(2) Other types of shares

-None-

5. Issuance of other securities

Debenture

As at December 31, 2021, the Company's debentures that have not yet redeemed amounting to 38,600 million Baht, all are unsubordinated and unsecured debentures. The details are as follows :

Debenture	Total (million Baht)	Interest rate per annum	Age & Maturity
No. 1/2018	1,200	2.96%, pay interest every 6 months	7 years/7 March. 2025
No. 1/2019	6,000	2.62%, pay interest every 6 months	3 years/26 April 2022
No. 2/2019	7,000	2.12%, pay interest every 6 months	3 years/15 Oct 2022
No. 1/2020 (1)	3,000	2.30%, pay interest every 6 months	2 years/12 May 2022
No. 1/2020 (2)	2,400	2.60%, pay interest every 6 months	3 years/12 May 2023
No. 2/2020	3,000	2.03%, pay interest every 6 months	3 years/20 Oct 2023
No. 1/2021 (1)	3,000	1.09%, pay interest every 6 months	2 years 16 days/12 May 2023
No. 1/2021 (2)	5,000	1.50%, pay interest every 6 months	3 years/16 April 2024
No. 2/2021	8,000	1.46%, pay interest every 6 months	3 years/19 Oct 2024

All debentures have the latest credit rating of A+ Stable by This Rating Co., Ltd. on October 29, 2021.

The Company's debenture must maintain the net debt to equity ratio of not more than 1.50 : 1 according to the consolidated financial statements and the debenture that issued from No.1/2020 must maintain the net debt to equity not more than 2.00 : 1 according to the consolidated financial statements.

6. Dividend Policy

Currently, the Company has its policy to pay dividend to the shareholders from its net profit in each year. In order to pay the dividend, the following factors must bring into consideration, namely operating performance and financial status of the Company, liquidity, expansion and other factors that relate to the management of the Company. The payment of such dividend must get the consent from the Board of Directors and/or shareholders' meeting according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2004 on January 26, 2004, which was resolved to amend Article 42 of the Company's Articles of Association Re: Dividend Payment as follows :

No: 42 Dividend Payment "The dividends must be paid from the profit of the Company, In case that the Company still has accumulated loss, the Company is prohibited to

pay such dividend. In the event that the Company has profit, the Board of Directors can recommend sharing the profit to pay dividends as long as there is no damage to the Company's capital".

For the dividend payment policy of the subsidiary, the subsidiaries will pay dividends to the Company from their profit. The factors taking to consider for the dividend payment are the operating performance and financial status, liquidity, the expansion and other factors which relate to the management of the company.

Report of the Risk Management and Sustainable Development Committee 2021

Dear Shareholders,

Land and Houses Public Company Limited emphasized the importance of the enterprise risk management along with sustainability development under the supervision of the Risk and Sustainable Development Committee. In 2021, the Committee held two meetings, with all members attended in every meeting. In addition, in some agenda, the management was also invited to attend the meeting as deemed appropriate. The significant tasks performed can be summarized as follows :

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

2. Monitored corporate sustainable development operations with a focus on sustainability key issues. Sustainability management policies and goals are set and covered all Environment, Social & Governance Dimensions (ESG), which are in line with materiality matters and aimed to reduce resource use, increase renewable energy, and promote the development of innovative products and services.

3. Monitored and supervised the preparation of the Corporate Personal Data Protection by establishing policies and procedures regarding the personal data protection issues such as the data collection, use or disclosure of personal data, data subject rights, deletion or destruction of data and management of personal data breach, etc. The Committee has also considered and approved the appointment of a Personal Data Protection Officer (DPO) along with the Personal Data Protection Working Group to ensure that the company's personal data protection standards and measures are valid in accordance with the Personal Data Protection Act B.E. 2562 (2019) that will come in full effect in the near future.

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

Yours Sincerely,



(Mr. Bundit Pitaksit)

Chairman of the Risk Management
and Sustainable Development Committee

Risk Management

1. Policy and Risk Management

The Company has the Risk Management and Sustainable Development Committee to take care of risk management in various risks of the Company by requiring each department to take care of the risks of the department so that the Company can mitigate its operational risks at minimal.

2. Operational Risk

2.1 Risks incurred from pre-built construction

The Company and its subsidiaries operate their business in real estate development, mainly on housing construction for sale. In 2000, the Company has shifted its policy from Built-to-order houses (to build the house when the customers come to book the house) to pre-built houses. The proportion of pre-built house had increase in 2001-2002 continuously. Thus since 2003 until present, the Company has shifted all operation to the pre-built except for the residential condominium and townhouse under brand "INDY" which the Company has changed the policy from the pre-built sales to sale before building since September 2010, onward. As a result that the Company has changed the operation style from built-to-order to pre-built, thus it affects the Company to need higher advance funds to use in construction since the Company does not receive any funds from the customers to use as a working capital during the construction. In addition, there are several factors that may have impact to the decision making to buy a residential in the future which includes (1) The increase in the residential unit price due to the increase in construction material cost and land acquisition cost (2) the slowdown in the economic growth. These factors may affect the purchasing power and the decision making of the Company's target customers (details as indicated in (2) Nature of the Business, 2.2 Market and competition) Thus, the Company has risks from the un-sold pre-built houses which will cause the Company to have high cost of inventory which will have impact on the liquidity and its profitability. However, the Company expects that it can sell the pre-built houses and will not bear a high inventory burden due to the following reasons :

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

(2) Presently, most customers prefer to purchase the pre-built houses as they can be confident that they will

receive the house as the contractual schedules. As during the crisis in year 1997-1998, many entrepreneurs could not build the house and hand over to deliver to their customers on time.

(3) The Company is the major and large real estate developer and exists in the market for more than 30 years, thus the Company has many advantages both in terms of marketing information and in-depth knowledge of customers' requirements. Therefore, the Company can develop the residential units to meet the demand of customers which then resulting in the residential projects under the brand name "Land & Houses" is being well accepted among the target customers both in terms of quality and locations.

(4) Though currently, there are several risk factors that affect the decision making of the consumers to buy their residential units but the Company's target customers still remain decide to buy the quality residential units continuously as they expects to have the Company's good after sale services.

2.2 Production Risks

The risks associated with the shortage of construction materials and the increase in cost of construction which increases from the fact that there are new developers in the real estate development continuously thus results in increase in construction materials and labor. The increase in these demands may lead to the shortage of both construction materials and labor and also have affected the increase in the cost of construction materials. In 2021, the Construction Material Price Index has increased by 8.0%. However, the problem of shortage of construction material and labor in construction work may increase from the increase in the construction in the near future. Therefore, this may affect the time to develop the Company's project to increase and the construction's cost that may increase which will then affect the liquidity and profitability of the Company.

However, as at December 31, 2021, the Company and its subsidiaries have projects operated in hands of 77 projects, thus makes the Company has the high bargaining power with the contractors and construction material suppliers. In addition, as the Company has used the Pre-built strategy rather than built-to-order (except the condominium which allows the pre-booked before construction and townhouse which the Company allows the customers to book before the construction completed), which the pre-built houses allow the Company and the

contractor to schedule the construction plan and can also order the materials in advance which then prevent the shortage of the materials and can also better control the cost and actual construction plan.

2.3 Financial Risks

(1) Risk incurred from the impairment of other Non-current financial assets

As at December 31, 2021, the Company and its subsidiaries have non-current financial assets of 3,874 million Baht or equaled to 3.1% of total assets (Details are as described in part 3, Financial Statement and Operating performance, item 14 of the Management Discussion and Analysis). Main non-current financial assets comprise of (1) Vistamalls Inc., the investment in Phillipines of 1,851 million Baht (2) Land and House Freehold and Leasehold Property Fund 480 million Baht (3) Quality Houses Leasehold Property Fund 319 million Baht (4) BTS Group Holding 115 million Baht (5) LH Shopping Centers Leasehold Real Estate

Investment Trust 444 million Baht (6) LH Hotel Leasehold Real Estate Instrument Trust 646 million Baht. The Company then have the risk from the impairment of the investment which will cause the value of investment decrease.

However, the policy to invest in equity investment of the Company focuses on the real estate investment and other business which related to the Company's main business including the businesses that are interesting and the Company has considered that it is likely to have a reasonable return. The investment decision must be considered by the Board of Directors.

(2) Risk incurred from Lending to the subsidiaries

As at December 31, 2021, the Company extended long-term loans to 6 subsidiaries, total amount of loans, principal and accrued interest equaled to 10,122 million Baht which was in term of Promissory Notes without collateral. There are as followings :

Subsidiaries	% held by the Company	Loan to Subsidiaries (million Baht)	Interest Rate (%)
Land and Houses U.S.A. Inc.	100.00	8,737.3	3.1 - 3.58
LH Asset Co., Ltd.	99.99	1,250.0	2.5
Land and House Northeast Co., Ltd.	99.99	1,850.0	2.5
LH Mall and Hotel Co., Ltd.	99.99	3,235.0	2.5
Siam Tanee Property Co., Ltd.	99.99	340.0	2.5
Atlantic Real Estate Co., Ltd.	99.99	355.0	2.5
Total		15,767.3	

As at December 31, 2021, the Company has provided the long-term loan to Land and Houses U.S.A. Inc. (LH USA) which is the 100% wholly owned subsidiary. The amount of loan is USD 262.8 million or 8,737.3 million Baht, interest 3.1 - 3.58% p.a. and will be repay when the Company can sell the real estate which it bought or when it can apply the loan from the financial institutions.

Other subsidiaries borrowed the loan from the Company for developing the real estate projects, the Company will receive the loan repayment when the subsidiary has finished its project and transfer the ownership to customers.

The Company, thus, may have risks from loss of amount of loan lending to the subsidiaries, but as the subsidiaries have used the fund to invest in the real estate which can be sold. For the subsidiary, LH USA has borrowed loan from the Company to invest in 3 apartments for rent, 2 in California and 1 in Oregon, which will provide long-term returns to the Company in the future and LH USA has

developed a plan to sell each apartment when the returns are reasonable.

Moreover, the Company has a policy that emphasizes on the operations of its subsidiaries such as sending representatives to serve as directors, establishing policy and closely supervising the business operations of its subsidiaries as well as supervise and monitor the repayment of debt and interest to the Company as per scheduled. The Company therefore expects that there should be no problem in the loan repayment of the subsidiaries and yet has not set up an allowance for doubtful accounts from lending to the subsidiaries.

2.4 Risk incurred from lawsuits

As of December 31, 2021, the Company does not have any significant lawsuits. The Company has only a lawsuit filed with a total principal of 114 million Baht which is the maximum damage that will occur to the Company. The Company has already set aside the provision of 15 million Baht.

Driving Business for Sustainability



Land and Houses Public Company Limited operates its business in accordance with the sustainable development guidelines of the Stock Exchange of Thailand to create values and responsibility with all the stakeholders in terms of corporate governance, social and environmental dimensions. The Company has aimed to remain to be the leader in the real estate development business in Thailand. The clear goals are to continually develop products and services that meet the needs of customers, to “Create a Better Living” to be accepted and trusted by customers, and to conduct the business strictly under the Good Corporate Governance concurrently with the Social and Environmental Responsibility, respect for human rights and consideration to all stakeholders.

1. Policy and Sustainability Management Guidelines

The Company’s sustainable development policy was established based on vision, mission, and business strategy with the goal of balanced growth in the areas of economic, corporate governance, society & community, and environment to strive towards true sustainable development and its vision to be the leading real estate developer in Thailand with the objective to “Create a Better Living” for consumers and all stakeholders. As such, the sustainability policies and guidelines have been established with the following essence :

- **To operate its business under the principles of good governance and good corporate governance**

The Company has a corporate governance policy and adheres to perform in accordance with the core characteristics of the good corporate governance which comprises of honesty, transparency, independence, social responsibility, fairness, and responsibility for obligation.

- **To operate sustainable business by adhering to social, community and environmental responsibilities**

The Company has a policy to conduct business that considers the negative impacts of operations on society/community, nature, and environment, and focuses on using resources and energy with the most value and efficiency.

- **To operate the business with considerations of all stakeholders**

The company has a policy to conduct business that focuses on values, importance, and responsibility to all stakeholders.

Goals

The Company has set its operational goals in accordance with sustainable development that covers economic, social, and environmental dimensions for the year 2022 as following guidelines:

Sustainability Goal 2021	Operation
<ul style="list-style-type: none"> • Conduct product innovation management and product quality development 	<ul style="list-style-type: none"> • Products that meet the needs and behaviors of consumers and are environmentally friendly
<ul style="list-style-type: none"> • Develop employee potentiality 	<ul style="list-style-type: none"> • Employees’ potential, knowledge and skills are continually developed in accordance with the business strategy
<ul style="list-style-type: none"> • Use of energy and resources valuably and reduce environmental impact 	<ul style="list-style-type: none"> • Use natural substitute materials and install energy - saving equipment in the house • Use renewable energy in the process
<ul style="list-style-type: none"> • Implement projects in collaboration with society / community 	<ul style="list-style-type: none"> • Implement projects and activities for society and community continually.

In addition, the Company aims to support and apply UN Sustainable Development Goals (SDGs) to the business strategy in developing the organization towards the directions and goals of international sustainable development to build confidence, create benefits for all stakeholders, and covers all three dimensions which are economic, social, and environmental dimensions.

SUSTAINABLE DEVELOPMENT GOALS



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SDGs Goals	Company's Sustainability Issues	Support Activities	Benefits to the Company/ Society and Environment
<p>Goal 3. Good Health and Well-Being</p>  <p>Promote health and upgrading medical care of people in society</p>	<ul style="list-style-type: none"> Human resource management and human rights Occupational health and safety Innovation and product development management 	<ul style="list-style-type: none"> Occupational health and safety of employees Product design considering the safety and quality of life of customers. Caring for employees during the COVID-19 epidemic 	<ul style="list-style-type: none"> Employees are in good health, reducing / preventing their illnesses. Prevent the spread of COVID 19 Reduce the accidents Create good environment and working atmosphere Products focus on quality of life
<p>Goal 4. Quality Education</p>  <p>Support the opportunity of quality education and to create a society of sustainable learning for every person</p>	<ul style="list-style-type: none"> Human resource development Training to develop employees' potential Participation in social and community development 	<ul style="list-style-type: none"> Employee training Student Internship Program Bilateral Project Scholarship program for employee's children 	<ul style="list-style-type: none"> Increase quality of employee's knowledge and skills Promote continuous learning for employees, students, and employee's children Increase employment opportunities for internship students participating in the program
<p>Goal 5. Gender Equality</p>  <p>To achieve equality of woman's rights in organizations</p>	<ul style="list-style-type: none"> Human resource management and human rights 	<ul style="list-style-type: none"> Equal treatment of employees and labor Employment of all genders 	<ul style="list-style-type: none"> Promote gender equality
<p>Goal 6. Clean water and sanitation</p>  <p>Support the society to reach clean water and enhance the better sanitation</p>	<ul style="list-style-type: none"> Cooperation in social / community development Resource and environment management 	<ul style="list-style-type: none"> Organize the wastewater management according to the law Reuse the treated wastewater 	<ul style="list-style-type: none"> Water drained into public pipes must pass quality measurements according to legal treatment standards The treated water is used to water the trees, gardens, lawns and to spray roads and sidewalks.

SDGs Goals	Company's Sustainability Issues	Support Activities	Benefits to the Company/Society and Environment
<p>Goal 7. Affordable and Clean Energy</p>  <p>Support the <u>use of clean energy</u> and help <u>reduce the cost of clean energy production</u></p>	<ul style="list-style-type: none"> • Energy and environmental management • Product Innovation and development management 	<ul style="list-style-type: none"> • Use of Solar roof at the site offices • Use of materials which save energy and environmentally friendly • Use of HYBRID cars for executives / electric golf carts for customer service in the project. • Install electrical system for electric cars charging in customer's home 	<ul style="list-style-type: none"> • Reduce the main power consumption • Reduce the cost eventually • Increase awareness of alternative energy consumption • Reduce emission and noise pollution
<p>Goal 8. Decent Work Employment and Economic Growth</p>  <p>Enhance the <u>employment at fair</u> to promote sustainable economic growth</p>	<ul style="list-style-type: none"> • Human resource development and human rights • Employee empowerment training 	<ul style="list-style-type: none"> • Employee training • Non-illegal employment or non-violate human rights. 	<ul style="list-style-type: none"> • Encourage employees to progress in their career • Promote effective, fair, and equitable employment and respect human rights
<p>Goal 9. Industry, Innovation, and Infrastructure</p>  <p>Promote the <u>industrial infrastructure to create innovation</u> and progress to <u>sustainable industry</u></p>	<ul style="list-style-type: none"> • Innovation and quality management of product and services to satisfy customers 	<ul style="list-style-type: none"> • “Breathable House” of innovative dust-filtered aeration system, AirPlus Square to control good air quality in the home and the well-being of the residents • Smart Home or Home Automation System • Application I-Design • QR Code of home introduction system for living manual 	<ul style="list-style-type: none"> • Quality products and services are constantly developed to meet the needs of customers
<p>Goal 11. Sustainable Cities and Communities</p>  <p>Promote the cities and societies to <u>grow safety and sustainable</u></p>	<ul style="list-style-type: none"> • Society and community engagement and development • Resource and environment management 	<ul style="list-style-type: none"> • Develop projects for better quality of living and create the quality environment for society and community • Build good relationship with the community 	<ul style="list-style-type: none"> • Participate in the creation of quality community and society • Develop products that meet the quality of life of residents of all ages
<p>Goal 12. Responsible Consumption and Production</p>  <p>Organization that responsible for the <u>sustainable consumption and production</u></p>	<ul style="list-style-type: none"> • Worthily use of resources • Innovation and product development management 	<ul style="list-style-type: none"> • Reduce the use of plastics • Use of environmentally friendly materials and conserve environment • Reuse of treated water, paper • Waste sorting • Dust / noise reduction in the construction process 	<ul style="list-style-type: none"> • Comply with the regulations on environment • Reduce garbage and waste • Reduce emission and noise pollution

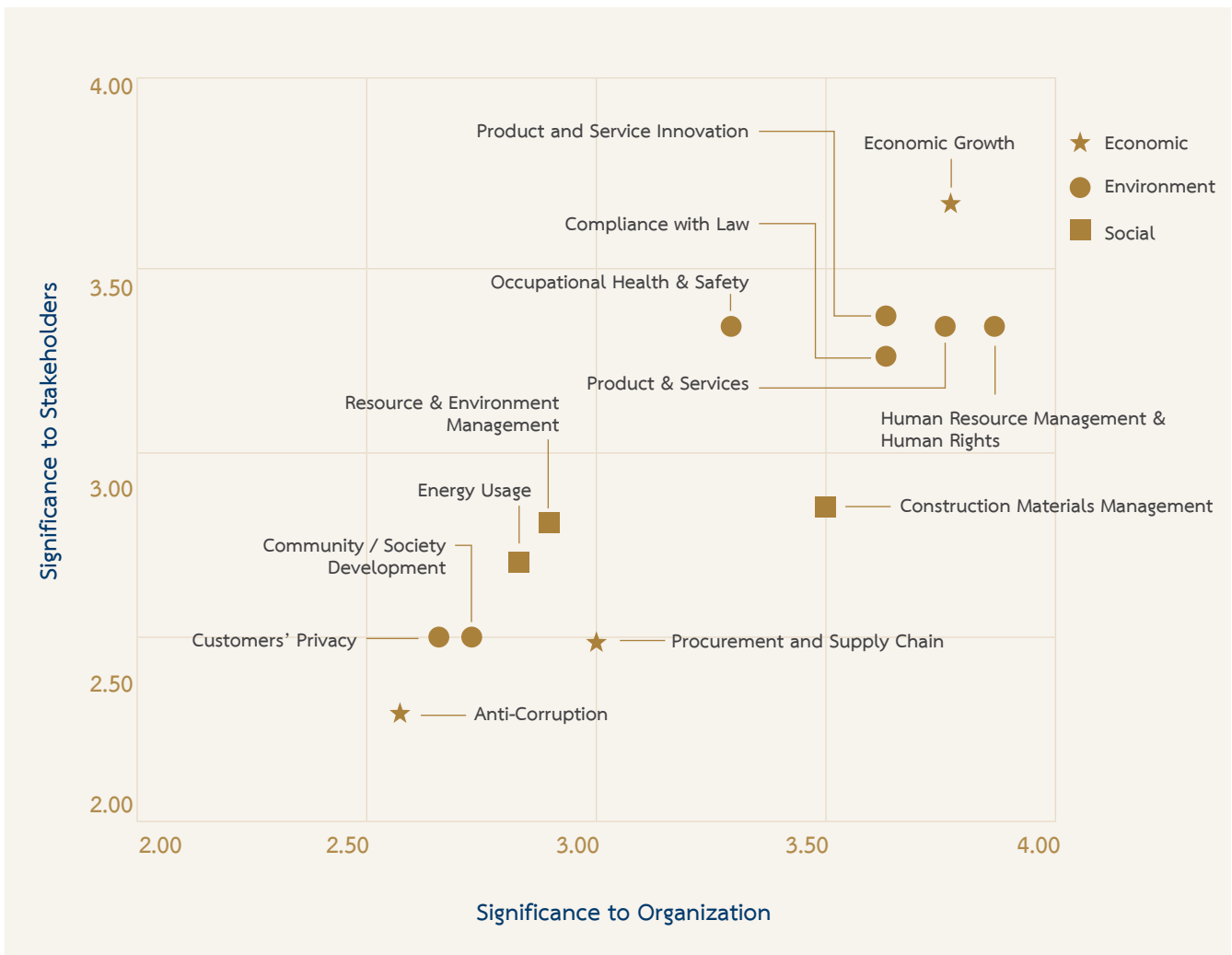
Significant Sustainability Issues

The Company has identified significant sustainability issues regard the economic, social, and environment by considering the impact on the organization and every group of all stakeholders. The assessment of such significant issues was conducted by the survey of all executives from all departments. The survey results were analyzed and prioritized the importance of the issues.

Assessment Process of Significant Sustainability Issues



Materiality Matters



As a result of the assessment, the Company categorized the significant issues and established sustainability operation plans in accordance with the strategy and business goals for 2021 which covered the aspect of economic, social, and environmental dimensions and all stakeholders as follows :

Sustainability Management		
Economic Dimension	Social Dimension	Environmental Dimension
<ul style="list-style-type: none"> Economic Growth Innovation Management and Quality of Product and Service Management 	<ul style="list-style-type: none"> Human Resource Management and Human Rights Employee Potential Development Quality of Life - Oriented Product Design Occupational Health and Safety Social / Community Participation and Development 	<ul style="list-style-type: none"> Cost - Effective Energy and Resource Management Design and Use of Conservations and Environmentally Friendly Resources 

Table of Scope of Involvement of Stakeholders

Significant Sustainability Issues	Scope of Involvement of Stakeholders						Issues
	Employee	Government Sector / Regulator	Community	Customers	Partner	Shareholder / Investor	
Economic Operation							
1. Economic growth	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Economic Performance Risk Management Corporate Governance
2. Innovation Management and Quality of Product and Services Development	✓		✓	✓	✓	✓	<ul style="list-style-type: none"> Product Development
Environmental Operation							
3. Resource and Environmental Management	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Compliance with the Environmental Regulations Energy Saving and Environmental Protection Design and Use of Environmentally Friendly Resources
Social Operation							
4. Human Resource and Human Rights Management	✓	✓	✓	✓	✓		<ul style="list-style-type: none"> Equal and Fair Employment Compensation and Welfare Management Human Resource Development and Career Path Promotion

Significant Sustainability Issues	Scope of Involvement of Stakeholders						Issues
	Employee	Government Sector / Regulator	Community	Customers	Partner	Shareholder / Investor	
5. Safety and Occupational Health	✓	✓	✓	✓	✓		<ul style="list-style-type: none"> Safety, Occupational Health, and Working Environment (and the COVID-19 Epidemic Management)
6. Quality of Life - Oriented Product Design	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Innovation Product Safety After-Sale Service Satisfaction Responsibility for Products and Service
7. Social/Community Participation and Development	✓	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> Customer Responsibility Community and Social Activities

2. Stakeholders Impact Management in the Business Value Chain





Business Value Chain





The Company operates the real estate development business by developing single detached house, townhouse, and condominium. To deliver sustainable values to all stakeholders, the Company hence establishes the main activities as the business value chain as follows :

1. Land Acquisition and Funding	2. Project Design	3. Procurement	4. Sales and Marketing
<ul style="list-style-type: none"> Feasibility study of project development Potential and non-dispute land locations Transparent & fair trading Provide source funding Target survey Competitors Analysis 	<ul style="list-style-type: none"> Human Centric design to meet the consumers' needs Design products that focus on environmental protection Select quality materials Comply with government regulations 	<ul style="list-style-type: none"> Equal, transparent, and fair procurement process and criteria 	<ul style="list-style-type: none"> Customer satisfaction survey Protect customer information and privacy Communicate and provide complete and accurate information of products and services Promotion and marketing activities Tools / Marketing Communication Channels Channels to receive opinions and suggestions on products and services.
5. Construction	6. Delivery and Transfer of Ownership	7. After-Sale Service	
<ul style="list-style-type: none"> Fair procurement Process and criteria for selecting contractors and suppliers Select quality construction materials which are environmentally friendly Inspect and control quality of constructions and products to meet the standards Use resources efficiently. Reduce the environment impacts Comply with government's rules and regulations Preserve the environment, not affecting the surrounding community and society 	<ul style="list-style-type: none"> Facilitate customers in loan request from financial institutions. Inspection and acceptance of the products performed by customers Ownership transfer 	<ul style="list-style-type: none"> Protect customer information and privacy Product warranty and home inspection system within insurance period Customer relations / communication system Call Center, Any Complaint to communicate and receive complaints Juristic Person Establishment Process 	

Stakeholders in the Value Chain Analysis

The Company has established guidelines to meet expectations and engagement of all stakeholders as follows :

Stakeholders	Expectations of stakeholders	Communication Channels	Response to expectations
Employees 	<ul style="list-style-type: none"> Fair and equitable treatment without any discrimination Appropriate compensation and welfare Career stability and advancement Potential development and learning 	<ul style="list-style-type: none"> Advancement in career path Potential development Monetary and non-monetary welfare Equalities, non-discrimination Promotion occupational safety and health 	<ul style="list-style-type: none"> Fair and equal treatment and respect for human rights Communicate business goals and policies through the CEO Message meeting once a year Annual performance appraisal Employee development and promotion Employee training with an average of not less than 16 hours / person / year Benefits for employees both monetary and non-monetary
Shareholders 	<ul style="list-style-type: none"> Consistent income growth Good corporate governance and adherence to good corporate principles, transparent, and verifiable management Risk Management System Reasonable return on investment 	<ul style="list-style-type: none"> Annual report Annual shareholders' meeting once a year Investors and Analyst meeting once a quarter Communicate company news and information regularly via online channels : Website, Facebook, Line, IG 	<ul style="list-style-type: none"> Information disclosure in annual report Explanation of operating results through the Company and the Stock Exchange of Thailand websites Paying reasonable dividends Create the communication and inquiries via website and email Investor@lh.co.th
Customers 	<ul style="list-style-type: none"> Receive products and services which consider the responsibility and rights of consumers Research and develop products that meet the requirements of consumers Satisfied with quality of products and services which meet the standards Protect customer privacy 	<ul style="list-style-type: none"> Communicate company news and information to customers regularly via online channels : Website, Facebook, Line, and IG 	<ul style="list-style-type: none"> Deal with complaints quickly and efficiently Communicate product information, activities, and benefits to customers on an ongoing basis CRM - Customer Relationship Management Protect customer data and confidentiality
Partners 	<ul style="list-style-type: none"> Fair and non-discriminatory procurement Efficient, transparent, and verifiable procurement system 	<ul style="list-style-type: none"> Fair and non-discriminatory competition Efficient, transparent, and verifiable procurement system Regular meeting with business partners 	<ul style="list-style-type: none"> Policies and procedures regarding the procurement Develop suppliers / partners to have good practices such as business ethics and anti- corruption policies

Stakeholders	Expectations of stakeholders	Communication Channels	Response to expectations
Society, Community and Environment 	<ul style="list-style-type: none"> Social & community and environmental responsibility 	<ul style="list-style-type: none"> Conduct business that does not negatively impact the community Care for the environment around the community Explore and understand the community Open to the educational institutions for the project visit to learn about real estate development business throughout the year Create activities with the community Collaborate with education sectors / institutions/ partners in bilateral education and internship 	<ul style="list-style-type: none"> Develop innovative products and services that improve the quality of life, conserve and preserve the environment Improve the work processes that have less impact and are environmentally friendly by controlling pollution, garbage, waste and using water and energy cost-effectively Improve the environment both inside and outside the project to be clean and add more green areas Share and provide knowledge to the institutions, agencies, and organizations. Use natural substitute materials to conserve and be environmentally friendly Continuously coordinate with the educational sectors / institutions in the Internship / Bilateral Student Projects
Government Sector 	<ul style="list-style-type: none"> Strictly comply with laws and regulations 	<ul style="list-style-type: none"> Compliance with regulations, rules, laws, and policies of regulatory institutions Participate in government agencies' activities and projects on an ongoing basis 	<ul style="list-style-type: none"> Report business performance and provide truthful, accurate and complete information as required Cooperate and support various projects of government agencies Comply with all applicable tax management laws
Financial Institutions 	<ul style="list-style-type: none"> Repayment as conditions and terms 	<ul style="list-style-type: none"> Operate business as target and investment plans Repayment as terms and conditions 	<ul style="list-style-type: none"> Manage the Company's performance under appropriate risk management Execute the investment plan
Competitors 	<ul style="list-style-type: none"> Fair competitions 	<ul style="list-style-type: none"> Company's business information Market share Conduct business with transparency and fairness Joint meeting through related associations, business organizations in accordance with appropriate agenda and opportunities Channels for receiving suggestions, opinions, and complaints through the Company's complaints system regularly throughout the year. 	<ul style="list-style-type: none"> Disclosure the Company's operations on the Company and the Stock Exchange of Thailand websites Create fair business competition conditions Promote free trade competition without monopoly

3. Sustainability Management in Environmental Dimensions



Environmental Policies and Practice Guidelines

- The Company will strictly comply with the National Environmental Quality Promotion, Conservation Act, and regulations relating to environment including the resource utilization and energy saving, water usage, pollution management and management of waste generating from the construction process.
- The Company sets environmental and energy conservation as its business objectives. This is the responsibility of the Company's executives and employees at all levels to engage in sustainable environmental practices.
- The Company commits to develop innovative products and services based on fundamental of environmental and energy conservation and use natural resources cost-effectively.
- The Company will cultivate and educate employees to be aware of and protect the environment and natural resources for future generations.

Environmental Operations

The Company determined to establish the environmental and energy management system and has appointed the environmental and energy management working group to set guidelines and manage the Company environmental and energy management to be efficient and sustainable.

Moreover, the Company is aware of business operations that affect greenhouse gas which causes the global warming. In 2021, the Company has prepared for the implementations of the greenhouse gas management in 2022 onwards.

Energy Saving and Environmental Protection

1.) Compliance with Environmental Regulations Environmental Impact Assessment (EIA)

The Company prepares and submits the Environmental Impact Assessment (EIA) Report to the Office of Natural Resource and Environmental Policy and Planning (ONEP) to comply with the Enhancement and Conservation of National Environmental Quality Act, B.E.2535 (A.D.1992). This Act requires the Companies with land allocation for residential or commercial purposes with more than 500 land plots, or with an area of over 100 rai, or a common residential building under the Law of Building Control with 80 rooms or more, or a usable area of more than 4,000 Sq.m. shall have to submit the EIA Report for permission of land distribution before the construction starts, during the construction, and during the project implementation, covering 4 aspects of the environmental impact as follow:

- Physical Environment Resources
- Biological Environmental Resources
- Utilization Value
- Quality of Life Value

In 2021, the Company had submitted the EIA Report to the Office of Natural Resource and Environmental Policy and Planning (ONEP) and 1 project was approved :

- The “Wan Veyla at Chao Phraya” received the approval, and now is under the construction process.

In 2021, the Company has no issues of violating environmental laws or regulations.

Impact Management in Construction

The Company recognizes the impacts on the environment generated from the construction work and has established practices to manage the environmental impacts on community into 3 stages; the pre-project, during the construction, and after the completion / sales closed of the project.

Stage 1 : Pre-Opening of the Project

1. Conduct a survey of the area around the project to set the guidelines for preventing problems and potential impacts which may arise from the construction work to neighboring communities.

2. Conduct a survey of buildings, houses around the projects prior to the foundation pile drilling process and choose a method of drilling which has less impact to the surrounded building such as a bored pile system.

3. Set up water retardant and wastewater treatment system according to the standards set by the government entity.

4. Meet with the community leaders to conduct study and create mutual understandings with nearby communities.

Stage 2 : During the Construction

1. Transportation of construction materials must not affect the residents around the project in the matter of noise, working time, dust & smoke. The projects have the protection set for the nearby community and residents.

2. In case of the project is open for sale and already occupied, the Construction zones must be clearly divided from the customer's residence zones. In the case of the new phase is being constructed, the protection system will be tightly controlled so that there will be no impact to the customers.

3. Responsible persons are assigned to supervise and assess problems if occur. There is continuous monitoring, prevention, and correction of impacts.

Stage 3 : After Construction Completion

1. Check the completeness of utilities and equipment

2. Provide the instruction for use and maintenance of utilities and material equipment to meet the standards before handing over to the housing estate juristic person.

3. Guidelines for practice and public relations activities are established on waste disposal and pollution management such as waste management, waste sorting and dust prevention.

2.) Energy Management and Environmental Preservation

Environmental issues are considered important and affects the quality of life increasingly. The Company intends

to participate in conserving environment and improving the environmental problems. The development of environmentally friendly innovations, and the use of resources for the maximum benefits is conducted to create and preserve the sustainable environment for the society, community, employees, and residents in the project.

The Company has designed and produced the environmentally friendly products under the concept of "LH SMART, A Concept of Better Life" to improve the quality of life of the residents and to protect the environment through the following operations :

- Design products and choose to use quality, energy saving and environmentally friendly materials, such as :
 - Battens : helps to ventilate the air round the eaves. The heat that accumulates under the roof tiles can be easily drained.
 - High quality gypsum board ceiling: lightweight, fireproof which helps filtering the heat from the roof, preventing the noise from upstairs and creating more beautiful and livable decorations.
 - Green tinted glass: The outstanding feature is UV protection which absorbs 35-50% of the heat that shines on the glass surface, thus reducing the use of air conditioners and saving electricity expense.
- Innovation "AirPlus Square (PM 2.5 Control)." The Company continues to emphasize the Indoor Air Quality-AIQ consecutively and has developed the latest air ventilation system. AirPlus Square: "A Breathable House, the PM 2.5 Dust Filter - Enjoy Every Moment / Enjoy Every Breath" is the air filling and dust filtering which was modified from the previous AirPlus system. The system will fill and ventilate the fresh air indoor and release the polluted air from the house. Regards the high quantity of dust outdoor, HEPA FIILTER (High Efficiency Particulate Air) is installed in AirPus Square and efficiently filters 0.3 Micron dust, including PM 2.5. The system will automatically work to ventilate, adjust fresh air indoor consistently, and is user-friendly. The system can decrease the temperature and the accumulated humidity which can create musty odors, mold in the house, which have direct impacts to the hygiene of those who live in the society regard the air condition. It also drains out volatile chemicals (TVOC) which are used in the home as

cleaning solutions and pesticides.

AirPlus Square is considered as an energy saving system that consumes less electricity, approximately 20 satang/hour (calculating from the electricity unit at 4 Baht/unit) AirPlus Square is one of Land and Houses' petty patents of intellectual property from the invention of new innovation.

Energy Saving from the AirPlus System

Energy saving from using the AirPlus system (year)	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Estimated number of houses with AirPlus installed (units)	100	240	310	693	1,652	1,415	1,500	1,590	1,500	9,000
Energy saving - based on 1 bedroom/day (kilowatts)	32	76	98	218	520	446	472	501	472	2,835
Energy saving - based on 1 bedroom/ year (kilowatts)	11,498	27,594	35,642	79,678	189,939	162,690	172,463	182,810	172,463	1,034,775
Energy saving - based on 1 bedroom/day (megawatts)	11	28	36	80	190	163	172	183	172	1,035
Average electricity cost per unit (Baht)	3.7	3.9	3.8	3.5	3.5	3.7	3.7	3.7	3.7	
Electricity cost saving per day (Baht)	117	295	371	764	1,821	1,640	1,739	1,843	1,739	10,329
Electricity cost saving per year (Baht)	42,541	107,617	135,441	278,872	664,785	598,698	634,662	672,742	634,662	3,770,019
Installed for (years)	8.5	7.5	6.5	5.5	4.5	3.5	2.5	1.5	0.5	
Estimated electricity cost saving since installation (Baht)	361,000	807,000	880,000	1,533,000	2,991,000	2,095,000	1,586,000	1,009,000	317,000	11,579,000

- Installation of solar panels (Solar roof), the Company has supported the use of alternative energy. Since June 2017, the Company has started the installation of Solar roof at the sales office of Serene Lake Project, Chiang Mai which helps save electricity usage during the daytime.

Using Alternative Energy (Solar Roof): Serene Lake Project, Chiang Mai

Alternative Energy Used	Sep 2017- Dec 2018	2019	2020	2021	Total
Installation of solar cell of 50 kw at the office : Serene Lake, Chiang Mai					
Energy Saving per Year (megawatts)	78	58	58	48	242
Average electricity cost per unit (Baht)	4.9	4.7	4.7	4.6	
Estimated electricity cost saving per year (Baht)	377,000	270,000	276,000	222,000	1,145,000

- The use of All-in-one Solar Street Light as a light source with integrated solar panels and intrinsic batteries to illuminate the roads in the projects and has been started to be installed at VIVE Bangna Project.

- The use of quality and energy saving materials at projects and offices such as LED lamps, LabelNo.5 energy-saving air conditioners, etc.

Using LED bulbs

Since 2016, the Company has used 6.5 watts LED bulbs instead of 18 watts incandescent bulbs at the customers' houses.

Year	Unit	2016	2017	2018	2019	2020	2021	Total
Number of houses	(unit)	1,000	3,500	3,900	3,500	3,500	3,700	19,100
Average light bulb per unit	(bulb)	15	15	15	15	15	15	
Estimated total lightbulbs	(bulb)	15,000	52,500	58,500	52,500	52,500	55,500	286,500
Energy saving per day								
- Use of incandescent bulbs of 18 W	(kw)	270	945	1,053	945	945	999	5,157
- Use of LED 6.5 W	(kw)	98	341	380	341	341	361	1,862
- Energy saving per day (Estimated usage of 6 hour per day)	(kw)	1,035	3,623	4,037	3,623	3,623	3,830	19,769
Electricity saving per year (Estimated)	(megawatt)	377	1,322	1,473	1,322	1,322	1,397	7,213
Electricity cost saving (Baht)								
- Electricity cost per unit	(Baht)	3.5	3.5	3.7	3.7	3.7	3.7	
- Electricity consumption	(hours / day)	6.0	6.0	6.0	6.0	6.0	6.0	
Electricity cost saving per day	(Baht)	3,623	12,679	14,854	13,331	13,331	14,093	71,910
Estimated electricity cost saving per year	(Baht)	1,322,000	4,627,000	5,421,000	4,865,000	4,865,000	5,143,000	26,243,000

- The use of hybrid cars for executives and the electric golf carts for customer service in the project that saves energy and reduces air pollution.
- Use of inverter air conditioners to save electricity at customer's homes.
- Air conditioners used at customers' homes contain non-released refrigerant solution that destroy ozone in the atmosphere and produces greenhouse gas.
- Plant trees in the projects to absorb greenhouse gas.
- Support the use of alternative energy vehicles by installing power system for electrical vehicle charging in the project houses. EV Chargers were also installed for electric vehicle charging at The Bangkok Thonglor Condominium Project.
- The use of Automatic Lighting (Automation Censor) in the common areas of the buildings.
- Campaign to turn off the lights, electrical equipment, and air conditioners in the meeting rooms when finish meeting.
- Campaign to turn off electricity and electrical appliances when not in use and when there are long weekend or holidays.

Environmental Innovation Support

Land and Houses has sponsored the academic International Conference on Sustainable Energy and Green Architecture (SEGA), organized by the cooperation of 5 universities, including Faculty of Architecture, Kasetsart University, Faculty of Architecture and Design, King Mongkut's Institute of Technology North Bangkok, Bangkok Thonburi University, Faculty of Industrial Technology, Suan Sunandha Rajabhat University and Faculty of Architecture, Wacana Duta Christian University (Indonesia), Indonesia. The conference has been held ever since 2015 until now

3) Water Management

- Use water-saving sanitary ware such as faucets and showers which reduce the use of water and expenses for customers.
- The Company organizes a wastewater management system according to the standard as defined by the law. The experts are hired to operate the wastewater treatment systems, measure water quality, and manage water treatment before releasing into public water sources. The water quality measurement includes pH, BOD (Biochemical Oxygen Demand), SS (Suspended Solids), TDS (Total Dissolved Solids),

Set. S (Settleable Solids), G&O (Grease and Oils) and Sulfide S2 (Sulfide). The inspection periods and reports to the relevant government agencies as set as follow :

- Monthly internal inspection
- Quarterly external inspection
- Annual inspection by environmental officers
- The quality of treated water at the Company's projects have met the standard specified by the law in every parameter.
- The treated water is used for watering plants, garden, roads, and sidewalks in the common areas.

4) Increasing the Green Areas

- Green areas have been increased to create a beautiful shady environment and help filter air pollution in the projects and surrounding areas. By 2021, there is a total common green area of 50.27 rai or 9.23% of the Company's the open for sales, and the under-development projects.

5) Garbage, Waste, and Pollution Management

Reducing the Use of Plastics

The Company realizes the importance of the reduction and giving up use of plastics in the organization. To reduce the amount of plastic waste which takes a long time to decompose, the "THINK GREEN" Project has been initiated under the concept #THINK GREEN FOR A BETTER LIVING and operated since July 2019 as following operations :

1. Termination of plastic packaging of drinking water which are arranged for the customers and changed to a paper drinking water box. The used paper drinking water boxes are to be recycled.

2. Termination of use of plastic cups in the organization by asking employees to bring personal containers to fill in the beverage provided by the Company.

3. Establish "LH Recycle Plastic Uniform" Project, which is a project to produce uniform shirts from plastic water bottles, in which one 1 shirt uses 12 recycled plastic bottles, which helps in reducing the amount of plastic waste in the society and promotes the recycling system.

4. Preparation and distribution of cloth shopping bags to employees and the customers who purchase the Company's houses to use instead of plastic bags in consumer good shopping.

5. Participation as part of the "Green Roof" Project by Friends in Need (of "PA") Volunteer Foundation that organizes the collection and recycling of paper drinking boxes into roofing of homes or shelters for the needy and suffering communities nationwide.

6. Campaign the collection of used paper beverage drinking boxes from both the Head Office and the site offices to donate at the donation kiosks located at every Big C Department Stores. It is also part of the public relations campaign for interested residents to join the Green Roof Project.

Reducing Dust in the Construction Projects

- Install water sprinklers on the roads in the construction projects.
- Use a vacuum/suction tools in the cutting, grinding and polishing the ceiling and wall sanding process
- All vehicles are required to pass through the wheel washing pond for cleaning the tires before leaving the construction sites.
- Install the dust barriers, mesh sheets, and canvas at the construction plots and zones, to prevent the spreading dust and failing debris or rubble.
- Have workers remove soil dirt and pebbles from the roads before off-work time everyday.

Waste Management

1. During the construction process



2. 3 R (Reduce, Reuse, Recycle)

- Reduce the use of paper.
- Store documents in electronic format.
- Use recycled paper/ envelopes/ folders.
- Donate old computers and printers to communities to be reused.
- Donate used calendars to be reused to record the braille characters for the visually impaired.
- Reduce the use of disposable clear plastics using for the floor, furniture, and equipment covering during the repair work at customers' homes and use blue sheet plastic instead, which can be cleaned and reused.
- "LH Recycle Plastic Uniform" Project that produce the shirt uniform from the plastic bottles. One 1 shirt uses 12 recycled plastic bottles which reduces the plastic waste in the society and promotes reuse.

4. Management in Social Dimensions



Social Policy and Practice

The Company has a policy to conduct its business with social responsibility which lead to sustainable development and to place the importance as one of the core policies of the Company, to manage according to the principles of good governance, responsibilities to stakeholders, recognition and giving importance to and support activities to create values for the community and society. The guidelines are set as follow :

Human Rights

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

Guidelines

1. Closely supervise to ensure that the Company's business does not involve in human rights violations such as child labor or sexual harassment.
2. Take good care of employees and their well-being by giving them fair compensation, welfare, education, promotion, and training continually in both short and long term as well as health and sanitation, safety of property and at work, safe and appropriate working environment, including inspecting the cases of unfair practices which may occur in the company.

3. Respect the confidentiality of customers, business partners and employees by treating it secretly and not disseminating any information to unrelated parties or departments, nor disclosing the information to the public. Any disclosures or transfers of confidential information can only be done with the consent of the owners.

4. Terms and conditions in employment contracts are appropriate and fair.

5. Enable equal employment opportunities including opportunities for people with disabilities.

6. Treat all employees and stakeholders equally, indiscriminately, respectfully, and respect everybody's opinions.

7. Specify in the Code of Conduct of employees to behave in a suitable manner for their duties and positions and refrain from not blaming others or the organization without truth.

Fair Treatment of Labor

The success of the organization is driven by human resources. The Company therefore places significant importance to focus on rewarding, developing, and promoting employees in all forms to care, protect and retain them by means of performance or building the strong organizational culture to be passed on from generation to generation regarding the changes of the situations and social conditions. The Company focuses on the importance of respecting for human rights by complying with the principles of human rights in accordance with the Thai labor standards of the Ministry of Labor, emphasizing respects for human rights fairly, equitably and without any discrimination in terms

of employment, compensation, promotion, training, development, and hiring without discrimination in gender, age, educational institutions, race, and religion.

In 2021, the Company had no labor disputes and human rights violations.

Practices and Performance

1. Employees and Workers

Personnel Management

Employment

The Company has a fair employment policy for all employees. Both current and new employees will be treated equally and equitably regard their knowledge and capability, diligence, determination, and good attitude towards the organization with no gender limit. There are equal chances to being considered for higher performance and position levels.

In addition, job applicants who meet all qualification requirements and the specified selection criteria will receive equal opportunities for employment regardless educational institutions, race, and religion, and will receive the compensation appropriately to their career and position. They are also be treated equally under the labor law which the Company adheres strictly in compliance.

In 2021, the Company has employed 785 full-time and contract employees, classified by types as follows :

Type of employment	2021	
	Male	Female
Full-time employees	389	371
Contract employees	22	3
Total	785	

In 2021, the Company's turnover rate was 7%.

Local employment

As the Company has expanded its business to various regions which requires personnel to work; therefore, local employees are recruited which is considered creating jobs for the community and providing opportunities to those who want to take care of their families up close. It also creates a love and bond in the one's hometown. The number of local employees and executives are as follows :

Number of local employments in 2021

Number of employees	Work Location	Personnel from Central Office		Local Employment	
		Executives	Employees	Executives	Employees
50	North	-	-	5	45
46	Northeast	1	0	5	40

Compensation and Welfare Management

Principles of setting wages and compensations for employees

The Company recognizes that employees is the significant element of its success, so it has treated every employee fairly and equitably by providing appropriate and fair compensation and welfare. The Company has set rates for hiring new employees for all positions by considering the education levels, knowledge, competence, and experience regard the desired positions. To ensure that the company's salary structure is reasonable and competitive in the same industry, employment compensation rate in the labor market is surveyed and to be used in the preparation of wage, welfare, benefits, and bonus structure allocated to employees.

The Company payroll and benefits is set above the minimum wage required by law. This is to ensure and motivate the decision to join working with the organization. As for the annual raise, the employees' performance appraised by the supervisors, the cost-of-living index and the performance of the Company will be considered in determining the salary increase and bonus allocation. The annual salary adjustment and bonus allocation for employees is set once a year.

Employee Compensation

The Company has provided welfare and benefits for employees and their families, considering the basic factors in living, and working conditions as a criterion for determinations. The Company has allocated compensations to the employees as follow :

- Salary
- Bonus
- Provident Fund
- Medical insurance coverage of Inpatient (IPD) and Outpatient (OPD)
- Inpatient (IPD) medical insurance coverage for employees' legitimate spouse and children

- Annual health check-up program arranged according to the age of employees
- Group life insurance policies with coverage of 500,000 - 1,500,000 Baht
- Accident Insurance
- Annual Dental Expense Claim
- Uniforms for both male and female employees
- Financial assistance for various occasions such as wedding ceremony and hosting funeral of employees and their family members
- Additional support for employees as deemed appropriate and up to situations
- Maternity gifts
- Master's degree scholarship for executives to promote and support learning as well as to develop their potential
- Scholarships for operational level employees' children every year
- Leave days; sick leave, business leave, vacation, ordination leave, maternity leave, etc.
- Discounts from purchasing the Company's products.
- Funds to support the activities within each department such as annual vacation trip and the New Year party
- Additional holidays to those required by law
- The recreation room; "The SKAPE" located at the Head Office, providing drinks, snacks, and game activities for employees
- Exercise room, for Yoga and Aerobics
- Shower room for after exercise
- Hygienic face masks and hand sanitizers
- The awards in form of certificates and gold are given to the employees who have served the Company for 10, 20, and 30 years as a gesture of gratitude and to honor their dedication for the Company

The Company has set up the Welfare Committee to represent the employees in discussing the welfare provisions for the employees with the Company. This committee functions as an intermediary to convey the employees' welfare requirements to the Company, discuss and provide suggestions on the welfare arrangements that the Company provides to its employees.

In addition, the Company grant the rights to maternity leave. The Company always takes care of its employees consistently no matter what situations they are in by executing more than required by law. This is to promote

the love and the ties of family institution. When employees are treated well, they are encouraged to resume and dedicate to work.

Exercise of maternity leave in year 2021

(unit : person)

Classified by Regions	Year 2021		
	Maternity Leave Exercised	Resumed to work after the leave	Percentage of Work Resumed
Bangkok and Vicinities	12	12	100%
Northern Region	2	2	100%
Northeastern Region	2	2	100%
Total	16	16	100%

Provident Fund

The Company has established a provident fund for its employees with the purpose of creating the saving guarantee for employees and their families after retirement. Joining as a member of the provident fund is voluntary. Employees voluntarily contribute at the rate of 2-7% of their monthly salary and the Company also contributes its portion at the rate of 5-7% of their employees' monthly salary. This registered provident fund is managed by a licensed fund manager and complies with the Act on Provident Funds B.E. 2542 (1999).

In 2021, the Company contributed to the fund for the employees at the amount of 36 million Baht. The total number of employee fund members is 744 persons.

The Company's Contribution to the Provident Fund

Transaction	Unit	2021
Amount contributing to the provident fund	Million Baht	36
Number of employee members	Persons	744
Percentage contributed by the Company	%	5-7
Percentage accumulated by employees	%	2-7

The fund payment for terminated members is divided into 2 criteria as follow :

1. In the case of resigning from the Company
2. In the case of resigning from the provident fund membership, but not from the Company. Employees can re-join the membership of the fund after 1 year, which is in accordance with the provident fund regulations

The Company's Provident Fund return rates subject to the length of the employees' employment.

Working Years (years)	Return Rate (%)	
	From Employees' accumulation	From Company's contribution
Less than 1 year	100	0
1 to 3 years	100	50
3 years up	100	100

Personnel Potential Development

The Company recognizes and foresees the importance of its personnel which profoundly affects the success of Company's business and always keeps in mind that to achieve its goals, the employees must be trained and developed systematically and continuously, and it is not only the responsibility of the Company but also of every employee. The Company then provides opportunities for its employees to learn and develop themselves for growth in their career path, and at the same time, the employees must take their own responsibility for their own success which will arise from such training and development opportunities with sincere commitment.

Thus, to ensure that the training and development programs are conducted along with the directions of the company's management and to accomplish the predetermined policy, the Company has established the "Human Resource Development Center" to be responsible for all essential activities for such training and personnel development.

Human Resource Development Policy

1. The Company regards the human resources as the most valuable assets over all management resources. All employees will be trained and developed systematically and continually to have knowledge, attitude, and skill to perform tasks as needed to meet their job requirements so they can make progress in career paths, though the preparedness of each employee is also the key concerned.

2. The Company views that all expenses regarding the training and human resource development are the Company's investment in its personnel which is important for the efficient implementations to achieve the core missions and operating objectives while support the Company to timely keep up with rapid change in modern technologies used in the operations.

3. The Company emphasizes the importance to the training on both Line and Function programs, or the operation, the supervisory and the executive level, including

Special & Supporting program, to prepare their employees to be capable to perform their duties and responsibilities for both present position and for their future challenges and responsibilities

4. The Company is aware of the necessity of human resource training and development as the significant tools for Improvements. Therefore, it promotes and supports the organizing of trainings and seminars to solve any problems involving in the operations of each department and project groups.

5. The Company recognizes that all levels of supervisors shall have an important role in training and developing their subordinates through on-the-job training and/or coaching. So, the evaluation of the supervisors will also take into consideration their capability to help improve and develop their subordinates.

6. The Company shall support the cooperation with educational institutions and other organizations in the areas of training and development such as to cooperate for the job study program or internship and also engage in academic cooperation. These activities represent the Company's Social Responsibility and helps to enhance its good Corporate Image.

Personnel Skills and Knowledge Development Plans.

The Company explores the needs for training and development, designs and develops courses in line with the Company's business goals and operational performance of all target employees at all levels from the operational, supervisory, and management levels in both line and support operations to be able to perform the responsible tasks effectively and efficiently.

Training for New Recruits

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

Training for all Employee

The Company consistently supports the skill and working competency development by organizing the training at all levels including in-house training program, inviting experts to conduct training at the Company, sending employees for external training which also cover overseas

training and business trips to enhance the potential, knowledge, and capabilities of the employees in developing the organization to sustainable success.

The Company has designed both internal and external training courses as follow:

1. Basic & People Managing Skills Courses

- 1.1 Basic Skill Training for New Employees (Basic Skills : BS)
- 1.2 People Management Skills (Managing People Skills : MPS)
- 1.3 Advanced management skills for managerial level (Advance Management Skills : AMS)

2. Career Development Courses (Functional Skills)

- 2.1 Training courses on specific skills for Line Operations Staff (Sales / Engineers / Service)
- 2.2 Training courses on practical knowledge for Supportive Operations Staff

3. Learning Activities and Organization Development

- 3.1 Group Activities to develop teamwork values (POWER OF WE)
- 3.2 Cross-functional learning activities

4. Mental Development Program to improve the efficiency and pleasure in working through meditation practice. This is the fundamental training for consciousness and spiritual exercise combined with daily behavior practice both at work and at home. This project is provided to employees at all levels and is considered as a basic course to be used in their working.

In addition, the Company also focuses on developing employees to learn and acquire necessary skills in a non-classroom format such as On-the-Job Training (OJT) and coaching as well as to build quality internal instructors to transfer the knowledge, advice and encourage employees to learn all the time which is the way of shaping and building culture of sharing and exchanging the learning among each other in the organization concretely.

In 2021, employees received an average of 14 hours of training / person / year, decreased from the previous year due to the COVID-19 outbreak. The Company's budget for training and development was 16 million Baht.

Safety, Occupational Health, and Working Environment

Policy

The Company recognizes that employees are key success factors that lead the organization to success, therefore it strives to develop the safety management system, occupational health and working environment to

comply with the relevant laws and regulations to prevent and mitigate risks and hazards at work and to prevent loss or impact on employees and related stakeholders.

Guidelines and Practices

Caring for employees and labor

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

For employees and workers at the construction sites, the Company focuses on the importance of the safety in life, health, and property of workers in all project sites and provides workers with safety and good occupational health in their work which will affect their morale as well as the quality of work. The Company also considers the impacts on employees, workers as well as communities, societies, and environment in nearby areas.

In addition, the Company organizes trainings on standards of supervising construction for engineers and related parties to create understanding and awareness of safety for life, health, and property.

Promotion and prevention of employees' safety at work and good health are conducted as follows :

- Provide workplace for employees considering safety and working environment with sanitation and a pleasant working atmosphere.
- Organize safety training, occupational health and working environment to employees. Pre-Test and Post-Test are conducted
- Fire drills / first aid trainings are held every year.
- Finger-scanning system are installed and used at the Head Office and all site offices to prevent the entrance and exit from unauthorized people.
- Annual health checkup for permanent and contract employees.

In 2021, there was no work break incurred from employee accidents from working.

Measures to Prevent the Spread of the COVID-19 Epidemic

Due to the COVID-19 epidemic that has occurred in 2020 and continued onwards, the Company, in 2021 has provided 2,400 doses of vaccine and managed for each employee to be vaccinated for 2 doses. The Company has

also reserved more vaccines which will be provided as the booster doses for employees. In addition, the Company has set the strict monitoring measures to take care of, prevent and control the spread out that may exist from both outside and inside the Company. The measures and guidelines are as follows :

- Established a “LH COVID-19 CENTER” working group which comprises of executives and employees’ representatives to check and keep track on each employee’s health status and travel history on a daily basis survey as well as to act as a center for both inside and outside the organization communication.
- Prepare a manual for COVID-19 infected employees and their families about the implementation and coordination of all steps to get into the proper treatment system including other useful information on the COVID-19 epidemic situation.
- Conduct daily screening of employees and visitors by installing body temperature thermometers at the office entrances. Disinfectant sprays, hand washing alcohol gel are provided in all buildings, offices, and model houses. In addition, the communal areas must be cleaned regularly by disinfecting all material surface and contact points.
- Provide personal hygiene supplies such as face mask, hand washing alcohol gel for employees, customers and all residents.
- Provide the information technology system support; equipment and applications for online-working to employees.
- Arrange for employees to work from home without traveling to the office in order to reduce the congestion in the workplace and the risky chance to the spreading disease.
- Reduced the working days at the Company’s head office to minimize the epidemic rate and to limit the moving of people regarding the safety, life and health of employees and visitors.
- Arrange the online meetings including online training through the Microsoft TEAMS and Zoom Applications to reduce the risk of travelling and gathering at work.

Awards of Appreciation

As a result, that the Company has focused on consumers and committed to develop the quality of product,

Land and Houses won the Trusted Brand Award for 8 consecutive years (during 2006-2013, the award ended in 2013) based on a consumer survey by Reader’s Digest magazine. The award measures consumers’ satisfactions in both Thailand and Asia in 6 areas :

- 1) Creditability and Trust
- 2) Quality
- 3) Value
- 4) Insights Understanding to Consumers’ Demand
- 5) Creativity
- 6) Social Responsibility. Land & Houses is the only property development brand that won the Platinum Award in Property Developer Sector.

In 2021, the Company won 3 major awards

1) BCI Asia Top 10 Developers Award 2021 from 3 projects namely The Key Rama 3 condominium, Siwalee Rasada, Phuket, and Mantana Phet Kasem-Sai 4. The BCI Asia Award is organized every year, now its 16th year, and held in 7 countries, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Vietnam, and Thailand. Each year the BCI Asia Construction Information will select 10 outstanding projects which meet the standard judging criteria based on the highest total value of projects under construction during the past calendar year and the principles of continuous good project development efforts for potential sustainability and creditability to attract the investors to invest in the country and scoring criteria according to the various Green Certificate categories and Project Category score according to the criteria set by BCI Asia. The awards granted by BCI Asia Top 10 Developers Award 2021 is to honor outstanding architects, designers and real estate developer who are important to the driving of the economy of Thailand’s Construction Industry

2) Honor Award: Best Company of the Year 2021: Real Estate and Construction Sector. This award was organized by Money & Banking Journal on December 24, 2021. The honorable Money & Banking Awards 2021 is at its 14th year to honor executives, banks, financial institutions, and listed companies with excellent performance in the year.

3) Honor Award Thailand’s Top Corporate Brands 2021, organized by the Faculty of Commerce and Accountancy, Chulalongkorn University by Master of Science in Branding and Marketing Program. The award was given to the Company who has the highest corporate brand value in the real estate development sector in year 2021 with a total brand value of 45,040 million Baht and the Company has received this award for 3 consecutive years.

2. Customers

Customer's responsibility

Consumer's responsibility Policy

The Company highly determines to develop and control its quality of products and services to meet the set standards. As a result, the dedicated unit has been established to serve as a customer contact center to receive and listen to any suggestions, or opinions from the customers to realize the problems and customers' needs and brings them on to improve its products and services to maximize customers' confidence and satisfaction.

1) Quality and safety of product

The Company places great importance to the quality and safety of its products and services to create better living and maximize the homebuyers and residents' satisfactions by giving importance to the whole process from the beginning until delivering the quality project and houses to consumers to ensure the quality of products and services of Land and Houses' brand.

In the process of product design, the Company emphasizes mainly on the research study on customer requirements and behaviors, which also includes the lifestyle of the consumers and their members and then use this information to define the proposition of the product design which will serve and fit with the requirements of the customers and their families. According to mass production design, the Company has set the operation check process to ensure the maximum efficiency and the most quality products delivered to the customers. The process includes the complete design examinations prior to the construction and is conducted by an integrated operation team comprising of construction, architects, interior decorators, quality control, and after sales service so that the products will meet all needs and requirements of the customers and deliver the utmost products without any defects.

Moreover, the Company has also conducted the research on the customers' satisfactions in products and services. The Company has focused on the designing in a proactive manner by conducting the forward designs to support and prepare to be used as needed. These forward designs are to be modified after being used for a certain time so that they are always new and appropriate for the moment of time. In the designing process, the Company does not focus only on the design of the house but also pay attention to the design of the overall project environment, facilities, clubhouse, common garden, and the front of the project which can be considered as another outstanding feature that customers can clearly see the differences when compared to other projects in the market.

The company strongly emphasizes the importance of product quality, particularly the products that will be delivered to the customers and has a clearly defined policy that "Every home must pass a quality control (QC) according to the company's standards before being delivered to the customer."

Pre-built Homes Delivery Before Sale Policy

The Company delivers the pre-built homes with full landscapes, complete and ready to move in estate project so the customers can see the real house on the real plot of land and be able to select the house before making the decision to buy with no risks on buying but not getting the ones expected.

Consumer's Benefits from Buying a Pre-Built Home

1. Customers can see the real house on the real plot of land before buying and can compare with the selling price.
2. Ready to use upon residing with the completions of shady environment, communal gardens, and clubhouses.
3. Product warranty and after-sale services to facilitate the residents in house-checking during warranty period.
4. Baan-Sabai is pre-built before sales thus allows customers to clearly determine the time of their relocation.
5. The Company has set up a customer relations system to directly communicate with residents through the Company's website or at the 1198 Call Center for home and condominiums' complaints, home tips, online repair request and home service checking during insurance period.

2) Satisfaction in the Products and After-Sales Service

The Company emphasizes on the important of after sales service which is one of the quality policies that is the outstanding highlight of the Company. The Company is aware of taking care of the residents in various matters, especially the security and quality of living, the facilitations in problem reporting, a defined action plan to ensure the utility quality before delivery, and the establishment of the housing estate juristic person for the comforts and satisfactions of the residents.

The matters of having quality residences, obtaining after-sales services, and quick & thoroughly problem solving are the Company's significant importance. The Company has set guidelines to create additional satisfaction for customers

in having superior quality of life in living in the Land and Houses estate projects as follow :

- Create the availability of communal areas for customers to use at the start of the project
- Develop projects with the concepts of Convenience, Security and Safety
- 24-hour communication system with the residents via website and Call Center
- Organize activities to promote the relationships among the residents.
- Provide training to security personnel (Area Supervisor) to be able to handle water and power emergencies on a basic basis immediately.
- Provide professional moving service to every homeowner and the quality of service is assessed after completion.
- Set service standards and train employees quarterly.

CRM-Customer Relationship Management and CEM-Customer Emotional Management

The Company has continuously developed the CRM-Customer Relationship Management and CEM-

Customer Emotional Management and used as the recording and tracking the results of sales, marketing, customer satisfactions as well as collecting the number of complaints on the products and services. This allows the Company to reach the real needs of its customers and can create continuous activities with customer groups which result that more than 30% of the customers who buy the Company' s houses are existing customers and their relatives.

The Company has established a system to monitor service quality and bring results to improve the quality of products and services every month. The customers' complaints data are divided into 5 categories as follow:

1. General home repair
2. Well-being in the project
3. Service
4. Safety
5. Others such as thank you letters, request for advice and assistance /help, etc.

The target is to reduce the complaints of the first 4 main categories which the overall number and proportions of complaint tend to decrease. (The number of complaints is related to the number of projects operated each year).

Number of complaints managed:

Type of complaints and ask for suggestions	2020		2021	
	occurred	managed	occurred	managed
General home repair	224	224	309	309
Well-being in the project and neighborhood	398	395	441	441
Service	93	93	18	18
Safety	56	55	76	76
Others	120	120	23	20
Total	891	887	867	864
Managed	99.11%		99.65%	

Communication with the Residents

The Company has set the customer contacts to respond to the customer's suggestions and opinions, their problems, and requirements. This information is used for improvements to create the customers' confidence and maximize satisfaction.

Complaint channels are as follow :

1. Service Center 1198, press 2 from 9.00 a.m. to 5.30 p.m.
2. Report repair online: E-service 24 hours a day via www.lh.co.th/service
3. Complaint channel at www.lh.co.th 24 hours a day
4. Service offices in the projects.

In addition, the Company is also responsible for product defects. When the ownership of the land and

buildings have been transferred to customers, the Company is still responsible for damage or defect according to the relevant regulations as follows:

- Building structures including piles, foundations, columns, beams, floors, roof frames and load-bearing walls: guaranteed for 5 years from the date of the ownership transfer
- Major equipment and fittings: 1 year warranty from the date of the ownership transfer
- Fences and walls: 1 year warranty from the date of the ownership transfer (only cover for structural damage, excluding doors, fittings, slide rails, hinges, paint, and other rusted parts)

3 Community and Society

“To create a Livable Community and Society”

The Company recognizes the importance of quality of life for residing in the quality housing estates as well as being surrounded by quality communities and society. The Company has a policy to be responsible to the society and do no harms and negative impacts on society & community, and public interests.

In 2021, the Company has organized the development of the quality of life and participated with communities and society through various activities and projects as follows:

COVID-19 Mitigation for Construction Workers

1. Build 29 worker camps to separate the infected and the uninfected
2. Support food expenses during the shutdown of the construction camps
3. Support the advanced money for the liquidity of the contractors
4. Distribute ATK testing kits and Andrographis Paniculate Extract capsules to workers.
5. Organize a project of vegetables and herbs planting at the camp sites

Scholarship for Employees’ Children

The Company grants the scholarships for children of operational level employees every year. In 2021, there was a total of 83 recipients and a total of 830,000 baht of scholarship granted.

Social Activities

Living Solution Expert Project

The Company signed a Memorandum of Understanding between the organization alliances of public and private sectors with the Secretary- General of the Vocational Education Commission, Office of Vocational Education Commission on November 21, 2020, to set up the “Excellent Center for Vocational Education in Construction” under “Living Solution Expert Project” to enhance and develop skill levels of vocational students in construction field. This project is the collaboration between the organizational alliances of public and private sectors which is the 2 consecutive year higher vocational curriculum at Dusit Technical College set in 2021 academic year, consisting of the higher vocational compulsory subjects, Fundamentals in Construction, Vocational Career subjects, and Entrepreneurship Management with a practical internship at the workplace for a period of 1 year. This course meets the present and future needs both theoretically and practically. This project is in line with the Ministry of Education’s approach to develop specific skills for students

and can be able to work immediately after graduation. Vocational personnel are considered the main driving force in the economy and industry of the country.

Donation

The Company determines to be a part of helping Thailand to get through the COVID-19 Crisis

- On May 12, 2021, the Company donated 900,000 Baht to 10 hospitals to fund the purchase of necessary medical tools and equipment to be used in the related medical procedures to treat the COVID-19 patients, namely Chulalongkorn Hospital, Phramongkutklao Hospital, Thammasat University Hospital, Siriraj Hospital, Ramathibodi Hospital, Rajvithi Hospital, Suan Dok Hospital, Chiang Mai, Luang Por Thaweesak Chutinuthara Uthit Hospital, Medical Office Bang Khun Thian Geriatric Hospital, and Chonprathan Medical Center.
- Donated 100,000 Baht to the fight to COVID-19 volunteers, namely “Zen Dai” and “We Will Get Through This Together”
- Donated a total of 500 PPE suits and 200 fighting set boxes to “Zen Dai” and “We Will Get Through This Together” worth of 300,000 Baht. Each fighting set box contains medicines and medical supplies for self-care at home for those with mild symptoms that is ready to use which are thermometer, fingertip Pulse Oximeter, fever reducer pills, throat spray, Andrographis Paniculate Extract, expectorant pills, nasal decongestants, antihistamines, anti-emetics, red garbage bags, etc. PPE suits are for the use of handling risky and infected patients.
- Donated paper boxes. On May 31, 2021, Land and Houses’ employees donated unused boxes and cartons to be passed on to Lotus’s SCGP “BOXES to BEDS” Project to be recycled and used to produce paper field hospital beds to fight COVID-19. This was considered to help the field hospital to support patients from the severe COVID-19 outbreak.

Multi-Purpose Cloth Bag Project

Produced and sold multi-purpose cloth bags to the visiting customers at the projects as well as employees who wish to give to charity at a price of 250 Baht each. The sales income (non-deducting any expenses) will be donated to the poor patients at Siriraj Hospital. The Project has started on July 1, 2021 and payment can be made via the QR code and paid directly to the Siriraj Foundation. The accumulated donation amount at the end of 2021 was about 421,000 Baht which the project is still on going in 2022.

Management Discussion and Analysis

Financial statements

Summary of Auditor's report 2019 - 2021

The Auditor's report for the financial statements of the year 2019 ended December 31, 2019 which audited by Ms. Rungnapa Lertsuwankul, Certified Public Accountant (Thailand) No. 3516 of EY Office Limited has reported to be unqualified financial statements.

The Auditor's report for the financial statements of the year 2020 ended December 31, 2020 which audited by Ms. Rungnapa Lertsuwankul, Certified Public Accountant (Thailand) No. 3516 of EY Office Limited has reported her opinion to the financial statements that the financial performance and cash flows of Land and Houses

Public Company Limited for the year then ended were presented fairly in all material respects and in accordance with Thai Financial Reporting Standards.

The Auditor's report for the financial statements of the year 2021 ended December 31, 2021 which audited by Ms. Rosaporn Decharkom, Certified Public Accountant (Thailand) No. 5659 of EY Office Limited has expressed her opinion on the abovementioned financial statements have presented the financial performance and cash flows of Land and Houses Public Company Limited for the year ended the same day and were presented fairly in all material respects and in accordance with the Thai Financial Reporting Standards.

Land and Houses Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019, 2020 and 2021

(Unit : million Baht)

	31 December 2019		31 December 2020		31 December 2021	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	4,554.04	4.03%	7,112.93	5.80%	10,330.97	8.25%
Short - term investments	70.00	0.06%	-	-	-	-
Trade and Note Receivable - Net	239.80	0.21%	187.01	0.15%	189.90	0.14%
Short - term loans to related party	0.00	0.00%	0.00	0.00%	594.64	0.47%
Inventories	53,373.60	47.18%	52,893.10	43.15%	47,255.98	37.74%
Other current assets						
Advance payment for constructions	849.38	0.75%	529.54	0.43%	772.58	0.62%
Other current financial assets	-	-	1,459.31	1.19%	74.61	0.06%
Other	1,423.02	1.26%	1,173.11	0.96%	1,265.49	1.01%
Total current assets	60,509.84	53.48%	63,355.00	51.69%	60,464.18	48.29%
Non - current assets						
Investments (Other non - current assets)	6,036.84	5.34%	4,418.78	3.61%	3,873.88	3.09%
Investments in associates	24,405.37	21.57%	23,963.61	19.55%	24,226.61	19.35%
Long - term loans and accrued interest receivable to related parties and other company	536.15	0.47%	534.20	0.44%	31.18	0.02%
Land held for development	1,337.20	1.18%	2,939.85	2.40%	5,450.28	4.35%
Investment properties	13,264.21	11.72%	10,960.67	8.94%	11,834.38	9.49%
Property, plant and equipment - Net	687.75	0.61%	601.48	0.49%	1,565.74	1.25%
Leasehold rights	5,729.78	5.06%	14,910.54	12.16%	16,732.39	13.36%
Deferred tax assets	558.95	0.49%	721.18	0.59%	804.62	0.64%
Other non - current assets	72.96	0.06%	165.76	0.13%	164.60	0.13%
Total non - current assets	52,629.21	46.52%	59,216.07	48.31%	64,733.68	51.71%
Total assets	113,139.05	100.00%	122,571.07	100.00%	125,198.06	100.00%

Land and Houses Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2019, 2020 and 2021

(Unit : million Baht)

	31 December 2019		31 December 2020		31 December 2021	
	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity						
Current liabilities						
Overdraft and Short - term Loan	470.00	0.42%	6,845.00	5.59%	2,409.20	1.97%
Trade and note payable	3,805.94	3.36%	3,140.28	2.57%	3,183.77	2.54%
Current portion of long-term loans	1,203.19	1.06%	226.27	0.18%	2,571.56	2.05%
Current portion of debentures	14,000.00	12.37%	11,000.00	8.97%	16,000.00	12.78%
Current portion of lease liabilities	4.10	-	764.94	0.62%	789.83	0.63%
Other current liabilities						
Income received in advance	1,106.31	0.98%	1,091.80	0.89%	1,007.08	0.80%
Income tax payable	494.93	0.44%	497.59	0.41%	576.16	0.46%
Other	1,754.00	1.55%	1,525.17	1.24%	1,524.75	1.22%
Total current liabilities	22,838.47	20.19%	25,091.05	20.47%	28,122.35	22.46%
Non - current liabilities						
Long - term loans	9,018.40	7.97%	14,784.12	12.06%	15,450.16	12.34%
Local Debentures	25,200.00	22.27%	22,600.00	18.44%	22,600.00	18.05%
Lease Liability	7.38	0.01%	6,858.47	5.60%	5,924.96	4.73%
Other non - current liabilities	2,891.93	2.56%	2,636.74	2.15%	2,454.29	1.96%
Total non - current liabilities	37,117.71	32.81%	46,879.33	38.25%	46,429.41	37.08%
Total liabilities	59,956.18	52.99%	71,970.38	58.72%	74,551.76	59.55%
Shareholders' equity						
Issued and paid - up	11,949.71	10.56%	11,949.71	9.75%	11,949.71	9.54%
Capital surplus						
Share premium	15,452.86	13.66%	15,452.86	12.61%	15,452.86	12.34%
Other surplus	1,227.79	1.09%	1,227.79	1.00%	1,227.79	0.98%
Other components of shareholders' equity	982.96	0.87%	(1,416.95)	(1.16%)	(1,691.69)	(1.35%)
Retained earnings						
Appropriated - Statutory reserve	1,203.11	1.06%	1,203.11	0.98%	1,203.11	0.96%
Unappropriated	21,646.88	19.13%	21,487.11	17.53%	21,805.04	17.42%
Total shareholders' equity	52,463.31	46.37%	49,903.63	40.71%	49,946.81	39.89%
Non - controlling interests	719.56	0.64%	697.06	0.57%	699.48	0.56%
Total shareholders' equity and Non - controlling interests	53,182.87	47.01%	50,600.69	41.28%	50,646.30	40.45%
Total liabilities and shareholders' equity	113,139.05	100.00%	122,571.07	100.00%	125,198.06	100.00%

Land and Houses Public Company Limited and its subsidiaries
Income statement
For the year ended 31 December 2019, 2020 and 2021

(Unit : million Baht)

	31 December 2019		31 December 2020		31 December 2021	
	Amount	%	Amount	%	Amount	%
Revenues						
Revenue from sales and contracts	25,151.36	75.51%	27,524.72	90.90%	30,461.25	90.90%
Rental income and service	4,906.52	14.73%	2,417.22	7.78%	1,808.63	5.40%
Other income						
Gain on sales of properties	2,418.31	7.26%	405.28	1.42%	0.00	0.00%
Interest	75.83	0.23%	39.86	0.13%	43.97	0.13%
Infrastructure service income	349.50	1.05%	398.07	1.28%	439.74	1.31%
Others	405.83	1.22%	281.77	0.91%	755.93	2.26%
Total revenues	33,307.35	100.00%	31,057.68	100.00%	33,509.52	100.00%
Expenses						
Cost of real estate sales	16,994.76	51.02%	18,775.53	61.60%	20,641.99	61.60%
Cost of rental and service	3,361.25	10.09%	1,977.27	6.37%	1,471.28	4.39%
Selling expenses	728.32	2.19%	636.82	2.05%	539.35	1.61%
Administrative expenses	2,367.72	7.11%	2,224.99	7.16%	2,289.89	6.83%
Specific business tax and transfer fee	974.71	2.93%	1,041.99	3.36%	1,144.81	3.42%
The estimated liabilities from lawsuits suing	(352.70)	(1.06%)	(349.09)	(1.12%)	(104.73)	(0.31%)
Loss on derivatives (Derivatives)	12.53	0.04%	121.45	0.38%	480.32	1.43%
Others	1.35	0.00%	0.67	-	49.7	0.15%
Total expenses	24,087.94	72.32%	24,429.63	78.64%	26,512.61	79.12%
Profit (Loss) before Financial expenses and Corporate Income Tax	9,219.41	27.68%	6,637.27	21.37%	6,996.91	20.88%
Financial expenses	(835.44)	(2.51%)	(888.13)	(2.86%)	(1,112.40)	(3.32%)
Share of other comprehensive income from investments in associate	3,382.51	10.16%	2,588.37	8.33%	2,333.33	6.96%
Profit (Loss) before Corporate Income Tax	11,766.48	35.33%	8,337.51	26.84%	8,217.83	24.52%
Corporate Income Tax	(1,718.79)	(5.16%)	(1,215.74)	(3.91%)	(1,279.27)	(3.82%)
Earnings After Tax	10,047.69	30.17%	7,121.77	22.93%	6,938.56	20.71%
Non - controlling interests of the subsidiaries	22.79	0.07%	(23.14)	(0.07%)	2.43	0.01%
Net profit (loss)	10,024.90	30.10%	7,144.91	23.00%	6,936.13	20.70%

Land and Houses Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2019, 2020 and 2021

(Unit : million Baht)

	2019	2020	2021
Net cash flows from operating activities	1,199.59	3,370.50	10,320.17
Net cash flows (used in) Investing activities	5,869.83	2,973.63	(1,861.21)
Net cash flows used in Financing activities	(9,752.09)	(3,836.95)	(4,838.95)
Net Cash and cash equivalents Increase (Decrease)	(2,581.89)	2,558.89	3,218.04

Land and Houses Public Company Limited and its subsidiaries
Financial Ratio
As at 31 December 2019, 2020 and 2021

		31 December 2019	31 December 2020	31 December 2021
Liquidity Ratio				
Current Ratio	Times	2.65	2.53	2.15
Quick Ratio	Times	0.21	0.29	0.39
Quick Ratio (Cash Basis)	Times	0.12	0.20	0.44
Account Receivable Turnover	Times	107	129	171
Average Collection Period	Days	3.3	2.8	2.1
Inventory Turnover	Times	0.33	0.35	0.41
Average Sale Period	Days	1,076	1,019	873
Account Payable Turnover	Times	4.53	5.40	6.53
Payment Period	Days	80	67	55
Cash Cycle	Days	1,000	955	820
Profitability Ratio				
Gross Profit Margin	%	32.28%	30.69%	31.47%
Operating Profit Margin	%	19.86%	18.41%	17.84%
Other Profit Margin	%	19.91%	11.95%	10.66%
Operating Profit Margin (Cash Basis)	%	44.62%	84.81%	201.85%
Net Profit Margin	%	30.10%	23.00%	20.70%
Return on Equity	%	19.57%	13.96%	13.89%
Basic Earning Per Share	Baht/Share	0.84	0.60	0.58
Diluted Earnings Per Share	Baht/Share	-	-	-
Efficiency Ratio				
Return on Assets	%	8.93%	6.06%	5.60%
Return on Fixed Assets	%	51.74%	50.72%	66.18%
Total Assets Turnover	Times	0.30	0.26	0.27
Financial Policy Ratio				
Dept to Equity Ratio	Times	1.13	1.42	1.47
Interest Coverage Ratio	Times	15.97	11.26	9.59
Obligation Coverage Ratio	Times	0.85	0.55	0.51
Divident Payout	%	83.44%	83.63%	86.13%

Management Discussion and Analysis

(a) Overall picture of the past performance

Operating results

During the year 2019, 2020 and 2021, the Company recorded its total revenue at 25,151.36, 27,524.72 and 30,461.25 million Baht consecutively. Due to the economic slowdown from the political situation in the country, the trade war between China and United States and the slowdown of the outbreak of COVID-19, all which resulted in

the increase in total revenue in 2020 from 2019 of 2,373.36 million Baht and continuously increase in 2021 for 2,936.83 million Baht.

In 2019, due to the slowdown in the economic and the trade war between China and United States, thus the revenue dropped to 25,151.36 million Baht before slightly increase in 2020 which was the beginning of the outbreak of COVID-19 in the early stage, which there were not many infected people. Until the end of the year that there was

a new wave and many people infected more than in the beginning period of the year. However, the revenue from sale arose to 27,524.72 million Baht, an increase of 2,373.36 million Baht or 9.44% from 2019 which the purchasing decision was delayed. In 2021, the measures to control the emissions of the COVID-19 virus has begun to release, thus the lifestyle of people has begun to travel and spend more which resulted in the continuous slight increase in sale which the Company was able to achieve sales of 30,461.25 million Baht, an increase of 2,936.53 million Baht or equaled to the increase of 10.67% from 2020.

Gross Profit of the Company and its subsidiaries in the past three years.

(Unit : million Baht)

	2019	2020	2021
Gross Profit	9,701.87	9,189.14	10,156.60
% Gross Profit	32.28%	30.69%	31.47%

Gross profit in the year 2021 increase 967.46 million Baht, came from the change in % gross profit which increased from 30.69% to 31.47% from the relaxation of the measures to control the emissions of virus COVID-19 and the increase in housing demand that slowed down in the prior year, As a result, demand for homes and residential has increased in 2021. However, in the sector of hotel and shopping mall, they still continued to be suspended from 2020, also because of the economic slowdown due to inability of tourists from around the world to travel.

Past performance of each business group

Most of the Company and its subsidiaries' revenues, more than 80%, come from the real estate business. In 2019, 2020 and 2021, the Company and its subsidiaries received revenue from real estate business accounted for 75.51%, 88.60% and 90.90% of total revenue respectively. Total revenue in order followed by rental and services income which in 2019, 2020 and 2021 accounted for 14.73%, 7.78% and 5.40% of total revenue consecutively.

In 2019, the Company recorded the profit from sale of Grande Center Point Hotel Sukhumvit 55 at a price of 4,155 million Baht and a profit of 2,418.31 million Baht or 7.26% of total revenue.

In 2020, the Company recorded the profit from selling apartment for rent in the United States at a selling price of USD 80 million, with a profit of approximately USD 13 million, representing 405.28 million Baht or accounting for 1.30% of total revenue.

In 2021, the Company has not recorded any profit from the apartment for rent in the United States.

Revenue from sale :

consists of revenue from sales of single detached house, townhouse, and condominium which will be recognized once the ownership is transferred to the buyers. Most of the sales revenue in 2019, 2020 and 2021 came from the sale of single detached houses that accounted for 75.8%, 77.0% and 79.9% consecutively. The Company and its subsidiaries have a policy to focus on the construction of single detached houses for sale. At the same time, the Company and its subsidiaries have also expanded customers base into the residential for sale in the category of townhouse and condominium to respond the needs of consumers as well. However, as the condominiums have demands which fluctuate according to the economic condition and competition, so the Company has to consider launching the project for sale at the suitable situation and time.

Revenue from sales of the Company in 2019, 2020 and 2021 were as follows :

Year 2019, the revenue from sale equaled to 25,151.36 million Baht, decrease of 5,362.28 million Baht or 17.57% decrease from the prior year due to the trade war between China and the United States.

Year 2020, revenue from sales equaled to 27,524.72 million Baht, an increase from the same period of prior year of 2,373.36 million Baht or increase 9.44% as a results of the purchasing power that has returned from a slowdown in 2019 despite the COVID-19 outbreak.

Year 2021, revenue from sales equaled to 30,461.25 million Baht, an increase from the same period of the prior year of 2,936.53 million Baht, an increase of 10.67% from the release of COVID-19 control measures and the purchasing power that has returned from the slowdown in purchasing decision-making in 2019 and 2020.

Revenue from rental and services income :

Revenue from rental and services income increased in 2019 but decreased in 2020 and 2021 as follows :

(Unit : million Baht)

	2019	2020	2021
Rental Income	4,906.52	2,417.22	1,808.63
% of total revenue	14.73	7.78	5.40
increase / (decrease) from prior year	1,173.20	(2,489.30)	(608.59)
% increase / (decrease)	31.43	(50.73)	(25.18)
Gross Profit margin	31.49	18.20	18.65

Revenue from rental and services income decreased consecutively since 2020 and 2021 due to the pandemic of COVID-19.

Year 2019, the Company recorded revenue from rental and services income at 4,906.52 million Baht or 14.73% of total revenue, increase from the same period in the prior year of 1,173.20 million Baht or equaled to 31.43% increase

In 2020, the Company recorded income from rental and services of 2,417.22 million Baht, representing 7.78% of total revenue, a decrease of 2,489.30 million Baht from 2019 or equaled to 50.73% decrease due to the announcement of the use of Emergency Royal Decree to control the spread of the COVID-19 virus.

In 2021, the Company recorded income from rental and services at 1,808.63 million Baht or 5.40% of total revenue, a decrease of 608.59 million Baht from the same period of the prior year or a decrease of 25.18% due to the announcement of the use of Emergency Royal Decree to control the spread of the COVID-19 virus which started from the end of 2019 continuously to 2021.

Share of profit from the investment in the associated companies :

In 2019, the Company recorded the share of profit from its associated companies of 3,382.51 million Baht, a slightly decrease of 21.98 million Baht.

In 2020, the Company recorded the share of profit from its associated companies of 2,588.37 million Baht, a decrease of 794.14 million Baht or equaled to 23.48%.

In 2021, the Company recorded the share of profit from its associated companies of 2,333.33 million Baht, a decrease of 255.04 million Baht or equaled to 9.85%.

Share of profit from investments in associated companies of the year 2019, 2020 and 2021.

(Unit : million Baht)

Company	2019	2020	2021
LH Financial Group Plc.	703.32	496.00	272.19
Quality Construction Products Plc,	38.02	24.12	30.39
Home Product Center Plc.	1,867.48	1,558.67	1,644.89
Land and Houses Property and Loan Fund II	56.81	(20.77)	(31.15)
Quality Houses Plc.	716.88	530.35	417.01
Total	3,382.51	2,588.37	2,333.33
Increase (Decrease)	(21.98)	(794.14)	(255.04)
% increase (decrease)	(0.65)	(23.48)	(9.85)

Other Income :

Comprises of gain on sales of investment, gain from reversals of impairments of investment, gain from reversals of loss from the project impairment, interest income, utility services, dividend income and other incomes. Details of other incomes were as follows :

In 2019, other income in total was 3,249.47 million Baht, an increase from year 2018 (YoY) of 1,049.29 million Baht or an increase of 47.69% comprised of gain on sales of properties of 2,418.31 million Baht (which was from the sale of Grande Centre Point Sukhumvit 55 to the LH Hotel Leasehold real estate investment trust at the price of 4,155 million Baht), utility services income of 349.50 million Baht, Dividend received 230.50 million Baht and interest income and other incomes of 251.16 million Baht.

In 2020, Other income in total was 1,124.98 million Baht, a decrease from the same period of last year of 2,124.49 million Baht, a decrease of 65.38%, comprised of gain on sales of properties of 405.28 million Baht (which was gain from sale of apartment in United State), Utility services income of 398.07 million Baht, dividend received 115.67 million Baht, interest income and other incomes of 205.96 million Baht.

In 2021, other income was 1,239.64 million Baht, an increase from the same period of last year 114.66 million Baht or equaled to 10.19%, comprised of other income of 673.39 million Baht (from gain on exchange 477.74 million Baht), Utility services income of 439.74 million Baht, dividend received of 82.54 million Baht and interest income 43.97 million Baht.

Gross Profit Margin :

In 2019, the gross profit margin was at 32.28% with the gross profit margin of the revenue from sale of Company's products at 32.43% and the gross profit margin of rental and services income at 31.49%.

In 2020, the gross profit margin was at 30.69% with the gross profit margin of the revenue from sale of Company's products at 31.78% and the gross profit margin of rental and services income at 18.20%.

In 2021, the gross profit margin was at 31.47% with the gross profit margin of the revenue from sale of Company's products at 32.24% and the gross profit margin of rental and services income at 18.65%.

Administrative Expenses :

In 2019, the administrative expenses was 2,367.72 million Baht, less the reversal of provision for liabilities of

352.70 million Baht thus the remaining net administrative expense equaled to 2,015.02 million Baht or 6.05% of total revenue. The expense decrease from last year (YoY) of 392.84 million Baht or decrease 16.31% from the reversal of provision for legal cases 352.70 million Baht.

In 2020, the administrative expenses was 2,224.99 million Baht less the reversal of provision for liabilities of 349.09 million Baht, so net administrative expenses was 1,875.90 million Baht or at 6.04% of total revenue. The administrative expense decrease from the year 2019 (YoY) of 139.12 million Baht or 6.90% decrease.

In 2021, the administrative expenses was 2,289.89 million Baht less the reversal of provision for legal case of 104.73 million Baht, so net administrative expenses was 2,185.16 million Baht or at 6.52% of total revenue. The administrative expense increase from the year 2020 (YoY) of 309.26 million Baht or 16.48% increase as a result of the reversal of provision for legal case which decrease of 244.36 million Baht.

Selling expenses :

Selling expenses, excluding special business taxes and transfer fees

In 2019, selling expenses was 728.32 million Baht or 2.19% of total revenue. The significant decrease in selling expenses from last year (YoY) of 367.23 million Baht or 33.52% decrease was due to the implementation of the TFRS 15 so that the Company had to bring the promotion expenses which prior was recorded in the selling expense of 378 million Baht to be recorded netting of the revenue from sale instead.

In 2020, the selling expense was equaled to 636.82 million Baht or only 2.05% of total revenue. The selling expense this year decrease from last year (YoY) of 91.5 million Baht or a decrease of 12.56%.

In 2021, the selling expense was equaled to 539.35 million Baht or only 1.61% of total revenue. The selling expense this year decrease from last year (YoY) of 97.47 million Baht or a decrease of 15.30%.

Special Business Taxes and Transfer Fees :

In 2019, Special Business Taxes and Transfer Fees was at 974.71 million Baht or 2.93% of the revenue. Comparing to the same period of last year, this item decrease 191.89 million Baht or a decrease of 16.45% according to the decrease in sale in 2019

In 2020, Special Business Taxes and Transfer Fees was at 1,041.99 million Baht or 3.35% of the total revenue. Comparing to the same period of last year, this item increase 67.28 million Baht or an increase of 6.90% according to the

increase in sale in 2020.

In 2021, Special Business Taxes and Transfer Fees was at 1,144.81 million Baht or 3.42% of the total revenue. Comparing to the same period of last year, this item increased 102.82 million Baht or an increase of 9.87% according to the increase in sale in 2021

Earnings before finance cost and corporate income tax expenses :

In 2019, the Company had earnings before finance cost and corporate income tax expenses of 9,219.41 million Baht, a decrease of only 318.57 million Baht or 3.34% when compared to last year on YoY basis.

In 2020, the Company had earnings before finance costs and corporate income tax expenses of 6,637.29 million Baht, a significant decrease of 2,582.12 million Baht or equaled to a decrease of 28.01% when compared to last year.

In 2021, the Company had earnings before finance costs and corporate income tax expenses of 6,996.91 million Baht, a slightly increase of 359.62 million Baht or equaled to a increase of 5.42% when compared to last year.

Earnings before corporate income tax expenses :

In 2019, the Company had Earnings before corporate income tax expenses of 11,766.48 million Baht, a decrease of 445.41 million Baht or a decrease of 3.65% comparing to the year 2018, YoY.

In 2020, the Company had Earnings before corporate income tax expenses of 8,337.51 million Baht, a decrease of 3,428.97 million Baht or a decrease of 29.14% comparing to in the amount year 2019 YoY.

In 2021, the Company had Earnings before corporate income tax expenses of 8,217.83 million Baht, a decrease of 119.68 million Baht or a decrease of 1.43% comparing to the year 2020, YoY.

Net Profit :

In 2019, the Company had net profit of 10,024.90 million Baht, a decrease of 450.53 million Baht or a decrease of 4.30%

In 2020, the Company had net profit of 7,144.91 million Baht, a decrease of 2,879.99 million Baht or a decrease of 28.73% from the previous year.

In 2021, the Company had net profit of 6,936.13 million Baht, a decrease of 208.80 million Baht or a decrease of 2.92% from the previous year.

From the above-mentioned performance, when considered at the profitability ratio of the Company in 2019,

2020 and 2021, the Company has the gross profit margin ratio stood at 32.28%, 30.62% and 31.47% respectively while the net profit margin ratio during 2019-2021 was 30.17%, 22.93% and 20.71% consecutively.

Earning per share :

Total number of shares in 2019, 2020 and 2021 remained constant at 11,950 million shares. Thus, the

earning per share in each year 2019, 2020 and 2021 were at 0.84, 0.60 and 0.58 Baht per share consecutively.

Dividend paid :

With reference to the Company's performance, the Company had considered the dividends payment for its performance in 2018 - 2021 as follows :

	Dividend Payment (%)	Dividend Payment (million Baht)	Date of Payment
Dividends paid for 2018 operations	85.53	4,780 4,182	11 September 2018 21 May 2019
Dividends paid for 2019 operations	83.44	3,585 4,780	11 September 2019 22 May 2020
Dividends paid for 2020 operations	83.63	2,390 3,585	11 September 2020 21 May 2021
Dividends paid for 2021 operations	86.13	2,987 2,987	9 September 2021 20 May 2022

The dividend payments for the year 2019 operations : The Board of Directors had approved on August 14, 2019, for the payment of the interim dividend of the first six months operation of the year 2019 at the rate of 0.30 Baht (at the one-Baht par) in totaling of 3,585 million Baht which was paid on September 11, 2019. And on February 27, 2020, the Board of Directors also asked the approval for the total dividend for the 2019 operations at the rate of 0.70 Baht (at one-Baht par) to be approved at the shareholders' meeting, leaving the outstanding dividend to be paid at the rate of 0.40 Baht per share or in total sum 4,780 million Baht, to be paid on May 22, 2020. Thus total dividends paid for the year 2019 operations was at the rate of 83.44% of net earnings.

The dividend payments for the year 2020 operations : The Board of Directors had approved on August 13, 2020, for the payment of the interim dividend of the first six months operation of the year 2020 at the rate of 0.20 Baht (at the one-Baht par) in totaling of 2,390 million Baht which was paid on September 11, 2020. And on February 24, 2021, the Board of Directors also asked the approval for the total dividend for the 2020 operations at the rate of 0.50 Baht (at one-Baht par) to be approved at the shareholders' meeting, leaving the outstanding dividend to be paid at the rate of 0.30 Baht per share or in total sum 3,585 million Baht, to be paid on May 21, 2021. Thus total dividends paid for the year 2020 operations was at the rate of 83.63% of net earnings.

The dividend payments for the year 2021 operations : The Board of Directors had approved on August 10, 2021, for the payment of the interim dividend of the first six months operation of the year 2021 at the rate of 0.25 Baht (at the one-Baht par) in totaling of 2,987 million Baht which was paid on September 9, 2021. And on February 24, 2022, the Board of Directors also asked the approval for the total dividend for the 2021 operations at the rate of 0.50 Baht (at one-Baht par) to be approved at the shareholders' meeting, leaving the outstanding dividend to be paid at the rate of 0.25 Baht per share or in total sum 2,987 million Baht, to be paid on May 20, 2022. Thus total dividends paid for the year 2021 operations was at the rate of 86.13% of net earnings.

(b) Financial Position

Assets

Total assets of the Company and its subsidiaries at the end of the year 2019, 2020 and 2021 were recorded at 113,139.05 million Baht, 122,571.07 million Baht and 125,198.06 million Baht consecutively. As the Company operates in the business of real estate developer by selling the Pre-built houses and also keeps on launching new project continuously, thus, the core assets are in form of Inventories which comprise of land and projects under development. In addition, the assets next in line of importance are the investment in subsidiaries and

associated companies and investment properties. The details of the assets are as follows :

Inventories : as at the end of the year 2019, 2020 and 2021, the inventories were 53,373.60 million Baht, 52,893.10 million Baht and 47,255.98 million Baht, representing 47.18%, 43.15% and 37.74% of total assets in each year. The Company has separately showed the accounts of Land

held for development of the Company and its subsidiaries including its related expenses at the end of the year 2019, 2020 and 2021 at 1,337.20, 2,939.85 and 5,450.28 million Baht respectively which are lands held for future development and were shown under non-current assets, these items will be shown under inventories only when these lands are used to start development.

(Unit : million Baht)

	2019	2020	2021
Net Inventories	53,373.60	52,893.10	47,255.98
increase (decrease)	5,130.33	(480.50)	(5,637.12)
% of total Assets	47.18	43.15	37.74

In 2021, the Company and its subsidiaries had transferred the land held for future development to Land under development of 3,114.72 million Baht

Net Trade Receivables : as at the end of 2018, 2019 and 2020 : The Company had trade and other receivables as follows : 239.80 million Baht, 187.01 million Baht and 169.90 million Baht respectively from the leasing and services business.

Investment in associated Companies: details are as follows :

Table : Investment under the equity method of associated companies as at December 31, 2019 - 2021

(Unit : million Baht)

Company	2019	2020	2021
LH Financial Group Plc	9,015.46	8,568.29	8,366.91
Quality Construction Products Plc.	423.71	431.56	422.38
Home Product Center Plc.	7,009.22	7,138.36	7,538.99
Land & Houses Property and Loan Fund II	383.29	325.39	294.24
Quality House Plc.	7,573.69	7,500.01	7,604.09
Total	24,405.37	23,963.61	24,226.61
Percentage of Total Assets	21.57	19.55	19.35

Long term Investment / Non-current financial assets at the end of 2019, 2020 and 2021 were at 6,036.84 million Baht, 4,418.78 million Baht and 3,873.88 million Baht which was accounted for 5.34%, 3.61% and 3.09% of total assets.

In 2019, the Company had long term investment of 6,036.84 million Baht, an increase of 329.32 million Baht from the increase in value of the investment in 2018.

In 2020, the Company had non-current financial assets of 4,418.78 million Baht, a decrease of 1,618.06 million Baht from the year 2019 as a result from the decrease in value of investment from the year 2019 according to the pandemic of the virus COVID-19.

In 2021, the Company had non-current financial assets of 3,873.88 million Baht, a decrease of 544.90 million Baht from the year 2020 as a result from the decrease in value of

investment from the year 2020 according to the pandemic of the virus COVID-19.

Land held for development : As at the end of 2019, 2020 and 2021, Land held for development was valued at 1,337.20 million Baht, 2,939.85 million Baht and 5,450.28 million Baht, representing 1.20%, 1.18% and 2.40% of total assets consecutively.

At the end of 2019, Land held for development was totaled 1,337.20 million Baht after an impairment allowance of 724.30 million Baht, same as in 2018

At the end of 2020, Land held for development was totaled 2,939.85 million Baht after an impairment allowance of 724.30 million Baht, an increase from 2019 of 1,602.65 million Baht.

At the end of 2021, Land held for development was totaled 5,450.28 million Baht after an impairment allowance of 724.30 million Baht, an increase from year 2020 of 2,510.43 million Baht.

During the fiscal year 2021, the Company has engaged the independent appraisal valuer to appraise the fair value of some certain plots of land held for development of the Company and its subsidiaries by using the Market Comparison Approach as the basis of determining the valuation of the assets. The fair values of land held for development and inventory appraised by the independent appraiser exceeded their net carrying book value. Only one project of LH the that inventory had the appraisal value less than the book value at 42.47 million Baht which the Company had recorded as expense in the Profit and Loss statement.

(Unit : million Baht)

As of December 31	2019	2020	2021
Net book value of land held for development which wer mortgaged to secure loan	689	2,053	3,819

Investment properties

In 2019, 2020 and 2021, the Company had investment properties of 13,264.21, 10,960.67 and 11,884.38 million Baht respectively.

In 2019, there was no transaction regarding the acquisition or sale of investment properties in the United States.

In 2020, LH USA had sold the apartment for rent in United States at the price of USD 80 million, with the profit from sales of USD 13 million and had recognized this transaction as profit for the fiscal year in the amount of 405.28 million Baht.

In 2021, there was no transaction regarding the acquisition or sale of investment properties in the United States

The fair value of the investment properties at December 31, were stated as below :

(Unit : million Baht)

	2019	2020	2021
Fair value	13,482	10,991	13,384

In 2020, LH USA had sold the apartment at the price of USD 80 million.

In 2019, 2020 and 2021, the rental income and direct operating expense arising from the apartment for rent of LH

USA which are recorded in the Profit & Loss are as follows :
(Unit : million Baht)

	2019	2020	2021
Rental Income	645	1,211	844
Direct operating expenses	575	940	817

Property, plant and equipment - Net during the past three years were stated as follows :

(Unit: million Baht)

	2019	2020	2021
Net Book Value	687.75	601.48	1,565.74
Increase (Decrease)	(175.34)	(86.27)	946.26

In 2021, LH USA had purchased one hotel in the United States at the cost of USD 31 million or equivalent to 1,056 million Baht.

Leasehold Rights / Leasehold Assets

In 2019, 2020 and 2021, the Company and its subsidiaries had leasehold rights of 5,729.78 million Baht, 14,910.54 million Baht and 16,732.39 million Baht accordingly. In the year 2020, there was an adjustment to the leasehold and the adoption of new financial reporting standard TFRS 16 to be used in January of 2020 as the first year. As at December 31, 2020.

The value of right of use of asset / Leasehold rights is 16,732.39 million Baht and had lease liabilities of 6,714.79 million Baht. The leasehold rights comprised of

(Unit : million Baht)

	2019
Grande Centre Point Hotel Ratchadamri	-
Grande Centre Point Hotel Sukhumvit 55	-
Grande Centre Point Hotel and Terminal 21 Shopping center Pattaya	4,246.38
Terminal 21 Rama 3 Shopping center	869.53
Vacant Land	613.87
Total	5,729.78

Right of Assets in 2020 comprised of

Company	Project's name	Location	Net Book Value (million Baht)	Obligation
LHMH	Grande Centre Point Hotel and Terminal 21 Shopping center Pattaya	Pattaya, term of 28 years	4,671	Mortgaged as collateral for Bank's Loan
LHMH	Terminal 21, Rama 3, shopping center	Rama 3, term of 33 years	2,221	Mortgaged as collateral for Bank's Loan
LHMH	Leasehold under construction	Bangkok & Pattaya	3,086	-none-
LHMH	Rights over 3 hotels	Bangkok, term 5 - 8 years	4,328	-none-
LHP	Right over 1 hotel	Bangkok, term 4 years	280	-none-
LH and LHMH	Right over office building and other	Bangkok, term 4 - 8 years	325	-none-

LH = Land and Houses Plc., LHMH = LH Mall and Hotel, LHP = L&H Property

Right of Assets in 2021 comprised of

Company	Project's name	Location	Net Book Value (million Baht)	Obligation
LHMH	Grande Centre Point Hotel and Terminal 21 Shopping center Pattaya	Pattaya, term of 27 years	4,878	Mortgaged as collateral for Bank's Loan
LHMH	Terminal 21, Rama 3, shopping center	Rama 3, term of 32 years	3,442	Mortgaged as collateral for Bank's Loan
LHMH	Leasehold under construction	Bangkok & Pattaya	4,382	-none-
LHMH	Rights over 3 hotels	Bangkok, term 4 - 7 years	3,611	-none-
LHP	Right over 1 hotel	Bangkok, term 3 years	210	-none-
LH and LHMH	Right over office building and other	Bangkok, term 4 - 8 years	209	-none-

LH = Land and Houses Plc., LHMH = LH Mall and Hotel, LHP = L&H Property

In 2019, the Company had sold the Grande Centre Point Hotel Sukhumvit 55 to the LH Hotel Leasehold Real Estate Investment Trust at the price of 4,155 million Baht with the profit of 2,418.31 million Baht.

In 2020, there was no transaction of selling the lease asset.

In 2021, the subsidiary company had invested more in net lease asset of 1,821.85 million Baht.

Liquidity

Cash from operation : The Company is very cautious in its spending when use the cash from operation in order to maintain the Company's liquidity by carefully considering the investment in residential project such as land acquisitions and construction of the projects to meet with its business environment including to repay the Company's liabilities. The Company has a policy to manage its cash and cash equivalent to match with its operating environment and situation.

(Unit : million Baht)

	2019	2020	2021
Cash flow from (used in) operating activities	1,199.59	3,370.50	10,320.17
Cash flow from (used in) investing activities	5,869.83	2,973.63	(1,861.21)
Cash flow from (used in) financing activities	(9,752.09)	(3,836.95)	(4,838.95)

In 2019, the Company had cash and cash equivalents decreased of 2,577.77 million Baht from the increase in cash flow from operating activities of 1,199.59 million Baht, an increase from cash flow from investing activities of 5,869.83 million Baht and the spending on financing activities of 9,752.09 million Baht.

In 2020, the Company had cash and cash equivalents increased of 2,558.89 million Baht from the increase in cash flow from operating activities of 3,370.50 million Baht, from the increase in investing activities of 2,973.62 million Baht and the decrease in the spending in financing activities of 3,836.95 million Baht.

In 2021, the Company had cash and cash equivalents increased of 3,218.04 million Baht from the increase in cash flow from operating activities of 10,320.17 million Baht, from the decrease in investing activities of 1,861.21 million Baht and the decrease in the spending in financing activities of 4,838.95 million Baht.

Cash flow from Operating activities

In 2019, cash flow from operating activities was a surplus of 1,199.59 million Baht, mainly from the earning before income taxes of 11,766.49 million Baht, less the non-operating profit from the investment in the associated companies of 3,382.51 million Baht and gain on sales of investment property of 2,418.31 million Baht which were not profit from operating. The surplus was also underpinned by the decrease in inventories of 739.11 million Baht, an increase in non-operating interest expense of 819.69 million Baht and decrease from the payment of corporate income tax of 1,464.00 million Baht.

In 2020, cash flow from operating activities was a surplus of 3,370.50 million Baht. Mainly was from the profit before income tax expenses of 8,337.51 million Baht less the share of profit from the investment in the associated companies of 2,588.37 million Baht and gain on sales of properties of 405.28 million Baht which was not operating profit. It also decreased from the investment in inventories which increased by 530.31 million Baht, the decrease from the increase in other current financial assets of 960.46 million Baht, decrease in trade payables of 713.08 million Baht and the increase from the depreciation of 951.45 million Baht, an increase from the non-operating interest expense of 874.01 million Baht and the payment of corporate income tax of 1,304.44 million Baht.

In 2021, cash flow from operating was a surplus of 10,320.17 million Baht, mainly from the profit before income tax expenses of 8,217.83 million Baht less the share of profit from the investment in the associated companies

of 2,333.33 million Baht, an increase from the depreciation and amortization of 1,516.91 million Baht, increase from the decrease of inventories which was transferred to cost of 3,600 million Baht, increase from the decrease in current financial assets of 1,000 million Baht and decrease from the payment of corporate tax of 1,300.98 million Baht.

Cash flow from investing activities

In 2019, the cash flow from investing activities was a surplus of 5,869.83 million Baht, mainly from the sale of assets which was Grande Center Point Hotel Sukhumvit 55 of 4,155 million Baht, dividends received from associated companies of 2,501.73 million Baht and dividend from other companies of 230.50 million Baht and the decrease from the increase in investment in leasehold rights of 951.58 million Baht.

In 2020, the Cash flow from investing activities was a surplus of 2,973.62 million Baht, mainly from the sale of properties of 2,373 million Baht, dividend received from the associated companies of 1,948.37 million Baht and also dividends from other companies of 107.81 million Baht, decrease from the increase in investment in leasehold rights, property, plant and, equipment and intangible assets of 1,332.62 million Baht.

In 2021, Cash flow from investing activities decrease by 1,861.21 million Baht, mainly from the additional investment in leasehold rights, property, plant and equipment and intangible assets of 3,867.68 million Baht, increase from dividend received from associated companies of 1,929.99 million Baht and dividend received from other companies of 90.39 million Baht.

Cash flow from financing activities

In 2019, the cash flow from financing was decrease by 9,752.09 million Baht mainly from the payment of dividend of total 7,766.42 million Baht, repayment of debenture of 14,250 million Baht and repayment of loan of 139 million Baht. The Company paid interest of 1,350.14 million Baht while received cash from the issuance of local debentures of 13,000 million Baht and also received cash from long term loan of 855 million Baht.

In 2020, the cash flow from financing activities was decrease by 3,836.95 million Baht, mainly from the payment of dividend of 7,169.60 million Baht, the repayment of debenture of 14,000 million Baht and long-term loan of 1,016.18 million Baht and payment of principal portion of lease liabilities of 839.18 million Baht and interest paid of 1,399.00 million Baht. The Company had received fund from the issuance of local debenture of 8,400 million Baht,

overdraft and short-term loan from banks of 6,375.00 million Baht and cash received from long-term loan from financial institutions of 5,812.00 million Baht.

In 2021 the cash flow from financing activities was decrease by 4,838.95 million Baht, mainly from the payment of dividend of 6,572.22 million Baht, the repayment of debenture of 11,000 million Baht and repayment of overdraft and short-term loan from the banks of 4,375 million Baht, repayment of long-term loan of 2,837.06 million Baht and payment of principal portion of lease liabilities of 240.19 million Baht and interest paid of 1,373.13 million Baht. The Company had received fund from the issuance of local debenture of 16,000 million Baht and cash received from long-term loan from financial institutions of 5,558.65 million Baht.

Significant Liquidity Ratios

Liquidity Ratio in 2019 - 2021 was 2.65, 2.53 and 2.15 respectively. The Quick ratio at the same period was 0.21, 0.29 and 0.39 times accordingly.

In 2019, the Liquidity ratio was 2.65 times whereas the Quick ratio was at only 0.21 times. The Quick ratio for this period was decrease from 0.36 in 2018 to 0.21 times, as a result of the decrease in cash and cash equivalents from the previous year of 2,577.76 million Baht and decrease from the increase in the short-term investments of 630.63 million Baht.

In 2020, the Liquidity ratio was 2.53 times while the Quick ratio was only 0.29 times. The Quick ratio improved from the year 2019 from 0.21 to 0.29 times because the cash and cash equivalent in this year had increased from the amount in 2019 of 2,558.89 million Baht while the short-term investment decreased of 70.00 million Baht

In 2021, the Liquidity ratio was 2.15 times while the Quick ratio was at 0.39 times. The Quick ratio increased from 0.29 to 0.39 because the cash and cash equivalent in this year had increased from the past year of 3,218.04 million Baht.

The Creditor's ratio

In 2019 the creditor ratio was 4.5 times with the repayment periods was at 80 days.

In 2020 the creditor ratio was 5.4 times with the repayment periods was at 67 days.

In 2021 the creditor ratio was 6.5 times with the repayment periods was at 55 days.

Investment Expenses

During the past years, the Company has increased its investment in land plots with high potential at the

reasonable price for further development to the residential projects which is the core business of the Company and also invests in other business which is related to the core business of the company.

In 2019, the Company had cash surplus from investing activities of 5,869.83 million Baht. The significant transaction was the cash received from the sale of assets, The Grande Centre Point Sukhumvit 55 of 4,155 million Baht, and dividends received of 2,732.23 million Baht.

In 2020, the Company had cash surplus from the investing activities of 2,973.63 million Baht which mainly was the cash received from the sale of the apartment for rent in USA at the price of USD 80 million (approximately 2,373 million Baht), dividend received from the associated companies of 1,948.37 million Baht and used in the investment in leasehold rights, investment in property, plant and equipment and other intangible assets in total sum 1,332.62 million Baht.

In 2021, the Company had cash used in investing activities of 1,861.21 million Baht. Mainly was the dividends received from associated companies of 1,930.00 million and paid for additional investing in leasehold rights, property, plant and equipment and intangible assets for 3,867.68 million Baht.

Source of Funds

The Debt to Equity ratio at the end of year 2019, 2020 and 2021 equaled to 1.13, 1.42 and 1.47 times consecutively

In 2019, the shareholders' equity including the minority interest stood at 53,182.87 million Baht, an increase of 2,431.15 million Baht from the net operating profit of 10,024.90 million Baht and less by dividend payment of 7,766.42 million Baht

In 2020, Shareholders' equity including the minority interest stood at 50,600.69 million Baht, a decrease of 2,582.18 million Baht from the net operating profit of 7,144.91 million Baht, from the payment of dividend of 7,169.60 million Baht and other component of the shareholders' equity decrease by 2,399.91 million Baht from the decrease of the value of equity investment during the pandemic of COVID-19.

In 2021, Shareholders' equity including the minority interest stood at 50,646.30 million Baht, a slightly increased of 45.61 million Baht from the net operating profit of 6,936.13 million Baht, from the payment of dividend of 6,572.22 million Baht and other component of the shareholders' equity decrease by 274.74 million Baht from the decrease of the value of equity investment during the pandemic of COVID-19

Liabilities

Total Liabilities of the Company at the end of the year 2019, 2020 and 2021 equaled 59,956.18 million Baht, 71,970.38 million Baht and 74,551.76 million Baht respectively. At the end of year 2021, major liabilities comprised of short-term and long-term loan of total 17,919.36 million Baht , Debenture of 38,600 million Baht,

Trade payable of 3,183.77 million Baht, Lease liabilities of 6,714.49 million Baht and other liabilities of 8,134.14 million Baht. The Company and its subsidiaries can pay all the repayment of debts duly on schedule.

Details of Long-term Liabilities of the Company and its subsidiaries as at December 31, 2021

Company	Type	Currency	Amount (million Baht)	Interest rate	Collateral	Maturity Date
LH	Long-term Loan	Baht	2,465.0	Fixed 2.2%	Land and building of the project	Within April 2022
	Long-term Loan	Baht	1,600.0	Fixed 2.2%	Land and building of the project	Within April 2024
	Long-term Loan	Baht	1,710.0	Fixed 2.4%	Land and building of the project	Within April 2025
	Long-term Loan	Baht	1,069.0	Fixed 2.2%	Land and building of the project	Within June 2025
	Long-term Loan	Baht	449.0	Fixed 2.2%	Land and building of the project	Within December 2025
	Long-term Loan	Baht	838.0	Fixed 1.95%	Land and building of the project	Within June 2025
	Long-term Loan	Baht	677.0	Fixed 1.95%	Land and building of the project	Within June 2025
	Long-term Loan	Baht	539.0	Fixed 1.95%	Land and building of the project	Within December 2025
	Local Debenture1/2018	Baht	1,200.0	Fixed 2.96%	None	To be redeemed : March 7, 2025
	Local Debenture1/2019	Baht	6,000.0	Fixed 2.62%	None	To be redeemed April 26, 2022
	Local Debenture2/2019	Baht	7,000.0	Fixed 2.12%	None	To be redeemed October 15, 2022
	Local Debenture1/2020 Lot 1	Baht	3,000.0	Fixed 2.30%	None	To be redeemed May 12, 2022
	Local Debenture1/2020 Lot 2	Baht	2,400.0	Fixed 2.60%	None	To be redeemed May 12, 2023
	Local Debenture2/2020	Baht	3,000.0	Fixed 2.03%	None	To be redeemed October 20, 2023
	Local Debenture1/2021 Lot 1	Baht	3,000.0	Fixed 1.09%	None	To be redeemed May 12, 2023
	Local Debenture1/2021 Lot 2	Baht	5,000.0	Fixed 1.50%	None	To be redeeme April 26, 2024
	Local Debenture2/2021	Baht	8,000.0	Fixed 1.46%	None	To be redeemed October 19, 2024
LA	Long-term Loan	Baht	680.0	2.4%	Land and building of the project	Within October 2025
LHM	Long-term Loan	Baht	377.0	MLR-2.25	Land and building of the project	Repaid when the rights in project has been transferred or within 5 years from the first drawdown date
LHMH	Long-term Loan	Baht	3,360.0	MLR-2.50	Land and building of the project	First installment March 2023 – December 2032
	Long-term Loan	Baht	717.0	MLR-2.75	Land and building of the project	First installment March 2023 – December 2032
	Long-term Loan	Baht	160.0	MLR-2.75	Land and building of the project	First installment December 2023 – June 2032
LH-USA	Long-term Loan	Baht	2,005.0	3.83%	Apartment for rent of the Project	Repaid in full within 5 years from the first drawdown
	Long-term Loan	Baht	1,376.0	Prime-rate 0.30%	Apartment for rent of the Project	Within January 2024
	Total Liabilities	Baht	56,622			

LH = Land and Houses Plc., LA = LH Asset Co., Ltd., LHMH=LH Mall and Hotel, LH-USA= Land and Houses U.S.A.,Inc.
LHM = LH Muang Mai Co., Ltd

As at December 31, 2021, the Company and its subsidiaries have available undrawdown loan facilities from the financial institutions of 6,698 million Baht (at the end of year 2020 = 9,925 million Baht)

(C) Major factors and influences that may affect future operations or financial position

Future Obligations and Liabilities

1. As at December 31, 2021, the Company and its subsidiaries had obligations regarding the acquisition of land and building and Utility contract agreement as follows :

(Unit : million Baht)

	2019	2020	2021
Obligations of land acquisition	2,522	1,992	2,874
Obligations of construction Agreement	5,385	4,254	4,674
Obligations to develop the common utility of the project	1,389	1,498	1,295

2. As at December 31, 2021, the Company and its subsidiaries has forecasted its liabilities that may incur of 684.08 million Baht, detail as follows :

(Unit : million Baht)

	2019	2020	2021
After Sale – Cost of repair	95.6	83.5	113.9
Litigation charges	461.5	121.3	15.3
Contribution to Housing estate Juristic fund	293.6	320.2	372.4
Utility maintenance	159.9	151.6	156.6
Damages from the project	17.6	-	-
Others	25.0	25.5	25.9
Total	1,053.2	702.1	684.1

3. As at December 31, 2021, the Company and its subsidiaries had right-of-use assets / leasehold rights assets of the group which have lease terms of 3 - 40 years as follows :

3.1 The Group as a Lessee

- Right-of-use assets / Leasehold rights

(Unit : million Baht)

	2019	2020	2021
Land and structures	5,729.8	9,979.4	12,646.9
Hotel Buildings	-	4,608.0	3,821.5
Office building space	-	320.9	262.8
Vehicles	-	2.2	1.2
Total	5,729.8	14,910.5	16,732.4

- Lease Liabilities

As at December 31, 2021, the subsidiaries had the obligation to pay the lease payment of 9,515 million Baht (throughout the Contract) less the deferred interest expenses of 2,801 million Baht , made the total remaining net lease payments equaled to 6,714 million Baht.

3.2 The Group as a lessor

The Group has entered into operating leases for its investment property portfolio which consisted of apartments for rent of the lease with the terms of 1 - 8 years and has minimum rentals receivable under non-cancellable operating leases as follows :

(Unit : million Baht)

	2019	2020	2021
within 1 year	699.7	556.4	668.1
Over 1 year but less than 5 years	101.3	105.2	130.9
Over 5 years	47.2	22.1	7.0
Total	848.2	683.7	806.0

4. As at December 31, 2021, the provision for long-term employee benefits (compensation payable to the employees after they retire) which the Company forecasted was as follows :

(Unit : million Baht)

	2019	2020	2021
Compensation expected to be paid in 1 year	15.1	33.6	68.0
Provision for long term employees	527.7	594.9	586.5

5. Bank Guarantee : As at December 31, 2021, the Company and its subsidiaries had the bank guarantee issued by banks on behalf of the Company and its subsidiaries in respect of the certain performance obligation in the normal course of business of the Company and its subsidiaries, as follows :

(Unit : million Baht)

	2019	2020	2021
Letter of guarantees for arrangement and maintenance of public utilities	4,183	4,738	4,444
Other guarantees	68	79	76
Total	4,251	4,817	4,520

6. The Company has contingent liabilities in connection with the financial support (the issuance of Letter of Comfort) to its subsidiaries to provide for the loans and the issuance of bank guarantee to use in the subsidiaries'

project. As at December 31, 2021, the amount to outstanding debt in proportion to the Company's guarantee specified in the certificate given to the Bank was in the amount of 5,887 million Baht.

Maintenance of Debt-to-Equity Ratio

The debenture of the Company which were issued before 2/2018 will calculated the ratio by using the interest-bearing liabilities only which can be calculated as follows :

(Unit : million Baht)

Transaction	31/12/19	31/12/20	31/12/21
Interest-bearing liabilities	49,902.77	55,455.39	59,090.92
Shareholders' equity	53,182.87	50,600.69	50,646.30
Debt-to-Equity Ratio	0.94	1.10	1.17

For the debenture after the lot No. 2/2018, the ratio will calculate by using the liabilities which has net interest bearing (The liabilities of which the interest will be deducted by cash and cash equivalent) which can be calculated as follows :

(Unit : million Baht)

Transaction	31/12/19	31/12/20	31/12/21
Net interest bearing Liabilities (after the cash and cash equivalent)	45,278.73	48,342.46	48,759.95
Shareholders' equity	53,152.87	50,600.69	50,646.30
Debt-to-Equity Ratio	0.85	0.96	0.96

According to the Consolidated Financial statement as at December 31, 2019, 2020 and 2021, the Company's Debt-to-Equity Ratio was in compliance with the covenants stated in the agreement of such debentures.

Summary of key factors and main influences that may affect operations or financial position in the future

1. Returns on investments in associated companies. Since the Company has invested in associated companies as at December 31, 2020 amounted to 24,226.61 million Baht or equivalent to 19.35% of total assets and had profit sharing of 33.64 % of profit of the Company. In case that the associated companies have any problems in operations, thus it may have affected to the Company's operation. However, the Company has concerned in this matter and thus has invested in different business to expand and decrease the risk in investment of the Company.

2. Litigation cases that the Company was sued and has set aside the provision are as follows :

As at December 31, 2021, the Company had a lawsuit that the Company being a defendant on a claim for damages due to the breach of contract with total funds equal to 114 million Baht which the Company has set aside provision for contingent liabilities from all lawsuits totaling 15 million Baht.

General Information and Other Important Information

General Information

Auditor

Miss Rosaporn Decharkom
Certified Public Accountant (Thailand) No. 5659
EY Office Limited
33rd Floor, Lake Rajada Office Complex 193/136-137
Rajadapisek Road, Klongtoey, Bangkok 10110
Tel: +66 2264 9090 Fax: +66 2264 0789

Debentures registrar

Siam Commercial Bank Public Company Limited
Registrar 1, Corporate Trust
15th Floor, G Tower Grand Rama 9 Building
9 Rama IX Road Huai kwang Bangkok 10310
Tel: +66 2128 2324-9 Fax: +66 2128 4625

Securities registrar

Thailand Securities Depository Company Limited
93 The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Din Daeng, Bangkok 10400
Tel: +66 2009 9000 Fax: +66 2009 9991

Appraisal Company

Gand Asset Advisory Company Limited
1350/279-283 16th Floor, Thai Rong Tower Building,
Patthakarn Road, Suanluang, Bangkok 10250
Tel: +66 2719 4500 Fax: +66 2719 5070-71

TAP Valuation Company Limited

37th Floor, RS Tower
121/101 Rajadapisek Road, Dindang, Bangkok 10320
Tel: +66 2642 2712-14 Fax: +66 2642 2711

Other Important Information

-None-

Legal dispute

-None-

Secondary Market

-None-

Financial Institutions

Siam Commercial Bank Public Company Limited

Head Office
9 Rutchadapisek Road, Chatuchak, Chatuchak,
Bangkok 10900
Tel: +66 2777 7777

Kasikornbank Public Company Limited

Head Office
1 Soi Rat Burana 27/1, Rat Burana Road,
Rat Burana, Rat Burana, Bangkok 10140
Tel: +66 2888 8888

Land and Houses Bank Public Company Limited

Head Office
1 Q.House Lumpini Building, South Sathon Road,
Thungmahamek, Sathon, Bangkok 10120
Tel: +66 2359 0000

Section 2

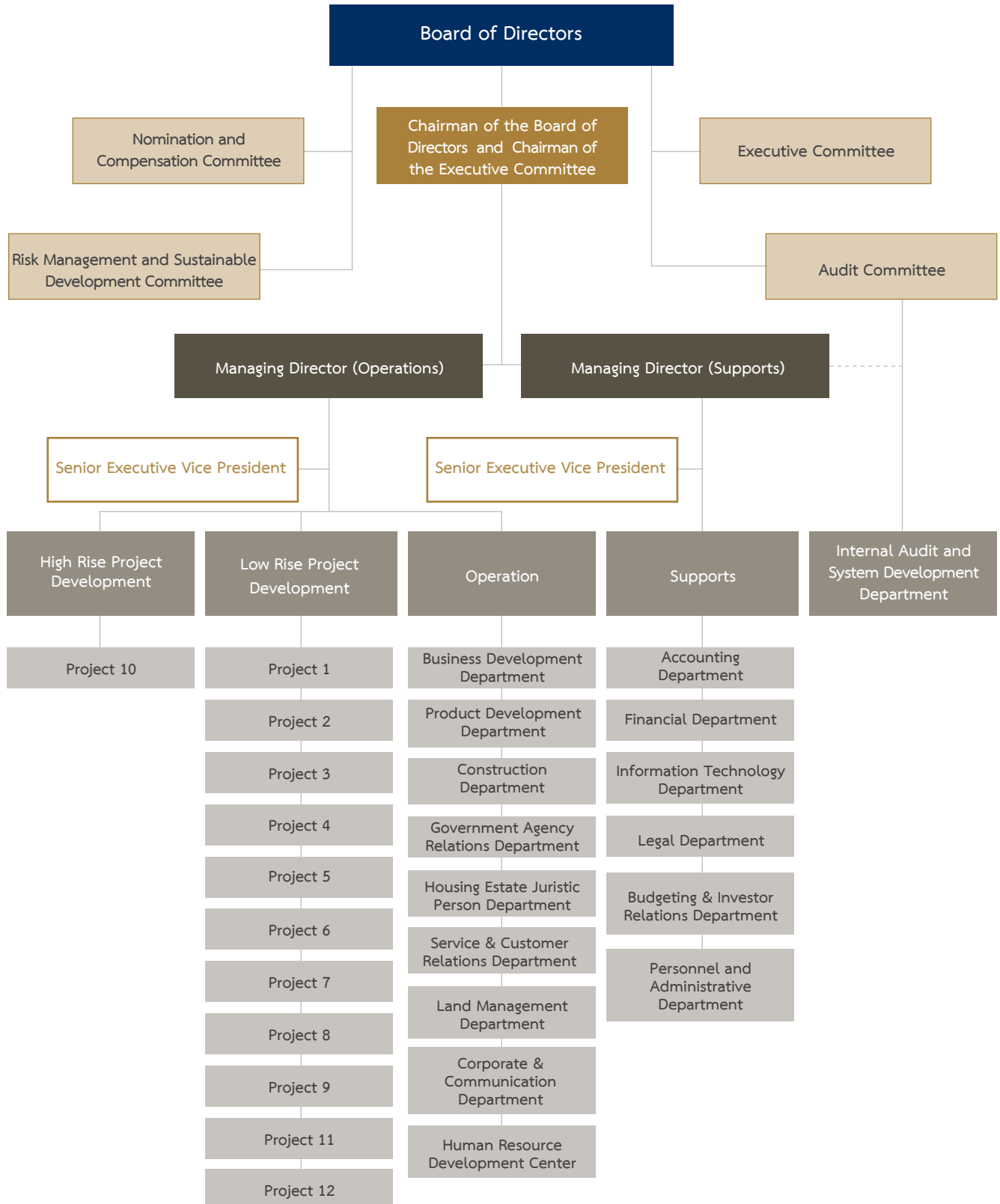
Management and Corporate Governance



Corporate Governance Structure and important information about the Committee and others

1. Corporate Governance Structure

Organization chart as of December 31, 2021



2. Information about the Board of Directors

The structure of Company Board of Directors consists of 5 committees namely Board of Directors, Executive Committee, Audit Committee, Nomination and compensation Committee and the Risk Management and Sustainable Development Committee. As at December 31, 2021, the Board of Directors consists of 9 directors which the details of biography of all the directors are shown in Attachment 1.

According to the Company's Articles of Association, the Board of Directors shall consist of at least 5 directors, of which not less than half of the total number of directors must reside in Thailand. Directors must perform their duties in accordance with the law, objectives and Articles of Association as well as the resolutions of the shareholders'

meeting with honesty and care to protect the interests of the company. The composition of the boards, committee and management was designed with the adequate checks and balances as follows :

1. The Board of Directors consists of 3 independent directors, or 33% of total number of directors, and other 5 executive directors and 1 non-executive director.

2. The Audit Committee consists of 3 independent audit directors who performs their duties in conformity to the regulation of the Stock Exchange of Thailand and the Audit Committee Charter.

3. Delegation and authorization among the Boards and Management has been clearly established as detail which are disclosed in the topic "6.2.2 Independency of the Board of Directors from the Management".

Name and position of the Company's directors as at December 31, 2021

Name	Position
1. Mr. Naporn Sunthornchitcharoen	Chairman of the Board of Directors and Chairman of the Executive Committee
2. Mr. Pakhawat Kovithvanaphong	Director, Chairman of the Audit Committee, Independent Director
3. Mr. Adisorn Thananan-narapool	Director, Member of the Executive Committee, Member of Nomination and Compensation Committee
4. Mr. Nantawat Pipatwongkasem	Director, Company Secretary, Member of Risk Management and Sustainable Development Committee
5. Mr. Piphob Veraphong	Director, Member of Audit Committee, Independent Director, Chairman of the Nomination and Compensation Committee
6. Mr. Bundit Pitaksit	Director, Member of Audit Committee, Independent Director, Chairman of the Risk Management and Sustainable Development, Member of Nomination and Compensation Committee
7. Mr. Achawin Asavabhokhin	Director
8. Mr. Watcharin Kasinrerak	Director, Member of the Executive Committee, Member of Risk Management and Sustainable Development Committee
9. Mr. Adul Chuvanichanon	Director, Member of the Executive Committee , Member of Risk Management and Sustainable Development Committee

Note : As at January 1, 2022, Two directors have retired and resigned from the position of directors, namely Mr. Adisorn Thananan-narapool has retired from the position Managing Director and resigned from the Director, Member of Executive Committee and member of the Nomination and Compensation Committee and Mr. Adul Chuvanichanon has retired from the positioning Managing Director and resigned from Director, Member of the Executive Committee and Member of Risk Management and Sustainable Development Committee. As such, on February 24, 2022, the Board of directors of the Company has resolved to appoint Mr. Wit Tantiworawong and Mr. Chokchai Walitwarangkoon to serve in place of the resigned directors with the remaining term of office of the resigned directors.

Authorized Directors as the Company Signatory

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

Numbers of directors who come from the major shareholders

Numbers of directors who come from the major shareholders are 6 person comprises of Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool, Mr. Nantawat Pipatwongkasem, Mr. Watcharin Kasinrerak, Mr. Adul Chuvanichanon and Mr. Achawin Asavabhokhin.

Scope of Duty and Responsibility of the Board of Directors

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

1. Manage and conduct the business of the Company's business to be in line with the Company's objectives and regulations, as well as the resolution of the Shareholders' meeting which conforms with the laws on integrity and carefulness for the utmost benefits of the Company.

2. Consider and approve the Company's key policies, goals, guidelines and business plan including monitoring and follow up the implementation according to the plans.

3. Monitor and supervise the performance and management of the Executive Board to ensure the implement in accordance with the assigned Company's policies. The Board of Directors has the authority to approve the following matters :

3.1 To consider the borrowings or loan application from financial institution.

3.2 To consider the Annual Budget and Company's business plan.

3.3 To Consider the interim dividend payments for shareholders in the case that the Company has enough profit to do so.

3.4 To consider any significant transactions such as investments, asset acquisition or disposal and other operations required by law.

3.5 To consider the connected transactions and asset acquisitions or disposals except that those transactions shall require shareholders' approval. Such approvals shall be in line with the announcements, requirements and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. Except for the case that the law requested to have the resolution from the shareholders' meeting, the Board of Directors shall have the approval from the shareholders' meeting before the operation.

4. The Board's meeting shall be convened at least once every quarter.

5. The main meeting agenda shall be clearly set in advance throughout the year.

6. The detail of the meeting agenda shall be submitted to each director at least 7 days prior to the meeting date so that the directors shall have sufficient time to study and consider the details before the meeting.

7. In consideration of each meeting agenda,

the interests and benefits of all shareholders and stakeholders must be fairly taken into account.

8. The Company has set the policy regarding the minimum quorum at the time when the directors shall vote in the meeting that at least two-third of the total directors attending the meeting.

9. Allow free expression of opinions at the meetings.

10. Allocate adequate time for each agenda to allow for debate and careful expression of opinions.

11. Supervise to ensure that the management has been done in line with good governance policy and to prevent any conflicts of interest.

Roles and Duties of the Chairman of the Board of Directors

1. Take responsibility as a leader of the Board of Directors to oversee, monitor and supervise the performance of the Board of Directors and other sub-committees to achieve the objectives as defined in business plans and conform with the Corporate good governance.

2. Supervise to ensure that all directors have participated in the promotion to create the good corporate ethics and good corporate governance.

3. Represent as Chairman of the Board at the Board's meetings and Shareholders' meetings by handle and manage the meetings to be in line with the Articles of Association, its agenda and allocate proper time for the meetings.

4. Promote the independent and transparent expression of opinions in the meetings.

5. Supervise to ensure efficient communication between directors and shareholders.

6. Give the casting vote in the event the votes are tied at the Board of Directors' meetings.

3. Information regarding the Sub - committees

The Board of Directors has appointed 4 sub-committees to help monitor and supervise the operations more closely and report to the Board of Directors regularly. The sub-committees consists of the Executive Committee, the Audit Committee, the Nomination and Compensation Committee and the Risk Management and Sustainable Development Committee. The Board of Directors has clearly determined the powers, duties and responsibilities of each sub-committee as follows:

The Executive Committee

As at 31 December 2021, the Executive Committee comprises of 5 executives, namely as

Name		Position
1. Mr. Naporn	Sunthornchitharoen	Chairman of the Executive Committee
2. Mr. Adisorn	Thananan-narapool	Member of the Executive Committee
3. Mr. Wit	Tantiworawong	Member of the Executive Committee
4. Mr. Watcharin	Kasinrerak	Member of the Executive Committee
5. Mr. Adul	Chuvanichanon	Member of the Executive Committee

Scope of duties of the Executive Committee

The Executive Committee including the managing director has the power and duty to manage any matters related to the normal business operations of the Company. In this regard, the approval of or any other transactions that have conflicts of interest in any other manners with the Company or its subsidiaries must be presented to the Audit Committee and the Board of Directors' meeting to consider and approve such transaction every time.

Delegation of authority from the Board of Directors

The Board of Directors determines the Company's goals, guidelines, policies, plans and budgets. as well as monitor and supervise the administration and management of the Executive Committee in accordance with the assigned policies. The Executive Committee will comply with the policies, plans and budgets assigned by the Board of Directors.

In making decisions on important matters, including the acquisition of land, Project development and investment, etc., the Executive Committee will present these issues for approval to the Board of Directors on a case-by-case basis.

For the delegation of financial authority in relation to the normal operations of the Company's business, Directors who are authorized to sign on behalf of the Company are Mr. Naporn Sunthornchitharoen or Mr. Adisorn Thananan-narapool or Mr. Nantawat Pipatwongkasem or Mr. Watcharin Kasinrerak or Mr. Adul Chuvanichanon or Mr. Achawin Asavapokin, any one of them is the signatory can bind the Company. The approval of such transactions must not include approval of transactions in which oneself or a person who may have conflict of interests has a stake or may have any other conflicts of interest with the Company or its subsidiaries.

The Audit Committee

The Audit Committee consists of 3 independent directors, all members are independent and have the qualifications as stipulated by the Securities and Exchange

Commission and the Stock Exchange of Thailand. All independent directors, are in possession of extensive knowledge and understandings and well-accepted working experiences. Especially, Mr. Pakhawat Kovithvathanaphong who has great knowledge and competency required to review the creditability of the financial statements, with background of education and working experience in financial areas. The names of the directors of the Audit Committee as at December 31, 2021 are as follows :

Name		Position
1. Mr. Pakhawat	Kovithvathanaphong	Chairman of the Audit Committee, Independent Director
2. Mr. Piphob	Veraphong	Member of the Audit Committee, Independent Director
3. Mr. Bundit	Pitaksit	Member of the Audit Committee, Independent Director

Note : Mr. Pornchai Kiatkajornvirat, Senior Vice President, Internal Audit and System Development is the Secretary to the Audit Committee.

Scope of authority and duty of the Audit Committee

The Audit Committee of the Company has the following scopes, duties and responsibilities to perform

1. Review the Company's financial reports to ensure the accuracy and adequate disclosure.
2. Review the Company's internal control and internal audit system to ensure its suitability and effectiveness.
3. Review the operations of the Company to ensure its compliance with the laws and regulations regarding the securities and the stock exchange or other regulations which may relate to the Company's business.
4. Approve the appointment, transfer, and termination of the Head of Internal Audit.
5. Screen, nominate, reinstate and terminate the employment of external auditors including consideration of the appropriateness of the audit fee.
6. Examine and review proper and adequate disclosure of the Company's information with regard to the connected transactions or the transactions which may lead to potential conflicts of interests to ensure its comprehensiveness and accuracy as required by related regulations.
7. Consider and review operational reports of the Internal Audit Department and approve its annual internal audit plan.
8. Supervise the auditors and the Internal Audit Department to have independency in performing their duties.

9. Organize the meetings with auditors, without attendance of any management, at least once a year.

10. Determine key risks of the Company and propose or inform the preventive measures to mitigate such risks to the Board of Directors.

11. Prepare reports on the activities of the Audit Committee to be included in the Company's annual report, such reports must be signed by the Chairman of the Audit Committee.

12. Perform any other tasks as assigned by the Board of Directors, with the approval from the Audit Committee.

Nomination and Compensation Committee

The Nomination and Compensation Committee comprises of 3 directors, which 2 of them are independent directors. The names of the directors of the Nomination and Compensation Committee as at December 31, 2021 are as follows :

Name	Position
1. Mr. Piphob Veraphong	Chairman of Nomination and Compensation Committee and Independent Director
2. Mr. Bundit Pitaksit	Member of the Nomination and Compensation Committee and Independent Director
3. Mr. Adisorn Thananan-narapool	Member of the Nomination and Compensation Committee

Note : Mr. Adisorn Thananan-narapool who is Company's director and a member of the Executive Committee is acting as secretary of the Nomination and Compensation Committee.

Scope of authority and duty of the Nomination and Compensation Committee

1. Establish the policy on the selection and nomination of the Company's directors, subcommittees and senior executives as well as proposing appropriate remuneration to the Board of Directors for approval.

2. Search for and select persons with appropriate qualifications and can provide valuable benefits to the business to replace the directors who retired by rotation or fill in any vacant positions and propose to the Board of Directors for approval including to seek for approvals from the shareholders.

3. Determine the necessary and appropriate remuneration, both in form of cash and non-cash rewards, for the directors and senior executives based on their duties, responsibilities and performances.

4. Report the minutes of meeting which are significant and beneficial to the company to the Board of Directors.

5. Provide explanation or answers to the questions in case of suspicions regarding the Company's policy on the nomination and remuneration of the Company's directors, subcommittees and senior executives at a shareholders' meeting.

6. Perform any other tasks as assigned by the Board of Directors which relate to the significant nominations and compensations.

Risk Management and Sustainable Development Committee

The Risk Management and Sustainable Development Committee consists of 4 members which has one independent director as a Chairman of the Committee. The names of the directors of the Risk Management and Sustainable Development Committee as at December 31, 2021 are as follows :

Name	Position
1. Mr. Bundit Pitaksit	Chairman of the Risk Management and Sustainable Development Committee and Independent Director
2. Mr. Nantawat Pipatwongkasem	Member of the Risk Management and Sustainable Development Committee
3. Mr. Watcharin Kasinrerk	Member of the Risk Management and Sustainable Development Committee
4. Mr. Adul Chuvanichanon	Member of the Risk Management and Sustainable Development Committee

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

1. Consider and establish the risk management policy, guidelines and framework to be proposed to the Board of Directors for approval.

2. Study and assess the potential risks, provide the suggestion for preventive plan and how to mitigate them to an acceptable level. Monitor, evaluate and improve operational plan to ensure that all risks are adequately and properly managed.

3. Promote and support the improvement and development of the Company's internal risk management system consistently and regularly.

4. Coordinate, communicate, and exchange information on all issues related to risks and internal control to the Audit Committee at least once a year.

5. Report the minutes of meeting which are significant and beneficial to the company to the Board of Directors.

6. Perform any other tasks as assigned by the Board of Directors which relate to the significant risk management.

4. The Executives of the Company

As at December 31, 2021, the Company has consists of 7 executives as follows :

Name	Position
1. Mr. Naporn Sunthomchitcharoen	Chairman of the Executive Committee
2. Mr. Adisorn Thananan-narapool	Managing Director (Supports)
3. Mr. Watcharin Kasinrek	Managing Director (Operations; Low Rise Project)
4. Mr. Adul Chuvanichanon	Managing Director (Operations; High Rise Project)
5. Mr. Wit Tantiworawong	Senior Executive Vice President and Chief Finance Officer
6 Mr. Chokchai Walitwarangkoon	Senior Executive Vice President
7. Mr. Nantawat Pipatwongkasem	Senior Executive Vice President

Note : As of January 1, 2022, 2 Managing Directors have retired from their position, Mr. Adisorn Thananan-narapool and Mr. Adul Chuvanichanon. Therefore on February 24, 2022, the Board of Directors shall resolve to appoint Mr. Wit Tantiworawong and Mr. Chokchai Walitwarangkoon to be the Managing Director in replace of the resigned managing directors.

Management's remuneration

1. Remuneration in cash

The remuneration of executives : The Company has criteria to pay the remuneration by linked to the Company's performance, knowledge and capability and Performance evaluation of each person. The remuneration of the executives in year 2020 and 2021 comprises of salary, bonus and other remuneration as follows :

Remunerations	2020		2021	
	Numbers	Total (million Baht)	Numbers	Total (million Baht)
Salary	6	75.75	7	84.85
Bonus*	6	53.65	7	55.23
Total	6	129.40	7	140.08

Note : * Bonus will be paid in January every year

2. Other Remuneration which is not in term of cash as follows:

2.1 The Company has set up the provident funds which the employees will voluntarily contribute the fund

at the ratio of 2-7% of their salaries and the Company will jointly contribute the fund at the rate of 5-7% of their monthly salaries. The registered fund is managed by a licensed fund manager in compliance with the Act of Provident Fund B.E 2530 (1987). In 2021, the Company has contributed the fund for 7 executives in total of 1.3 million Baht.

2.2 The executives shall have other welfare same as the employee in several forms such as medical care, health insurance, annual physical checkups plan categorized by the age, life insurance, allowances for weddings, allowance for funerals of employee's family, uniforms, annual vacation trips and parties as well as discounts on Company's products based on established criteria and conditions.

5. Information about employees

The details of numbers of employees and expenses regarding the employees during 2019-2021 are as follows :

Details of employees	2019	2020	2021
1. Numbers of employees of the Land and Houses Pcl.			
- Management	6	6	7
- Operations	687	683	670
- Support	111	115	108
2. Numbers of employees in the Subsidiaries Companies	819	785	734
Total numbers of employees in the Company and its subsidiaries (person)	1,623	1,589	1,519
*Employees' expense in total (million Baht)	1,937	1,701	1,735
Number of employees who have joined the Provident Fund (person)	1,506	1,425	1,385

Note : * Employees' expense (include those of management) of the Company and its subsidiaries

6. Other significant information

Company's secretary

The Company has appointed Mr. Nantawat Pipatwongkasem, an Senior Executive Vice President, who has appropriate knowledge, qualifications and experiences, as a Company Secretary. A barrister-at-law, holding a law bachelor's degree and an MBA degree from Thammasat University. His roles and duties are to give advice on laws and regulations that the Board of Directors must

be aware of and comply with, to organize meeting of shareholders and Board of Directors in compliance with laws, the Company's Articles of Association and other code of conduct. He shall also record minutes of the meeting, follow up on the implementation of meeting resolutions, contact and communicate with shareholders so that they are all aware of their rights and company news, coordinate with the Board of Directors' activities, as well as arrange archive documents as required by law. The biography of the Company Secretary is stated in Attachment 1.

Head of Company Internal Auditor

The Company has appointed Mr. Pornchai Kiatkajornvirat, Senior Vice President, Internal Audit and System Development who has prompt qualifications, knowledge and abilities and experience and understanding in the business including various systems of the Company and can perform his duties effectively. The biography of the Company Head of Internal Auditor is stated in Attachment 2.

Head of the investment relations

The Company has emphasized on the relationship with the shareholders, investors and analysts so it has appointed Mr. Adisorn Thananan-narapool, Managing Director and Ms. Siribhorn Laophaetkit, Vice President of Budgeting and Investor Relations Department to take care of disclose of Company's information to investors, who are existing shareholders or interested to invest in the future. Including the arrangement of the investor relations unit to be the Company's representative to communicate with the shareholders, investors, and stock analysts which can contact at the Budgeting and Investor Relations Department at the phone number 0-2230-8306 or at e-mail address: investor@lh.co.th.

In the year 2019 - 2021, the Investor relations department has provided information and disclosed Company's information to shareholders, investors and analyst for numbers of time per year as follows :

Type	2019	2020	2021
1. Road show (domestic and international)	13	1	-
2. Analyst Meeting	5	5	5
3. Company Visit	38	1	-
4. Conference Call	15	29	30

Audit Fee

According to the resolution of the shareholders' meeting of 2021, it has approved to appoint the auditor from EY as an auditor of the Company and its subsidiaries. The auditor is independent, has no relationship or interest with the Company and its subsidiaries, executives or major shareholders. In addition, the Company has rotated the auditor not to be an auditor for more than 7 fiscal years consecutively. The auditor when performing duties for 7 fiscal years must be spaced for 5 fiscal years according to the regulations of the SEC office.

Audit Fee in 2020 and 2021 are as follows :

Transaction	2020	2021
Company's audit fee	1,660,000	1,850,000
Subsidiaries' audit fee	2,784,000	2,901,000
Total	4,444,000	4,751,000

other Non-audit Fee

- None -

Report on Key Performance in Corporate Governance

1. Summary of the performance of the Board of Directors in the past year

In 2021, the Board has considered and reviewed the Company's strategy, goals and direction of operation to be appropriate and consistent with the business operation as well as monitoring the implementation of the Company's strategy, compliance with policies, rules, laws and regulations related as well as managing the risk to an appropriate level under the legal framework, objectives and resolutions of the shareholders' meeting with honesty, caution, taking into account the best interests of the company and are responsible to shareholders and to all stakeholders, including promoting good corporate governance to create competitiveness and create value for sustainable business growth. The important actions are as follows :

Nomination, development and evaluation of the Board's performance of duties

(1) Nomination of Directors

The Company has appointed the Nomination and Compensation Committee which comprising of more than half of independent directors, to responsible for considering, selecting and screening the nominated persons to select and propose to be appointed as the Company's director by taking into account the appropriate number and composition of the Board of Directors, qualifications and must not have any prohibited characteristics according to the Company's requirements. which will be presented to the Board of Directors to propose to the general meeting of shareholders for consideration and approval.

For the year 2021, the Company has 3 directors retiring by rotation namely. Mr. Nantawat Pipatwongkasem, Mr. Achawin Asavabhokhin and Mr. Watcharin Kasinrer. Thus the Board of Directors has resolved to propose in the shareholders' meeting to re-appoint these three directors as proposed by the Nomination and Compensation Committee. These three nominated person have undergone through the process of screening including careful consideration by the Nomination and Compensation Committee and the Committee has considered that all three persons have full qualifications under the Public Limited Companies Act, and be qualified with knowledge, ability and experience in business related to the Company's operations and clear working history, able to help developing the Company very well.

In order to promote corporate governance in accordance with good corporate governance principles and to show fair and equitable treatment to all shareholders, therefore the Company has given the rights to shareholders to nominate a person who has considered the qualifications and knowledge and skills appropriate to be elected as the Company's director in advance before the Annual General Meeting of Shareholders which will be held annually. This year, no shareholder nominated any person to be elected as a director.

(2) Executive Recruitment

For the case that the top management or senior management is unable to perform duties, the Company has a succession plan by providing executives at the secondary level acting until the recruitment and selection of persons who meet all the qualifications according to the law, possesses of knowledge and vision suitable for the Company through screening from the Executive Committee which will be proposed to the Nomination and Remuneration Committee for approval and propose to the Board of Directors for further consideration and approval. In case that the top management or senior executives retired, the Company has a succession plan by voluntary renewal with a term of office 3 - 5 years or promotion of the appropriate deputy executives took up the position instead.

(3) Development of Directors and Executives

The Company has a policy to develop its personnel potential continuously in order to enhance knowledge and ability to keep up with the ongoing competitive business. In 2021, the Company has sent 3 executives to study long-term projects such as Master in Business Administration Courses, Executive MBA and Master of Public Administration Program, Members of the Committee were lecturers to provide knowledge and receive training courses as follows :

- Mr. Naporn Sunthornchitcharoen as a speaker for the council of Engineers to describe the topic of "Opportunities and challenges of medium-sized contractors and private sector work" on December 8, 2021 via electronic media.
- Mr. Watcharin Kasinrer attended the course "Successful Formulation & Execution of Strategy (SFE)" No. 35 - 2021 organized by IOD during June 24 - 25, 2021 through electronic media and is a special lecturer in lectures subject "Brand Strategy" to the master degree program in Marketing, Chiang Mai University on January 23, 2021 via electronic media.

(4) Evaluation of the performance of the Board of Directors

The Company has the policy to provide the Board of Directors with a performance appraisal at least once a year to help the Committee to have a review of the work issues, and any obstacles during the past year and to increase the effectiveness of the Committee in accordance with the principles of good corporate governance.

In this regard, in 2021, the Company has further revised the criteria for evaluating the performance of the directors in order to comply with the CG Code guidelines set by SEC. For example, the additional criteria that have been added to the performance appraisal of the Board of Directors for the Year 2021 such as

- The Board has given importance and sufficient time to consider important matters relating to the Company's sustainability strategy.
- The Board has given importance and sufficient time to consider or to review the Company's policy on key Risk in Company's operation(Key Risk) and Sustainability Risk (ESG Risk).
- All directors have attended training courses or seminars that enhances their knowledge in the past year, such as business related training courses, sustainable business operational course, Insider Information Prevention Course, and Courses on conflict of interest prevention etc.

The Company's secretary will submit the performance appraisal form of the Committee to all directors to evaluate the annual performance assessment, both individually and in groups, which after each director has

completed the assessment, the form will be sent back to the Company's secretary to collect the evaluation scores of each director and summarize the results of the analysis of the performance assessment of the Board of Director for the year and to report to the Board of Directors to consider in order to achieve the objective stated above. In 2021, the results were assessed at the Board of Directors' Meeting No. 5/2021 on December 23, 2021. The evaluation criteria would be calculated as a percentage of the full score for each item. If the score is higher than 85% = Very good, the range of 75 - 85% = Good, the range of 65 - 75% = quite good, the range of 50 - 65% = fair and less than 50% = should improve

The Performance appraisal of the Board of Directors is divided into 2 types as follows

- Evaluation of the performance of the whole committee by assessed in various aspects : (1) the structure and qualifications of the Board of Directors (2) the roles, duties and responsibilities of the Board of Directors (3) the Board meeting (4) the performance of the directors (5) the relationship with the management (6) Director's self-development and executive development The average performance evaluation of the entire committee for 2021 is 98%.

- Evaluation of the performance of individual directors by assessed in various aspects : (1) the readiness of the directors (2) strategy formulation and business planning (3) risk management and internal control (4) preventing conflicts of interest (5) monitoring financial and operating reports (6) board meetings (7) other issues. The average individual committee performance evaluation for 2021 is 99%.

Meeting attendance and remuneration of individual committees

(1) The Board of Directors' meeting and the Sub-committee meeting in the year 2021 can be summarized as follows :

Name of Directors	Meetings in the year 2021				
	Board of Directors	Executive Committee	Audit Committee	Nomination Committee	Risk management Committee
1. Mr. Naporn Sunthornchitcharoen	5 / 5	12 / 12	-	-	-
2. Mr. Pakhawat Kovithvathanaphong	5 / 5	-	6 / 6	-	-
3. Mr. Adisorn Thananan-narapool	5 / 5	12 / 12	-	2 / 2	-
4. Mr. Nantawat Pipatwongkasem	5 / 5	-	-	-	2 / 2
5. Mr. Piphob Veraphong	5 / 5	-	6 / 6	2 / 2	-
6. Mr. Bundit Pitaksit	5 / 5	-	6 / 6	2 / 2	2 / 2
7. Mr. Achawin Asavabhokhin	5 / 5	-	-	-	-
8. Mr. Watcharin Kasinrek	5 / 5	12 / 12	-	-	2 / 2
9. Mr. Adul Chuvanichanon	5 / 5	12 / 12	-	-	2 / 2
10. Mr. Wit Tantiworawong	-	12 / 12	-	-	-
Total of the meeting in 2021	5	12	6	2	2
% of attendance	100%	100%	100%	100%	100%

(2) Remuneration of each Director

Monetary compensation

The Company has set the policy on remuneration for the Managing Director and directors clearly. The directors' remuneration is set appropriately with the Company's duties and also has a Nomination and Compensation Committee to consider and screen and propose to the Board of Directors for consideration by considering the suitability of various factors, including considering the size, business expansion, company's profit growth and the Company's compensation will be set at the same level as the same industry. The directors' remuneration has been approved by the

shareholders' meeting every year. The remuneration is paid in the form of monthly payments, bonuses and meeting allowances for the year 2021 as follows :

1. Monthly remuneration
 - Chairman 120,000 Baht / person/ month
 - Director 70,000 Baht / person/ month
2. Meeting allowances paid by the meeting
 - Chairman 40,000 Baht / person/ time
 - Director 30,000 Baht / person/ time

However, executive directors shall not receive meeting allowances.

Details of remunerations paid to each director are as follows :

Name	Directors' remuneration in 2021 (Baht)							Total
	Yearly Remuneration	Bonuses	Meeting allowance Board of Directors	Meeting allowance Audit Committee	Meeting allowance Nomintion Committee	Meeting allowance Risk Management		
1. Mr. Naporn Sunthornchitcharoen	1,440,000	1,620,000	-	-	-	-	3,060,000	
2. Mr. Pakhawat Kovithvathanaphong	840,000	945,000	150,000	200,000	-	-	2,135,000	
3. Mr. Adisorn Thananan-narapool	840,000	945,000	-	-	-	-	1,785,000	
4. Mr. Nantawat Pipatwongkasem	840,000	945,000	-	-	-	-	1,785,000	
5. Mr. Piphob Veraphong	840,000	945,000	150,000	150,000	80,000	-	2,165,000	
6. Mr. Bundit Pitaksit	840,000	945,000	150,000	150,000	60,000	80,000	2,225,000	
7. Mr. Achawin Asavabhokhin	840,000	945,000	150,000	-	-	-	1,935,000	
8. Mr. Watcharin Kasinrek	840,000	945,000	-	-	-	-	1,785,000	
9. Mr. Adul Chuvanichanon	840,000	945,000	-	-	-	-	1,785,000	
Total	8,160,000	9,180,000	600,000	500,000	140,000	80,000	18,660,000	

Non-monetary remuneration

Other benefits that provided to the Company's directors are Insurance protects the liability of directors and executive officers of the Company including the expenses for attending seminars and training courses of IOD and other related institutions.

Supervision of operations of subsidiaries and associated companies

The Company supervises the operations of its subsidiaries and associated companies by appointing the executives who have knowledge and ability with the appropriate experiences to be the directors in the subsidiaries and associated companies. In such case that the

subsidiary or the associated company have important matters such as approval of capital increase or capital reduction, the dissolution of the subsidiary etc. these matters must receive approval from the Board of Directors every time. There is also a supervision to ensure that the operation is transparent and supervise the subsidiaries and associated companies to comply with the regulations on connected transactions, acquisition or disposal of assets including the preparation of financial statements with accuracy and transparency.

Monitoring to ensure compliance with corporate governance policies and practices

The Company emphasizes importance and promotes good corporate governance principles. The operations are

in line with the principles of good corporate governance for the listed companies in year 2012 and the principles of good corporate governance for listed companies in 2017 or CG Code. The Company Board of Directors has established a corporate governance policy of the Company as written and approved the said policy including set the criteria to review at least once a year. In addition, the Board of Directors has reviewed the application of the Good Corporate Governance Principles (CG Code) to be adapted to suit the business context. In 2021, the Board of Directors has jointly considered and reviewed the principles in the Board of Directors' meeting No. 5 / 2021 held on December 23, 2021 and has recorded it as part of the Board's resolution for improvement guidelines or additional substitute measures for what the Company has not yet complied with in accordance with the CG Code as detailed in this regard under the topic "6.4 Significant Changes and Developments in the Corporate Governance Policy, Practice and System in the Past Year". Furthermore, the Company has established various important regulatory policies as follows :

(1) Prevention of Conflicts of Interest

The Board of Directors determines the tools for management to ensure that the Company has an efficient and transparent business management for the utmost interests of shareholders. The Company has established the measures to eliminate conflicts of interest as follows :

The Board of Directors has considered items that may have conflicts of interest or connected transactions or appropriate related transactions under the framework of the good ethics which is screened by the Audit Committee and ensuring that they are compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as disclosing the information about the transactions that may have conflicts of interest to the public. The Company has set a policy, regulations and the process of approving transactions that may have conflicts of interest for executives, employees and related parties to adhere to. The key principles are :

1. Any transactions that directors, employees or connected persons have related benefits in doing such transaction with the Company, such directors or employees are prohibited from participating in the approval of the transaction and the price must be set appropriately as same as a transaction with a normal third party.

2. In setting the price, to avoid conflicts of interest, the price used must be fair, reasonable price and in accordance with general trading conditions.

3. Compliance with the rules prescribed by the Stock Exchange of Thailand in doing connected transactions, the connected transactions must be presented to the Audit Committee for consideration and opinion before submit for approving from the Board of Directors in accordance with the principles of good corporate governance.

4. Disclosure of such transactions that may have conflicts of interest or connected transactions or related-party transactions in accordance with the rules prescribed by the office of SEC/SET requires disclosure in the annual registration statement (Form 56-1) and the annual report including the disclosure of such related party transactions in the financial statements as stipulated by accounting standards.

However, in 2021, the Company did not find any significant conflicts of interest and has disclosed all transactions that may have conflicts of interest or connected transactions under the topic "9.2 Related Party Transaction".

(2) Prevention of use of inside information

The Company has a clear policy regarding the proper use of authority through several channels including good corporate governance, Company's Code of Conduct, various announcements from the Office of SEC or related agencies, internal communication, organizational culture, etc. so that employees at all levels are aware of the equal treatment of shareholders without seeking benefits from the inside information.

The Company has established measures to prevent the use of inside information for the benefit of directors and executives by informing everyone of their roles and obligations to report their securities holdings, their spouses and minor children who hold the Company's securities and acknowledge the preparation of a report on the change of securities holding every time there is a purchase, sale, transfer or acceptance of transfer of securities within 3 business days after the date of purchase, sale, transfer or acceptance of transfer of securities as prescribed by the Office of the Securities and Exchange Commission and must copy the above report to the Company's Secretary to collect and propose to the Board of Directors' meeting every time which is set as the agenda for the meeting to acknowledge the report of securities holding.

In the past year 2021, the Board of Directors and executives have been strictly followed the abovementioned rules so there was no cases of violation or non-compliance with insider trading rules.

(3) Anti-Fraud and Anti-corruption

The Company has an anti-corruption policy and prohibits the payment of any bribes. By stipulating principles in the Code of Business Conduct that prohibiting any employees from demanding benefits or avoiding receiving any assets that incentivize them to act or neglect to act in a wrong way or may cause the Company to lose its legitimate interests or do not take any actions that may cause the conflicts of interest to the organization for commercial benefits for themselves or their partners or refrain from any illegal or unlawful actions against their position. The Company has disseminated the business ethics to employees thoroughly and was aware of the performance of duties on a regular basis.

Guidelines for supervision and control of the risk of corruption and performance monitoring and evaluation are as follows :

1. Preventive measures through organization structure to be appropriate for management and control. The Company's structure strengthens the organization's transparency and effective, in line with the goal, nature of business, by using the principle of segregation of duties. There is an appropriate balance of power and separation of duties. Establish a clear working process and chain of command in each department. The structure of organization which has an organizational culture emphasizing morality and ethics. By having a mechanism for regular monitoring and evaluation of performance including the adequate communication and training for employees. The guidelines are communicated through various channels such as Company's intranet and on the Company's website.

2. Prepare the Code of Conduct for Executives and employees as a written policy, enhance compliance with the code of conduct, provide the communication through various channels including the Company's intranet and website, including planning for proper follow up and assessment of the Code of Conduct properly.

3. The process for assessing the risks associated with the corruption within the Company and assess the implementation of the policy through the internal control according to COSO form at the Board level, the internal control assessment at the department level and the working mechanism of the Risk Management and Sustainable Development Committee and the Company's internal control Division.

4. Supervision at the department level, the Head of the department shall evaluate the internal control, risk from corruption at the department level and set up the

effective and efficient internal control system to cover any loopholes that may cause corruption. Review the suitability of the system and continually improve the system, control and monitor the operations of their units and assign supervisors at each level to control and investigate fraudulent actions and errors arising from operations.

5. The internal Audit Department performs audits for compliance with the work systems' rules and regulations. Compliance with the Code of Conduct, assess the risks of corruption including the early warning signs, assess the adequacy of the internal control system in preventing, monitoring and detecting the risks of corruption by reporting the results of the audit at least once a quarter.

6. Through the working mechanism of the Risk Management and Sustainable Development Committee to continuously test and assess the risks of fraud and corruption and present the results of the assessment report to the Board of Directors.

7. Provide the channels for reporting any violations or witnessing fraud and corruption and provide measures to protect and mitigate damage to the reporters, complainants or those who cooperate in such reporting. Details are shown under the topic "8.1.4 (4) Whistleblowing".

8. In the event of an incident of wrongdoing, information from audit, complaint and there are evidence that should be believed that there is a real transaction of wrongdoing, to investigate the fraud and corruption, the Company will establish a temporary special investigation team to provide justice to the accused and provide appropriate protection to the whistleblower.

9. Use the case of an offense found as a case study to find a preventative approach and methods of checking to find the cause of actions including educating employees at supervisor level to prevent corruption occurring in the organization.

New employees are informed of guidelines for good behavior standards and employee code of conduct on their first day of work and through the orientation of new employees. The Company also provide an inhouse training for Assistant Managing Directors, Executives (Operations), Executives (Supports), Senior Managers and Department Managers about the tools and how to use such tools to track risks so that all the executives and management can use them effectively to monitor and assess risks.

In the year 2021, the Company has no legal disputes related to corruption cases whether in the process of being investigated, prosecuted or judged by the Court.

(4) Whistleblowing

The Company has a policy to protect all groups of stakeholders by setting up measures for whistleblowing and mechanisms to protect the informers to accept the complaints in the event of violations of rights from illegal acts or code of conduct, comments or any suggestions including behaviors that may imply corruption or misconduct of individuals in the organization both the company's employees and other stakeholders. The Company has disclosed the process and whistleblowing channels on the Company's website and the annual report. In this regard, the informer can directly submit the report to the Chairman of the Audit Committee through the following channels.

- E-mail : Auditcommittee@lh.co.th
- Submit by post to the Chairman of the Audit Committee ; No.1, Q House Lumpini Building, 37-38 floor, South Sathorn Road, Thungmahame, Sathorn, Bangkok 10120.

For employees, the Company provides a direct channel to contact with the Head of Internal Audit or the Management to report the complaints or in the case that encountering a matter that may be an offense or a violation of ethical conduct which may affect employees, other stakeholders and the company. The company has a process to deal with complaints from employees including measures to protect employees who complain, investigating facts for fairness to all parties by considering whether the employee's complaint is considered an offense or not, and the level of fault to determine the penalties for the wrongdoing with a department or fact-checking team and summarize the details of the matter to report to the Audit Committee for further consideration.

The Company has established guidelines for the protection of whistleblowers by giving importance to collecting information and identity of the whistleblower or the complainant and the accused are confidential and will only disclose the necessary information to the designated persons, taking into account safety and the damage of the informant or related persons in order to build confidence for the complainant. The audit committee or independent director is the recipient of the complaint. and report to the Board.

2. Report on the performance of the Audit Committee in the past year

The Audit Committee consists of all 3 independent directors. In 2021, a total of 6 meetings were held with 100%

of directors attending the meetings. The Committee has performed their duties well and completely as stipulated in the Audit Charter. Summary of the works that the Audit Committee has performed in the past year are as follows :

1. Review to ensure that the company has complete and accurate financial reports. and disclosed in a timely manner.
2. Consider the company's major risks, assess the adequacy of the control system, Information and Communication Systems and a monitoring and evaluation system whether it complies with the international standards of COSO.
3. Review the Company's performance to comply with relevant laws and regulations.
4. Consider the disclosure of the Company's information whether the Company has connected transactions. or items that may have conflicts of interest to be accurate and complete and in accordance with the relevant rules and regulations.
5. Consider and review the quarterly report on the performance of the Internal Audit Department. including considering and approving the annual internal audit plan.
6. Arrange a meeting with the Company's auditor without the management attending 1 time in the meeting No. 5/2021 by listening to the working conditions of the auditors. exchange of ideas, take note of important observations and suggestions so as to present to the Board of Directors for acknowledgment and review according to the issues suggested by the auditors.
7. Consider the selection and nomination of the Company's auditors including considering the appropriateness of the audit fees.
8. The Audit Committee annually assesses itself.

After every meeting of the Audit Committee, the Chairman of the Audit Committee shall summarize the meeting's opinion to present to the Board of Directors for acknowledgement or for further consideration. In addition, the Audit Committee also recognizes and emphasizes to compliance with the principles of good governance. It has been set as one agenda for the Audit Department to present news, rules or regulations related to the corporate good governance that may be changed or added in each quarter, including to set an agenda for annual assessment of the Company's approach with the CG Code before presenting it to the Board of Directors for consideration and review again.

3. Summary of the performance of other sub-committee

Performance of the Nomination and Compensation Committee

The Nomination and Compensation Committee consists of 3 directors, of which 2 of them are independent directors. In 2021, a total of 2 meetings were held with 100% of the directors attending the meeting. Summary of the work of the Nomination and Compensation Committee has operated in the past year are as follows :

1. Consider allocating bonuses to directors for the year 2020.
2. Consider nominating new directors to replace those retiring by rotation. and proposed to the Board of Directors' meeting for consideration before proposing to the Annual General Meeting of Shareholders No. 1/2021.
3. Consider and determine the amount of remuneration for directors for the year 2021 and propose to the Board of Directors' meeting for consideration before proposing to the Annual General Meeting of Shareholders No. 1/2021.
4. Consider the allocation of monthly compensation and meeting allowances of the various committees for the year 2021 and proposed to the Board of Directors' meeting for consideration.

Performance of the Risk Management and Sustainable Development Committee

The Board of Directors emphasizes great importance to the risk management. The Company has determined and assessed the risks of its business and set the measures to prevent and manage the risks including the risk that affected the operations of the Company as stated in the section "Risk Factors". In addition, the Company has established the Risk Management and Sustainable development Committee and has set the scope of duties and responsibilities clearly defined in the Risk Management Committee's Charter which was approved by the Board of Directors. The Company has established policies for monitoring and managing risks as follows :

1. The Board of Directors, executives, all employees and all units are the owners of the risks. So they all have responsible to conduct, assess, monitor and support effective risk management processes
2. The Business Unit of the Company must have a management and risk management process as well as systematic and continuous evaluation and follow up. The processes need to be adjusted to accommodate changes in the business at least once a year.

3. Make risk assessments part of all departments' annual plans by considering all risks covering the entire organization considering both internal and external risk factors Including requiring risk management and creating appropriate warning signs.

4. Risk Management and Sustainable Development Committee is responsible for monitoring risk management and presenting opinions to the Board of Directors.

5. Create an organizational culture that fosters mutual understanding and awareness of risks by building a knowledge base because the Company believes that the risk can be mitigated or acceptable when executives or officers in all departments are aware of the damage that will follow. Therefore, the Company aims to develop databases both inside and outside the organization by investing in IT and implementing modern technology so that employees at all levels have access to information, share their experiences which will lead to the development and improvement of the risk management process to be effective.

The Risk Management and Sustainable development Committee consists of 4 directors of which one is an independent director and is a Chairman of the Committee. In 2021, a total of 2 meetings were held with 100% of directors attending the meeting. Summary of the works that the Risk Management Committee has performed in the past year as follows :

1. Follow and monitor key risk factors covering all 4 areas: strategic risk, operational risk, financial risk and compliance risks with regulations and laws. The meeting was held with the Audit Committee and the risk management results were reported to the Board of Directors.

2. Follow up and supervise the sustainable development of the organization. The sustainability management policies and goals have been set covering economic, social and environmental dimensions by making a plan to reduce the use of resources, increase the use of renewable energy, promote the development of innovative products and services by convening a meeting with the Environmental and Energy Management Working Group and the plan has been reported to the Board of Directors for the Board of Directors to consider the plans and approve before being put into practice throughout the organization

3. Continued the operation from the previous year on the protection of personal data (Personal Data Protection Act) by meeting with the working group and a consulting company, Deloitte Touche Tohmatsu Chaiyos, to monitor the progress of the work system that has been implemented. as well as continual planning throughout the year, such as planning to monitor the work of employees at the project and making contracts for the relevant departments to sign, etc.

Internal Control and related transactions



1. Internal Control and Risk Management

The Board of Directors and executives are responsible for the efficiency of the internal control system including the review and follow up on a regular basis to increase efficiency and reduce losses from business operations in ever-changing conditions, both from internal factors, external factors, rules and regulations from the government or even the person involved in the organization. All of them are risk factors for all businesses. Therefore, the management of internal control and risk management is of the utmost importance that the Board of Directors always emphasizes and aware by requiring all departments of the company must take into account internal control and risk management to cover all aspects such as administration and resource management of the company, accounting – finance, Human Resources Management, Procurement, information systems and data communication and legal to avoid serious damage and / or disputes arising out of infringement and acts against the Company or third parties which may lead to civil and criminal prosecution. The Company operates through various channels as follows :

1. Through the organization structure The Organization structure is designed in accordance with the nature of the work and clearly define the scope of powers and duties to provide flexibility and speed to work under international constraints such as the establishment of a Board of Directors who takes care of the policy supervisor and responsible for all those involved in the company. The management team is responsible for the business

results according to the goals set. The sub-committees are the Audit Committee, Risk Management and Sustainable Development Committee, Nomination and Compensation Committee who responsible for the tasks assigned by the Board of Directors. Divisions whose work is divided clearly into operations and support which has been established appropriately and sufficiently for operations. This is to achieve good management on supervision and balance of power among the practitioners of each division and /or each party, including oversee the overall risk management process to an acceptable level.

2. Through the Audit Committee The Board of Directors has assigned 3 audit directors to supervise, monitor and consider the suitability and sufficiently of the internal control system due to the ever-changing conditions. This makes it necessary to be assessed annually and the results will be reported directly to the Board of Directors.

In each year, the Audit Committee will meet with the external auditor of the Company which is EY Office Limited and internal auditors on a regular basis at least once a quarter to follow up and inquire about the Company's internal control system which was clarified that no significant deficiencies were found in the Company's internal control system.

At the Board of Directors Meeting No. 5/2021, dated December 23, 2021, the Board of Directors received a preliminary report from the Audit Committee regarding the assessment of the sufficiency of the internal control system for the year 2021, it is of the view that the Company

has an internal control system that is sufficient and appropriate to the current situation which has adopted the framework of internal control assessment according to the assessment form of the Securities and Exchange Commission. Such scope covers all 5 elements, namely, the environment within the organization, risk assessment, control activities, information and communication system, and the monitoring and evaluation system as defined by the international standards of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) which the Board of Directors has considered and agreed with the proposed by Audit Committee.

At the department or division level, the company has applied the self-assessment system for the operations of various departments which will be done annually in order to review its operations and develop various work systems to make the internal control more efficient and effective and encourage continuous development.

3. Through the Risk Management and Sustainable Development Committee Which consists of independent director, managing director and top management in related departments. The Company prioritize the importance on sustainable development which covers in 3 dimensions namely: environmental dimension, social dimension and dimension of good corporate governance.

The working group conducts risk assessments at all levels of the organization which covers strategic risks, Operational risk, financial risk ,Liquidity risk, investment risk, and regulatory and legal risks by assessing, analyzing and prioritizing risks, determine guidelines and strategies for risk management in each matter. The Company has managed to deal with high, medium, low risks, respectively, which has been carried out continuously from the past to the present to manage the company's corporate risks to an acceptable level at reasonable costs.

The Company has established a system to monitor and report on risk management results regularly, promptly and timely. The management has a risk monitoring process through the Risk Monitor Tools in the form of Computer Based on the company's EIS system. The system will be updated every month and will report it to the risk owner for use in monitoring, analyzing, evaluating and managing risks. The Company holds meetings to monitor risk management results at least twice a year.

In addition, because the Board of Directors has realized and given importance to sustainable development,

therefore, the Risk Management and Sustainable Development Committee has been assigned to establish guidelines and frameworks for sustainable operations and planning for the preparation of sustainable development reports as a guideline for the implementation of the Company's sustainable development process which is considered an important mechanism for achieving success in business operations.

4. Through the creation of the organization's culture. To create immunity for the organization and to lay a good foundation in the long run through a mechanism known as Corporate's culture by using personnel as a template to connect including training, cultivating company ethics and code of conduct, transmission of good consciousness from top to bottom, providing continuous Dharma practice for both employees and their families and generosity towards one another from generation to generation The company believes that there is no system at the best all the time but to have personnel who think good, do good, and have a high awareness of their duties and responsibilities. All of these can be sustained when the corporate culture is strong. However, in 2021, due to the epidemic situation of the coronavirus disease 2019 (COVID-19) the company refrained from organizing meditation activities.

The Audit Committee has supervised the Internal Audit and System Development Department to operate independently, fairly and with good ethics. The person holding the position of Chief Audit Executive (CAE) is Mr. Pornchai Kiatkajornvirat, Senior Vice President of Internal Audit and System Development. The Audit Committee is of the opinion that Mr. Pornchai Kiatkajornvirat is qualified with knowledgeable, experience and understanding of business including knowing various systems of the company as well and able to perform their duties efficiently. However, the consideration for the appointment, transfer, and dismissal of the Company's Chief Internal Auditor must be approved by the Audit Committee.

2. Related-party Transactions

The Company and its subsidiaries had business transactions with related persons or entities which may create potential conflict of interests as follows : (For details, please see in the “Notes to the Financial Statement”).

Individual / juristic Person	Relationship (as of Dec 31, 2021)	Nature of transaction	Value (MB)			Opinions of Audit Committee
			2019	2020	2021	
Quality Construction Product Plc. (Q-CON)	<ul style="list-style-type: none"> - Land and Houses Plc. (LH) is the major shareholder of Q-CON holding shares of 21.16% of total shares sold of Q-CON - One common Director serve on the Board is Mr. Naporn Sunthornchitcharoen 	<ul style="list-style-type: none"> - LH purchases construction materials from Q-Con - Goods purchased - Account Payable - Dividend received 	37	28	28	<ul style="list-style-type: none"> - Terms and prices were done as normal business practices and comparable to other outsiders. - Dividend received were in proportion to the Company’s holding and at the same rate as paid to other shareholders.
Home Product Center (HMPRO)	<ul style="list-style-type: none"> - LH is the major shareholder of HMPRO holding shares of 30.23% of total shares sold - 2 Co-directors serve on the Board, Mr. Naporn Sunthornchitchoen and Mr. Achawin Asavabhokin 	<ul style="list-style-type: none"> - The Company and its subsidiaries purchase decorated items from HMPRO - Goods purchased - Account Payable - Other Payable - Dividend received 	65	32	38	<ul style="list-style-type: none"> - Terms and prices were done as normal business practices and comparable to other outsiders. - Dividend received were in proportion to the Company’s holding and at the same rate as paid to other shareholders.
Quality House Leasehold Property Fund (QHPF)	<ul style="list-style-type: none"> - LH is a major shareholder of OH at 24.98% - OH is a major shareholder of QHPF at 25.66% - LH and OH have 3 common directors who are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool and Mr. Achawin Asavabhokin 	<ul style="list-style-type: none"> - LH and its subsidiaries rented the building space from QHPF for using as their head office - Rental and services fees - Advance Payment - Lease Liabilities - Dividend received 	74	73	75	<ul style="list-style-type: none"> - The rental fees were comparable to the rate which QHPF charged from its other customers. - Dividend received were in proportion to the Company’s holding and at the same rate as paid to other shareholders.
Land and Houses Bank Plc, (LH Bank) %shareholding calculated from the total paid up capital less buy back shares	<ul style="list-style-type: none"> - LH is the major shareholder of LH Financial Group Plc. (LHFG) at 21.88% Which LHFG holds 99.99% in LH Bank and LH Fund. - Quality Houses Plc., an associated company of LH, holds 13.74% of shares in LHFG - One common Director serve on the Board is Mr. Naporn Sunthornchitcharoen 	<ul style="list-style-type: none"> - LH and its subsidiaries had savings, current, fixed deposit and also Fixed Deposit Note with LH Bank - Interest Income - Interest Accrued - Dividend received 	3,366	4,874	8,197	<ul style="list-style-type: none"> - All the deposits were treated as normal business practice and the interest earned was of the same rates as other companies received from it. There was no obligation for the deposits. - Dividend received were in proportion to the Company’s holding and at the same rate as paid to other shareholders.
Land and Houses Fund Management (LH Fund)		- Fund in investment	-	1,001	-	- Return as the same rate as other investors.

Individual / juristic Person	Relationship (as of Dec 31, 2021)	Nature of transaction	Value (MB)			Opinions of Audit Committee
			2019	2020	2021	
Quality Houses Plc. (QH)	<ul style="list-style-type: none"> - LH is the major shareholder of QH with 24.98% - LH and QH have 3 common directors who are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool and Mr. Achawin Asavabhokin 	<ul style="list-style-type: none"> - Dividend Received 	562	455	294	<ul style="list-style-type: none"> - Dividend received were in proportion to the Company's holding and at the same rate as paid to other shareholders.
Siam Retail Development Co., Ltd. (SRD) and LH Mall and Hotel Co., Ltd. (LHMH)	<ul style="list-style-type: none"> - Mr. Anant Asavabhokhin holds 23.93% in LH and is also a major shareholder in SRD by directly holds 27% and indirectly holds 13% in SRD. - LHMH is a subsidiary 99.99% held by LH 	<ul style="list-style-type: none"> - LHMH was hired to be the consultant and marketing and selling management to SRD for 3 years from March 1, 2017 to February 29, 2000 in the serviced value not exceed 200 million Baht and also had a MOU enclosed with the contract which effective from June 1, 2019 to February 29, 2020 for the additional value from the existing contract to be in total value not exceeding 60 million Baht. And in year 2020, there was a new contract. For 3 years from March 1, 2020 to February 28, 2023 in total value of 450 million Baht (Excluding VAT) to manage the 4 shopping malls which are Fashion Islands, The Promenade, Terminal 21 Korat and Cherry Mall. - LHMH was hired as a consultant to renovate the space and manage the sales in the area of the zone of stores which has been renovated to SRD for 1 year and 8 months starting from July 1, 2018 to February 29, 2020 for the value of total not exceed 50 million Baht. - Real Estate Management Fee - HR Management Fee - Trade Receivables 	98	83	76	<ul style="list-style-type: none"> - The Board of Directors' meeting on February 28, 2017 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion. - The Board of Directors' meeting on August 14, 2019 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion. - The Board of Directors' meeting on August 14, 2018 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion. - The Board of Directors' meeting on February 27, 2020 was of the opinion that the transactions and their terms were normal business practices and the Audit Committee also shared the same opinion.
			1	1	1	
			21	16	18	

Individual / juristic Person	Relationship (as of Dec 31, 2021)	Nature of transaction	Value (MB)			Opinions of Audit Committee
			2019	2020	2021	
Quality House Leasehold Property Fund (QHPF) and LH Mall and Hote Co., Ltd. (LHMH)	<ul style="list-style-type: none"> - LHMH is a subsidiary 99.99% held by LH - LH is a major shareholder of QH, holding 24.98% - QH is a major shareholder of QHPF, holding 25.66% - LH and QH have 3 common directors who are Mr. Naporn Sunthornchitcharoen, Mr. Adisorn Thananan-narapool and Mr. Achawin Asavabhokin 	<ul style="list-style-type: none"> - LHMH was hired to manage the retail space in Life Center for QHPF for 3 years, starting from January 1, 2020 to December 31, 2022 - Property Management Fee - Human Resources Management Fee - Other Receivables 	4	3	2	- Terms and prices were done as normal business practices and comparable to other outsiders.
			3	3	3	
			2	1	1	

Necessity and Reasonableness of the related party transactions

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

Measures or Procedures of approving the related party transactions

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

Policy or trend of Related- Party Transactions

The Company has set a policy to conduct any existing related-party transactions in the future by setting up various conditions to keep all transactions to be in

accordance with the ordinary course of business operations at the market prices which can be compared with those incurred with any outsiders. In any case, the Company will have the Audit Committee, its auditor or independent experts to consider, examine and provide any comments on the appropriateness of the price and the reasonableness of the transaction.

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

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

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

Section 3

Financial Statement



Independent Auditor's Report

To the Shareholders of Land and Houses Public Company Limited

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Land and Houses Public Company Limited and its subsidiaries and of Land and Houses Public Company Limited as at 31 December 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 period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Revenue recognition from sales of real estate

Revenue from sale of real estate is a significant amount in the statements of income and it is a key performance indication in the real estate industry on which the financial statements' users focus. In addition, the Group has a significant number of property units for sale and sale agreements. I have therefore focused on the audit of the actually occurring and timing of revenue recognition.

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

- Assessing and testing the effectiveness of the Group's IT general controls and internal controls with respect to the cycle of revenue from sales of real estate by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

- Applying a sampling method to select land sale agreements and condominium sale agreements to assess whether the revenue recognition was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions of revenue from sale throughout the period.

Allowance for diminution in value of real estate development costs

Estimating the net realisable value of real estate development costs, as disclosed in Note 4.4, Note 5 and Note 9 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of real estate development costs. This requires detailed analysis of the nature, circumstances and life cycle of real estate development projects, and the competitive environment and economic circumstances. Therefore, there is a risk that the allowance for reduce cost to net realisable value of real estate development costs will be inadequate.

I evaluated and gained an understanding of the management's determination of the allowance for diminution in value of real estate development costs by :

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of real estate development costs, and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowance for diminution in the value of real estate development costs.
- Comparing the holding periods of the real estate development projects and their movements with indicators of lower than normal turnover.
- Reviewing gross profit margin of real estate development projects which had actual sales during the year and the transaction after the date of the financial statements.
- Comparing real estate development costs with no actual sales occurring during the year and the latest sale transaction, or the transaction after the date of the financial statements in order to consider the adjustment of real estate development costs by the management to the net realisable value.

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.



Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 24 February 2022

Statement of financial position

Land and Houses Public Company Limited and its subsidiaries 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	6, 7	10,330,967,402	7,112,929,565	8,798,298,557	5,654,828,958
Trade and other receivables	8	169,903,073	187,009,761	231,014,029	75,528,580
Short-term loans to related party	6	594,642,734	-	5,645,323,620	6,266,180,520
Inventories	9	47,255,983,260	52,893,101,890	39,296,819,419	45,282,764,492
Advance payment for constructions		772,584,812	529,536,166	231,273,232	254,201,584
Deposits for purchase of land and others		479,748,633	569,622,809	475,033,289	564,940,801
Cost to obtain contracts with customers	10	83,665,768	141,445,998	83,665,768	141,445,998
Other current financial assets	6, 11	74,607,414	1,459,306,334	44,607,414	1,429,306,334
Other current assets		702,073,738	462,040,366	209,724,725	79,197,583
Total current assets		60,464,176,834	63,354,992,889	55,015,760,053	59,748,394,850
Non-current assets					
Restricted bank deposit	12	11,184,065	10,773,015	-	-
Other non-current financial assets	13	3,873,881,338	4,418,783,997	2,669,408,406	3,020,440,116
Investments in subsidiaries	14	-	-	6,576,760,516	6,802,945,465
Investments in associates	15	24,226,612,758	23,963,609,599	24,226,612,758	23,963,609,599
Long-term loans to related parties	6	-	534,198,147	10,121,961,700	6,713,911,400
Long-term loan to other company	16	20,000,000	-	-	-
Land held for development	17	5,450,275,236	2,939,846,944	5,319,532,857	2,623,950,564
Investment properties	18	11,884,382,535	10,960,670,753	212,074,242	212,074,242
Property, plant and equipment	19	1,565,743,230	601,479,047	296,040,817	323,047,729
Right-of-use assets	20.1	16,732,387,085	14,910,539,880	233,003,057	279,603,668
Other intangible assets	21	28,409,114	33,249,603	11,468,919	12,462,821
Deferred tax assets	33	804,816,522	721,178,817	688,905,468	619,954,734
Other non-current assets	6	136,189,742	121,740,618	12,897,497	12,333,137
Total non-current assets		64,733,881,625	59,216,070,420	50,368,666,237	44,584,333,475
Total assets		125,198,058,459	122,571,063,309	105,384,426,290	104,332,728,325

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

Statement of financial position (continued)

Land and Houses Public Company Limited and its subsidiaries As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	22	2,469,200,367	6,845,000,000	1,499,200,367	5,875,000,000
Trade and other payables	6, 23	3,183,766,562	3,140,282,233	2,103,604,580	2,294,297,840
Retention guarantees		538,399,979	530,381,943	337,867,385	373,812,223
Current portion of long-term loan from related party	6	-	-	840,000,000	-
Current portion of long-term loans	24	2,571,560,791	226,267,500	2,465,000,000	-
Current portion of debentures	25	16,000,000,000	11,000,000,000	16,000,000,000	11,000,000,000
Current portion of lease liabilities	20.1	789,831,621	764,937,053	45,583,524	44,551,278
Income tax payable		576,159,091	497,592,060	444,429,121	374,377,021
Short-term provisions	26	684,079,170	702,102,138	591,032,108	642,765,892
Advances received from customers		1,007,077,882	1,091,802,243	846,803,361	1,012,438,111
Other current financial liabilities	27	74,514,919	-	30,024,002	-
Other current liabilities		227,755,810	292,687,557	128,773,627	179,651,322
Total current liabilities		28,122,346,192	25,091,052,727	25,332,318,075	21,796,893,687
Non-current liabilities					
Long-term loan from related party	6	-	-	-	840,000,000
Long-term loans - net of current portion	24	15,450,163,700	14,784,120,500	6,882,400,000	8,520,000,000
Debentures - net of current portion	25	22,600,000,000	22,600,000,000	22,600,000,000	22,600,000,000
Lease liabilities - net of current portion	20.1	5,924,959,243	6,858,471,114	193,143,736	238,727,260
Provision for long-term employee benefits	28	586,512,679	594,850,240	425,855,044	433,485,651
Deferred tax liabilities	33	1,306,564,481	1,509,055,689	-	-
Other non-current financial liabilities	27	3,895,899	-	3,895,899	-
Other non-current liabilities		557,320,260	532,834,524	-	-
Total non-current liabilities		46,429,416,262	46,879,332,067	30,105,294,679	32,632,212,911
Total liabilities		74,551,762,454	71,970,384,794	55,437,612,754	54,429,106,598

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

Statement of financial position (continued)

Land and Houses Public Company Limited and its subsidiaries As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered					
12,031,105,828 ordinary shares of Baht 1 each		12,031,105,828	12,031,105,828	12,031,105,828	12,031,105,828
Issued and paid-up					
11,949,713,176 ordinary shares of Baht 1 each		11,949,713,176	11,949,713,176	11,949,713,176	11,949,713,176
Share premium		15,452,854,216	15,452,854,216	15,452,854,216	15,452,854,216
Other surplus		1,227,782,536	1,227,782,536	1,227,782,536	1,227,782,536
Retained earnings					
Appropriated - Statutory reserve	29	1,203,110,583	1,203,110,583	1,203,110,583	1,203,110,583
Unappropriated		21,805,041,153	21,487,111,223	21,805,041,153	21,487,111,223
Other components of shareholders' equity		(1,691,688,128)	(1,416,950,007)	(1,691,688,128)	(1,416,950,007)
Equity attributable to owners of the Company		49,946,813,536	49,903,621,727	49,946,813,536	49,903,621,727
Non-controlling interests of the subsidiaries	14.3	699,482,469	697,056,788	-	-
Total shareholders' equity		50,646,296,005	50,600,678,515	49,946,813,536	49,903,621,727
Total liabilities and shareholders' equity		125,198,058,459	122,571,063,309	105,384,426,290	104,332,728,325

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

Income statement

Land and Houses Public Company Limited and its subsidiaries For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenue from sales of real estate		30,461,245,855	27,524,717,388	26,506,711,420	24,362,859,073
Revenue from hotel operations		764,154,377	976,268,322	-	-
Rental income		843,618,255	1,210,900,147	-	-
Interest income		43,971,541	39,858,206	387,958,955	484,280,943
Dividend income		82,539,793	115,665,212	50,385,625	58,599,740
Other income					
Infrastructure service income		439,744,432	398,072,695	387,160,689	356,758,727
Project management income		200,856,933	230,054,083	-	-
Gain on sales of properties	18	-	405,275,313	-	-
Gain on exchange		477,742,024	2,137,574	416,910,001	8,622,994
Others		195,646,407	163,964,861	186,898,998	120,828,974
Total revenues		33,509,519,617	31,066,913,801	27,936,025,688	25,391,950,451
Expenses					
Cost of real estate sales		20,641,991,310	18,775,533,708	17,728,931,344	16,635,132,199
Cost of hotel operations		509,488,307	880,712,464	-	-
Cost of rental		816,900,974	940,384,313	-	-
Cost of project management		144,892,540	156,176,367	-	-
Selling expenses		539,350,977	636,820,746	416,489,873	495,669,143
Specific business tax and transfer fee		1,144,806,789	1,041,992,649	996,671,818	921,172,928
Administrative expenses		2,289,885,251	2,224,992,865	1,745,463,317	1,712,672,136
Loss on diminution in value of projects	9	49,699,698	672,000	42,470,000	-
Reversal of provision for legal cases	26	(104,727,574)	(349,089,765)	(104,727,574)	(349,089,765)
Loss on derivatives		480,323,048	121,449,846	422,631,680	118,097,245
Total expenses		26,512,611,320	24,429,645,193	21,247,930,458	19,533,653,886
Operating profit		6,996,908,297	6,637,268,608	6,688,095,230	5,858,296,565
Share of profit (loss) from investments in subsidiaries	14.2	-	-	(202,908,712)	419,830,853
Share of profit from investments in associates	15.2	2,333,331,460	2,588,371,562	2,333,331,460	2,588,371,562
Finance cost	31	(1,112,404,972)	(888,130,011)	(669,216,573)	(674,544,586)
Profit before income tax expenses		8,217,834,785	8,337,510,159	8,149,301,405	8,191,954,394
Income tax expenses	33	(1,279,272,853)	(1,215,735,663)	(1,213,172,238)	(1,047,036,975)
Profit for the year		6,938,561,932	7,121,774,496	6,936,129,167	7,144,917,419
Net income attributable to:					
Equity holders of the Company		6,936,129,167	7,144,917,419	6,936,129,167	7,144,917,419
Non-controlling interests of the subsidiaries	14.3	2,432,765	(23,142,923)	-	-
		6,938,561,932	7,121,774,496		
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.58	0.60	0.58	0.60

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

Statement of comprehensive income

Land and Houses Public Company Limited and its subsidiaries For the year ended 31 December 2021

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit for the year	6,938,561,932	7,121,774,496	6,936,129,167	7,144,917,419
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	100,533,875	(12,367,052)	-	-
Share of other comprehensive income from investments in subsidiaries	14.2	-	100,533,875	(12,367,052)
Share of other comprehensive income from investments in associates	15.2	(193,684,548)	(193,684,548)	200,379,970
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(93,150,673)	(93,150,673)	188,012,918
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain (loss) - net of income tax	28, 33	20,726,322	(46,962,006)	(45,277,736)
Loss on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	13, 33	(301,625,086)	(1,565,262,793)	(157,088,688)
Share of other comprehensive income from investments in subsidiaries	14.2	-	(123,810,112)	(844,526,572)
Share of other comprehensive income from investments in associates	15.2	53,353,546	(1,091,166,363)	(1,091,166,363)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(227,545,218)	(2,703,391,162)	(2,702,858,882)
Other comprehensive income for the year		(320,695,891)	(320,695,927)	(2,514,845,964)
Total comprehensive income for the year		6,617,866,041	4,606,396,252	6,615,433,240
Total comprehensive income attributable to:				
Equity holders of the Company		6,615,433,240	4,630,071,455	6,615,433,240
Non-controlling interests of the subsidiaries		2,432,801	(23,675,203)	
		6,617,866,041	4,606,396,252	

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

Statement of changes in shareholders' equity

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements											
	Equity attributable to owners of the Company											
	Other components of shareholders' equity											
	Other comprehensive income											
	Share premium	Other surplus	Appropriated - Statutory reserve	Retained earnings	Exchange differences on translation of financial statements in foreign currency	Gain (loss) on charge in value of investments	Share of other comprehensive income from associates	Share premium of associates	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2020	11,949,713,176	1,227,782,556	1,203,110,383	21,535,395,546	10,257,561	1,004,622,892	(125,907,001)	9,104,243	1,094,335,695	52,443,191,752	720,731,991	53,163,923,743
Profit for the year	-	-	-	7,144,917,419	-	-	-	-	-	7,144,917,419	(23,142,923)	7,121,774,496
Other comprehensive income for the year	-	-	-	(66,429,726)	(12,367,052)	(1,565,262,793)	(890,786,393)	(2,514,845,564)	(2,488,416,238)	(5,522,880)	(5,522,880)	(25,153,78,240)
Total comprehensive income for the year	-	-	-	7,078,487,693	(12,367,052)	(1,565,262,793)	(890,786,393)	-	(2,488,416,238)	4,650,071,455	(23,672,209)	4,626,399,252
Investment in equity instruments												
derecognised during the year												
of associates	-	-	-	22,869,464	-	-	(22,869,464)	-	(22,869,464)	-	-	-
Dividend paid (Note 37)	-	-	-	(7,169,594,873)	-	-	-	-	-	(7,169,594,873)	-	(7,169,594,873)
Income tax from unpaid dividend	-	-	-	(46,607)	-	-	-	-	-	(46,607)	-	(46,607)
Balance as at 31 December 2020	11,949,713,176	1,227,782,556	1,203,110,383	21,487,111,223	90,210,309	(560,639,901)	(1,037,562,838)	9,104,243	(1,416,950,007)	49,903,621,727	697,056,788	50,600,678,515
Balance as at 1 January 2021	11,949,713,176	1,227,782,556	1,203,110,383	21,487,111,223	90,210,309	(560,639,901)	(1,037,562,838)	9,104,243	(1,416,950,007)	49,903,621,727	697,056,788	50,600,678,515
Profit for the year	-	-	-	6,936,129,167	-	-	-	-	-	6,936,129,167	24,327,165	6,938,561,932
Other comprehensive income for the year	-	-	-	(20,726,286)	100,533,875	(301,625,086)	(140,331,002)	(341,422,213)	(341,422,213)	(320,695,927)	36	(320,695,891)
Total comprehensive income for the year	-	-	-	6,956,855,453	100,533,875	(301,625,086)	(140,331,002)	-	(341,422,213)	6,615,433,240	24,327,165	6,617,866,041
Investment in equity instruments												
derecognised during the year												
of associates	-	-	-	(66,684,092)	-	-	66,684,092	-	66,684,092	-	-	-
Dividend paid (Note 37)	-	-	-	(6,572,216,199)	-	-	-	-	-	(6,572,216,199)	-	(6,572,216,199)
Subsidiaries paid dividend to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(7,120)	(7,120)
Income tax from unpaid dividend	-	-	-	(25,252)	-	-	-	-	-	(25,252)	-	(25,252)
Balance as at 31 December 2021	11,949,713,176	1,227,782,556	1,203,110,383	21,805,041,155	190,744,184	(862,264,987)	(1,111,209,868)	9,104,243	(1,691,688,128)	49,948,815,556	697,862,469	50,646,296,005

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

Statement of changes in shareholders' equity (continued)

Land and Houses Public Company Limited and its subsidiaries
For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements										
	Issued and fully paid-up share capital	Share premium	Other surplus	Appropriated -		Retained earnings		Other comprehensive income			Total shareholders' equity
				Statutory reserve	Unappropriated	Share of other comprehensive income from subsidiaries	Share of other comprehensive income from associates	Share premium of associate	Total other components of shareholders' equity		
										Gain (loss) on change in value of investments	
Balance as at 1 January 2020	11,949,713,176	15,622,854,216	1,227,782,536	1,203,110,883	21,585,395,546	231,337,165	875,863,088	(123,907,001)	91,042,443	1,074,335,695	52,443,191,752
Profit for the year	-	-	-	-	7,144,917,419	-	-	-	-	-	7,144,917,419
Other comprehensive income for the year	-	-	-	-	(66,429,726)	(721,888,211)	(855,741,534)	(890,786,393)	-	(2,468,416,238)	(2,514,845,964)
Total comprehensive income for the year	-	-	-	-	7,098,487,693	(721,888,211)	(855,741,534)	(890,786,393)	-	(2,468,416,238)	4,650,071,455
Investment in equity instruments derecognised during the year of associates	-	-	-	-	22,869,464	-	-	(22,869,464)	-	(22,869,464)	(7,169,594,873)
Dividend paid (Note 37)	-	-	-	-	(7,169,594,873)	-	-	-	-	-	(66,607)
Income tax from unpaid dividend	-	-	-	-	-	-	-	-	-	-	(66,607)
Balance as at 31 December 2020	11,949,713,176	15,622,854,216	1,227,782,536	1,203,110,883	21,487,111,223	(900,551,046)	20,121,454	(1,037,562,838)	91,042,443	(1,416,950,007)	49,903,621,727
Balance as at 1 January 2021	11,949,713,176	15,622,854,216	1,227,782,536	1,203,110,883	21,487,111,223	(900,551,046)	20,121,454	(1,037,562,838)	91,042,443	(1,416,950,007)	49,903,621,727
Profit for the year	-	-	-	-	6,956,129,167	-	-	-	-	-	6,956,129,167
Other comprehensive income for the year	-	-	-	-	20,726,286	(157,088,688)	(44,002,232)	(140,331,002)	-	(341,422,213)	(320,695,927)
Total comprehensive income for the year	-	-	-	-	6,956,855,453	(157,088,688)	(44,002,232)	(140,331,002)	-	(341,422,213)	6,615,433,260
Investment in equity instruments derecognised during the year of associates	-	-	-	-	(66,684,092)	-	-	66,684,092	-	66,684,092	-
Dividend paid (Note 37)	-	-	-	-	(6,572,216,199)	-	-	-	-	-	(6,572,216,199)
Income tax from unpaid dividend	-	-	-	-	(25,232)	-	-	-	-	-	(25,232)
Balance as at 31 December 2021	11,949,713,176	15,622,854,216	1,227,782,536	1,203,110,883	21,805,041,153	(647,639,734)	(23,881,069)	(1,111,267,768)	91,042,443	(1,091,686,128)	49,946,815,556

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

Cash flow statement

Land and Houses Public Company Limited and its subsidiaries For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax expenses	8,217,834,785	8,337,510,159	8,149,301,405	8,191,954,394
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities:				
Inventories and land held for development decrease from				
transfer to cost of sales	19,028,419,642	17,187,114,403	16,365,330,587	15,191,123,731
Depreciation and amortisation	1,516,912,147	951,447,592	126,381,651	121,714,881
Variance from rental reduction	(792,589,391)	64,473,924	-	-
Share of loss (profit) from investments in subsidiaries	-	-	202,908,712	(419,830,853)
Share of profit from investments in associates	(2,333,331,460)	(2,588,371,562)	(2,333,331,460)	(2,588,371,562)
Gain on sales of property, plant and equipment	(2,766,702)	(1,558,730)	(1,137,622)	(1,637,572)
Loss on diminution in value of projects	49,699,698	672,000	42,470,000	-
Gain on sales of properties	-	(405,275,313)	-	-
Unrealised gain on exchange	(477,754,750)	(11,319,189)	(417,310,164)	(9,921,491)
Loss on fair value of derivatives	630,521,348	121,449,846	572,829,980	118,097,245
Provision for legal cases	2,742,420	12,800,080	2,742,420	12,800,080
Reversal of provision for legal cases	(104,727,574)	(349,089,765)	(104,727,574)	(349,089,765)
Provision for after sale maintenance expenses	131,250,546	71,268,227	101,243,996	61,943,814
Provision for contributions to housing estate juristic persons	55,253,767	41,190,359	46,210,733	33,750,438
Provision for maintenance of public utilities	89,407,814	88,812,603	77,610,609	78,058,304
Reversal of provision for damages from project	-	(17,555,593)	-	(17,555,593)
Long-term employee benefits expenses	34,761,117	46,079,866	16,908,127	26,422,423
Write-off of withholding tax deducted at source	141,233	2,668,756	-	-
Interest income	(43,971,541)	(39,858,206)	(387,958,955)	(484,280,943)
Dividend income	(82,539,793)	(115,665,212)	(50,385,625)	(58,599,740)
Interest expenses	1,094,440,236	874,013,619	651,251,837	660,428,194
Profit from operating activities before change in operating assets and liabilities	27,013,703,542	24,270,807,864	23,060,338,657	20,567,005,985
Decrease (increase) in operating assets				
Trade and other receivables	12,910,422	61,361,712	(46,783,829)	5,879,587
Inventories	(15,428,775,513)	(17,710,451,974)	(12,692,125,259)	(13,860,146,556)
Other current financial assets	1,000,459,691	(960,459,691)	1,000,459,691	(1,000,459,691)
Other current assets	(435,072,191)	(32,967,959)	40,088,950	118,910,044
Other non-current assets	(14,449,123)	(97,874,104)	(564,360)	41,900
Increase (decrease) in operating liabilities				
Trade and other payables	(192,698,146)	(713,083,840)	(182,631,450)	(199,687,025)
Retention guarantees	8,018,036	93,367,025	(35,944,838)	28,518,349
Short-term provisions	(4,000,000)	(3,906,000)	(4,000,000)	(3,906,000)
Other current liabilities	(337,605,935)	(180,235,589)	(387,322,411)	(203,022,217)
Provision for long-term employee benefits	(25,826,744)	(37,625,321)	(24,538,734)	(29,910,182)
Other non-current liabilities	24,485,738	(13,994,930)	-	-
Cash flows from operating activities	11,621,149,777	4,674,937,193	10,726,972,417	5,423,224,194
Cash paid for income tax	(1,300,982,996)	(1,304,440,677)	(1,172,823,933)	(1,015,044,589)
Net cash flows from operating activities	10,320,166,781	3,370,496,516	9,554,148,484	4,408,179,605

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

Cash flow statement (continued)

Land and Houses Public Company Limited and its subsidiaries For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in restricted bank deposit	(411,050)	(15,588)	-	-
Increase in loans to related parties	-	-	(2,370,000,900)	(828,199,800)
Increase in long-term loan to other company	(20,000,000)	-	-	-
Acquisition of investments in REIT	-	(93,308,735)	-	-
Dividend received from associates	1,929,997,185	1,948,369,612	1,929,997,185	1,948,369,612
Dividend received from other companies	90,393,262	107,811,742	58,239,094	50,746,270
Proceeds from sales of properties	-	2,372,999,175	-	-
Proceeds from sales of property, plant and equipment	2,821,921	2,117,944	1,143,000	1,660,000
Acquisition of investment properties	(36,760,887)	(65,978,006)	-	(321,000)
Acquisition of property, plant and equipment and intangible assets	(1,125,255,491)	(82,409,749)	(52,646,321)	(52,450,068)
Acquisition of right-of-use assets	(2,742,428,656)	(1,250,205,633)	-	-
Cash received from interest income	40,432,002	34,250,059	271,521,530	890,835,489
Net cash flows from (used in) investing activities	(1,861,211,714)	2,973,630,821	(161,746,412)	2,010,640,503
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institution	(4,375,000,000)	6,375,000,000	(4,375,000,000)	5,875,000,000
Cash received from issuance of debentures	16,000,000,000	8,400,000,000	16,000,000,000	8,400,000,000
Repayment of debentures	(11,000,000,000)	(14,000,000,000)	(11,000,000,000)	(14,000,000,000)
Cash received from long-term loans from financial institutions	5,558,654,800	5,812,000,000	3,572,400,000	4,520,000,000
Repayment of long-term loans from financial institutions	(2,837,060,282)	(1,016,182,999)	(2,745,000,000)	-
Payment of principal portion of lease liabilities	(240,193,478)	(839,175,658)	(50,483,700)	(48,232,260)
Interest paid	(1,373,134,281)	(1,398,998,893)	(1,078,632,688)	(1,184,463,656)
Subsidiaries paid dividend to non-controlling interests of subsidiaries	(7,120)	-	-	-
Dividend paid	(6,572,216,199)	(7,169,594,873)	(6,572,216,085)	(7,169,594,873)
Net cash flows used in financing activities	(4,838,956,560)	(3,836,952,423)	(6,248,932,473)	(3,607,290,789)
Exchange differences on translation of financial statements in foreign currency	(401,960,670)	51,716,225	-	-
Net increase in cash and cash equivalents	3,218,037,837	2,558,891,139	3,143,469,599	2,811,529,319
Cash and cash equivalents at beginning of year	7,112,929,565	4,554,038,426	5,654,828,958	2,843,299,639
Cash and cash equivalents at end of year (Note 7)	10,330,967,402	7,112,929,565	8,798,298,557	5,654,828,958

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

Cash flow statement (continued)

Land and Houses Public Company Limited and its subsidiaries
For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Supplemental cash flow information				
Non-cash items				
Increase (decrease) in building and equipment and right-of-use assets recorded as liabilities	240,164,462	188,448,194	(860,717)	2,415,780
Transfer inventories to land held for development (net book value)	3,114,715,099	1,610,287,239	3,114,715,099	1,423,933,589
Transfer land held for development to inventories (net book value)	547,815,760	-	255,245,760	-
Interest expenses recorded as cost of projects	522,653,489	599,476,238	425,312,548	489,685,199
Interest expenses recorded as right-of-use assets	18,637,411	3,595,984	-	-
Decrease in investments in equity designated at fair value through other comprehensive income				
- net of income tax	(301,625,086)	(1,565,262,793)	(157,088,688)	(721,888,211)
Increase in right-of-use assets due to new lease agreement	-	1,823,761,420	-	-
Increase (decrease) in right-of-use assets due to lease modification	(143,212,908)	(1,582,514)	-	13,463,759
Dividend receivable from other investment	-	7,853,469	-	7,853,469

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

Notes of consolidated financial statement

Land and Houses Public Company Limited and its subsidiaries

For the year ended 31 December 2021

1. General information

1.1 General information of the Company

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

1.2 Coronavirus disease 2019 Pandemic

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 (Percent)	2020 (Percent)
<u>Held by the Company</u>				
Atlantic Real Estate Co., Ltd.	Real estate business	Thailand	99.99	99.99
Land and Houses North Co., Ltd.	Real estate business	Thailand	99.99	99.99
Land and Houses Northeast Co., Ltd.	Real estate business	Thailand	99.99	99.99
Siam Tanee Property Co., Ltd. And its subsidiary	Real estate business	Thailand	99.99	99.99
L H Real Estate Co., Ltd.	Real estate business	Thailand	99.99	99.99
L H Asset Co., Ltd.	Real estate business	Thailand	99.99	99.99
L.H. Muang Mai Co., Ltd.	Real estate business	Thailand	55.00	55.00
LH Mall & Hotel Co., Ltd. and its subsidiaries	Real estate for lease business	Thailand	99.99	99.99
L&H Property Co., Ltd.	Hotel business	Thailand	60.00	60.00
Land and Houses U.S.A., Inc.	Real estate for lease business	USA	100.00	100.00
Asia Asset Advisory Co., Ltd.	Investment advisor	Thailand	99.94	99.94
<u>Held by subsidiary companies</u>				
Siam Tanee Real Estate Co., Ltd. (99.99 percent held by Siam Tanee Property Co., Ltd.)	Real estate business	Thailand	99.99	99.99
L&H Retail Management Co., Ltd. (99.97 percent held by LH Mall & Hotel Co., Ltd.)	Project administration	Thailand	99.99	99.99
L&H Management Co., Ltd. (99.98 percent held by LH Mall & Hotel Co., Ltd.)	Project administration	Thailand	99.99	99.99
L&H Hotel Management Co., Ltd. (99.99 percent held by LH Mall & Hotel Co., Ltd.)	Hotel business	Thailand	99.99	99.99

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the equity method.

3. New financial reporting standards

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 expenses recognition

Revenue from sales of real estate

Revenue from sales of land and houses and residential condominium units are recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of “Advances received from customers” in the statement of financial position.

Revenue from hotel operations

Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from auxiliary activities. Revenue is recognised at the point in time, when the services are rendered. Sales are the invoice value, excluding value added tax of goods supplied and services rendered after deducting discounts.

Rental income

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

Project management income

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

Interest income

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

Finance cost

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

Dividends

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

4.2 Cost of real estate sales

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

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

4.3 Cash and cash equivalents

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

4.4 Inventories

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

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

4.5 Cost to obtain a contract with customer

The Group recognises a commission paid to obtain a customer contract as an asset and amortises it to expenses on a 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.

4.6 Investments in subsidiaries and associates

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

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

4.7 Land held for development

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

4.8 Investment properties

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 40 years. Depreciation of the investment properties is included in determining income. No depreciation is provide on land.

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

4.9 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Building and building improvement	20 and 40	years
Office equipment	3 - 10	years
Furniture, fixtures and equipment	5	years
Motor vehicles	5	years
Others	2 - 20	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.10 Intangible assets

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

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

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

Computer software	5 and 10	years
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4.11 Borrowing costs

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

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

4.12 Goodwill

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

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

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

4.13 Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

4.14 Related party transactions

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

They also include 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.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

4.17 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

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

4.18 Provisions

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

4.19 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.20 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, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Financial assets at FVTPL

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

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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

Regular way purchases and sales of financial assets

Regular way purchases and sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace and recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

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

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset 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, 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.

4.21 Derivatives

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

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

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

4.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

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

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

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

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

Project development costs estimation

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

Contributions to housing estate juristic persons

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

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

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

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

Lease classification - The Group as lessor

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

Allowance for expected credit losses of trade receivables

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

Allowance for impairment of non-financial assets

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

Fair value of financial instruments

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

Litigations

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

6. Related party transactions

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

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

Name of related parties	Relationship
LH Shopping Centers Leasehold Real Estate Investment Trust	Related company
LH Hotel Leasehold Real Estate Investment Trust	Related company
Trinity Securities Company Limited	Common director

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		<u>Transfer pricing policy</u>
	financial		financial		
	statements		statements		
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	360	468	2.50% - 4.00% p.a. (2020: 2.50% - 4.50% p.a.)
Management income	-	-	37	24	Approximate cost
Purchase of land	-	-	-	19	Approximate cost
Sales of land	-	-	111	109	Approximate cost
Compensation for using of land	-	-	4	138	Approximate cost
Interest expenses	-	-	18	18	2.13% p.a.
<u>Transactions with associates</u>					
Interest income	29	17	26	11	The interest rate as declared by the bank
Dividend income	1,930	1,948	1,930	1,948	Declared rate
Purchases of goods	66	60	47	55	Market price
Property rental expenses	-	19	-	-	Contract price
<u>Transactions with related companies</u>					
Property management income	169	199	-	-	Contract price
Human-resources management income	28	28	-	-	Contract price
IT management income	4	4	-	-	Contract price
Interest income	14	16	-	-	3.05% p.a.
Dividend income	48	99	42	51	Declared rate
Rental and services expenses	65	77	60	58	Baht 250 - 960 per square meter per month
Property rental expenses	19	185	-	-	Contract price

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deposits at financial institution				
(shown under cash and cash equivalents)				
<u>Associate</u>				
Land and Houses Bank Plc.	8,166.5	4,843.5	7,089.2	4,105.6
Amounts due from and accounts receivables - related parties (Note 8)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L H Asset Co., Ltd.	-	-	60.7	9.4
	-	-	60.7	9.4
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.5	1.0	-	-
Land and Houses Freehold and Leasehold Property Fund	2.4	-	-	-
Siam Retail Development Co., Ltd.	18.0	16.3	-	-
LH Shopping Centers Leasehold Real Estate Investment Trust	4.4	4.6	-	-
	25.3	21.9	-	-
Total	25.3	21.9	60.7	9.4
Accrued interest receivables - related parties (Note 8)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	6.3	0.2
LH Mall & Hotel Co., Ltd.	-	-	49.7	8.4
L H Asset Co., Ltd.	-	-	0.9	0.5
Land and Houses Northeast Co., Ltd.	-	-	57.4	17.2
Siam Tanee Property Co., Ltd.	-	-	5.7	3.5
Land and Houses U.S.A., Inc.	-	-	24.6	-
	-	-	144.6	29.8
<u>Associate</u>				
Land and Houses Bank Plc.	4.7	2.5	4.5	2.3
	4.7	2.5	4.5	2.3
<u>Related company</u>				
Reco Resorts Pte Ltd.	15.6	13.7	-	-
	15.6	13.7	-	-
Total	20.3	16.2	149.1	32.1
Other current financial assets (Note 11)				
<u>Associates</u>				
Land and Houses Bank Plc.	30.0	30.0	-	-
Land and Houses Fund Management Co., Ltd.	-	1,000.5	-	1,000.5
Total	30.0	1,030.5	-	1,000.5

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current portion of long-term loans to related parties				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses U.S.A., Inc.	-	-	5,645.3	6,266.2
	-	-	5,645.3	6,266.2
<u>Related company</u>				
Reco Resorts Pte Ltd.	594.6	-	-	-
	594.6	-	-	-
Total	594.6	-	5,645.3	6,266.2
Long-term loans to related parties				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Atlantic Real Estate Co., Ltd.	-	-	355.0	30.0
LH Mall & Hotel Co., Ltd.	-	-	3,235.0	920.0
L H Asset Co., Ltd.	-	-	1,250.0	2,000.0
Land and Houses Northeast Co., Ltd.	-	-	1,850.0	1,620.0
Siam Tanee Property Co., Ltd.	-	-	340.0	322.0
Land and Houses U.S.A., Inc.	-	-	3,092.0	1,821.9
	-	-	10,122.0	6,713.9
<u>Related company</u>				
Reco Resorts Pte Ltd.	-	534.2	-	-
	-	534.2	-	-
Total	-	534.2	10,122.0	6,713.9
Deposits to related company				
(shown under other non-current assets)				
<u>Related company</u>				
Quality Houses Leasehold Property Fund	16.4	15.7	12.9	12.3
Trade accounts payable - related parties (Note 23)				
<u>Associates</u>				
Quality Construction Products Plc.	5.1	4.5	2.2	4.5
Home Product Center Plc.	1.5	0.8	0.9	0.2
	6.6	5.3	3.1	4.7
<u>Related companies</u>				
LH Shopping Centers Leasehold Real Estate Investment Trust	0.5	0.4	-	-
Land and Houses Freehold and Leasehold Property Fund	3.4	0.6	-	-
	3.9	1.0	-	-
Total	10.5	6.3	3.1	4.7

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Amounts due to related parties (Note 23)				
<u>Subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Land and Houses Northeast Co., Ltd.	-	-	4.5	-
Atlantic Real Estate Co., Ltd.	-	-	2.1	-
	-	-	6.6	-
<u>Associate</u>				
Home Product Center Plc.	6.6	6.2	5.3	5.7
	6.6	6.2	5.3	5.7
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	0.3	0.3	0.3	0.3
LH Shopping Centers Leasehold Real Estate Investment Trust	0.6	-	-	-
	0.9	0.3	0.3	0.3
Total	7.5	6.5	12.2	6.0
Accrued interest payables - related party (Note 23)				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	15.0	15.1
Long-term loan from related party				
<u>Subsidiary</u>				
(Eliminated from the consolidated financial statements)				
L&H Property Co., Ltd.	-	-	840.0	840.0
Lease liabilities				
<u>Associate</u>				
Land and Houses Property and Loan Fund-II	217.7	285.3	-	-
	217.7	285.3	-	-
<u>Related companies</u>				
Quality Houses Leasehold Property Fund	270.1	326.1	238.7	283.3
LH Hotel Leasehold Real Estate Investment Trust	3,742.2	4,404.8	-	-
	4,012.3	4,730.9	238.7	283.3
Total	4,230.0	5,016.2	238.7	283.3

Current portion of long-term loans to related parties are unsecured loans to subsidiaries in the form of promissory notes without collateral. Interest charged at the rate between 3.10% and 3.55% per annum. The loans are due in March 2022 and November 2022.

Long-term loans to related parties are unsecured loans to subsidiaries in the form of promissory notes without collateral. Interest charged at the rate between 2.50% and 3.58% per annum. The loans amounting to Baht 7,030 million (2020: Baht 4,892 million) are due at call and the loans amounting to Baht 3,092 million (2020: Baht 1,822 million) are due in December 2023 and December 2026. As at 31 December 2021, loans amounting to Baht 7,030 million (2020: Baht 4,892 million) are presented as long-term loans because the Company has no intention to call for such loans from subsidiaries within the next 12 months.

Long-term loan from related party is unsecured loan from L&H Property Co., Ltd. without collateral. Interest charged at the rate 2.13% per annum. The loan is repayable by 28 February 2022. As at 31 December 2021, the loan is presented as current portion of long-term loan from related party in the statement of financial position.

During the year 2021, movements of loans to/loans from between the Group and those related companies were as follows:

				(Unit: Million Baht)
Consolidated financial statements				
	1 January 2021	Increase	Decrease	31 December 2021
Current portion of long-term loan to related party				
<u>Related company</u>				
Reco Resorts Pte Ltd.	-	594.6	-	594.6
Long-term loan to related party				
<u>Related company</u>				
Reco Resorts Pte Ltd.	534.2	60.4	(594.6)	-
				(Unit: Million Baht)
Separate financial statements				
	1 January 2021	Increase	Decrease	31 December 2021
Current portion of long-term loans to related party				
<u>Subsidiary</u>				
Land and Houses U.S.A., Inc.	6,266.2	838.7	(1,459.6)	5,645.3
Long-term loans to related parties				
<u>Subsidiaries</u>				
Atlantic Real Estate Co., Ltd.	30.0	325.0	-	355.0
LH Mall & Hotel Co., Ltd.	920.0	2,315.0	-	3,235.0
L H Asset Co., Ltd.	2,000.0	120.0	(870.0)	1,250.0
Land and Houses Northeast Co., Ltd.	1,620.0	290.0	(60.0)	1,850.0
Siam Tanee Property Co., Ltd.	322.0	210.0	(192.0)	340.0
Land and Houses U.S.A., Inc.	1,821.9	1,270.1	-	3,092.0
Total	6,713.9	4,530.1	(1,122.0)	10,122.0

(Unit: Million Baht)

	Separate financial statements			31 December 2021
	1 January 2021	Increase	Decrease	
Current portion of long-term loan from related party				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	-	840.0	-	840.0
Long-term loan from related party				
<u>Subsidiary</u>				
L&H Property Co., Ltd.	840.0	-	(840.0)	-

Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	210	225	156	158
Post-employment benefits	8	8	2	2
Total	218	233	158	160

Commitments and contingent liabilities with related parties

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

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	5,388	5,273	2,600	2,580
Bank deposits	1,965,905	1,884,822	968,208	833,309
Cheques in transit	370,134	348,581	327,491	318,940
Fixed deposits receipt	7,989,540	4,874,254	7,500,000	4,500,000
Total	10,330,967	7,112,930	8,798,299	5,654,829

As at 31 December 2021, bank deposits and fixed deposits receipt carried interests between 0.05% and 0.50% per annum (2020: between 0.05% and 0.55% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Trade receivables - unrelated parties</u>				
Not yet due	27,023	64,835	-	-
Past due				
Less than 3 months	50,004	29,016	-	-
3 - 6 months	4,875	7,280	-	-
6 - 9 months	2,903	3,108	-	-
9 - 12 months	4,005	3,452	-	-
Over 12 months	2,650	12	-	-
Total trade receivables - unrelated parties	91,460	107,703	-	-
<u>Other receivables</u>				
Amounts due from and accounts receivable - related parties	25,297	21,948	60,680	9,421
Accrued interest receivables - related parties	20,275	16,168	149,126	32,121
Others	32,871	41,191	21,208	33,987
Total other receivables	78,443	79,307	231,014	75,529
Total trade and other receivables	169,903	187,010	231,014	75,529

9. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Land	27,443,343	30,107,248	22,574,308	25,463,909
Land improvements	2,309,946	2,264,408	1,802,903	1,849,985
Construction in progress	12,238,018	14,581,166	10,780,850	13,124,192
Interest cost	1,964,458	2,260,455	1,738,282	2,067,893
Public utilities	3,306,346	3,685,998	2,509,450	2,882,936
Houses held for sales	282,850	286,242	91,354	91,354
Total	47,544,961	53,185,517	39,497,147	45,480,269
Less: Allowance for loss on diminution in project value	(288,978)	(292,415)	(200,328)	(197,505)
Inventories - net	47,255,983	52,893,102	39,296,819	45,282,764

During the year 2021, the Group transferred-in land held for development with net book value of Baht 548 million (2020: Nil) (the Company only: Baht 255 million, 2020: Nil) to inventories.

During the year 2021, the Group transferred-out inventories with net book value of Baht 3,115 million (2020: Baht 1,610 million) (the Company only: Baht 3,115 million, 2020: Baht 1,424 million) to land held for development.

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

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Borrowing costs included in cost of land and construction in progress (Million Baht)	523	599	425	490
Capitalisation rate (Percent)	2.2	2.4	2.1	2.3

Movements in the allowance for loss on diminution in value of projects during the years ended 31 December 2021 and 2020 are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Beginning balance	292,415	314,082	197,505	219,844
Add: Additional set up	49,700	672	42,470	-
Less: Reversal due to sales	(53,137)	(22,339)	(39,647)	(22,339)
Ending balance	288,978	292,415	200,328	197,505

As at 31 December 2021 and 2020, the Group has mortgaged land and structures thereon to secure the Group's loans and the subsidiary's overdraft facilities with net book values as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value of land and structures thereon mortgaged as collateral	10,960	17,438	9,263	15,916

10. Cost to obtain contracts with customers

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2021	2020
Net book value at beginning of year	141,446	147,617
Additions during the year	689	1,932
Amortisation as selling expenses during the year	(58,469)	(8,103)
Net book value at end of year	<u>83,666</u>	<u>141,446</u>

11. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Financial assets measured at amortised cost</u>				
Fixed deposits over three months but not over one year	30,000	30,000	-	-
<u>Financial assets at FVTPL</u>				
Investments in LH Money Market Fund	-	1,000,460	-	1,000,460
<u>Derivative assets</u>				
Cross currency and interest rate swap agreements (Note 40.1)	44,607	428,846	44,607	428,846
Total	<u>74,607</u>	<u>1,459,306</u>	<u>44,607</u>	<u>1,429,306</u>

12. Restricted bank deposit

The balance as at 31 December 2021 and 2020 represent saving account which a subsidiary pledged with SCB Asset Management Company Limited, trustee of LH Hotel Leasehold Real Estate Investment Trust (“LHHOTEL”), to secure land and building rental of Grande Centre Point Hotel Ratchadamri Project. The subsidiary sold this project to LHHOTEL in June 2017.

13. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Equity instruments designated at FVOCI</u>				
Listed equity instruments				
Land and Houses Freehold and Leasehold				
Property Fund	480,375	475,927	480,375	475,927
Quality Houses Leasehold Property Fund	318,814	285,178	318,814	285,178
LH Shopping Centers Leasehold Real				
Estate Investment Trust	443,652	496,364	-	-
LH Hotel Leasehold Real Estate				
Investment Trust	645,710	788,321	-	-
Vistamalls Inc.	1,851,308	2,085,753	1,851,308	2,085,753
Non-listed equity instruments	115,111	100,459	-	-
Total equity instruments designated at FVOCI	3,854,970	4,232,002	2,650,497	2,846,858
<u>Financial assets at FVTPL</u>				
Derivative assets - Cross currency				
and interest rate swap agreements (Note 40.1)	18,911	186,782	18,911	173,582
Total financial assets at FVTPL	18,911	186,782	18,911	173,582
Total other non-current financial assets	3,873,881	4,418,784	2,669,408	3,020,440

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

During the years 2021 and 2020, the Group received dividends from the following companies.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		Financial statements	
	2021	2020	2021	2020
Land and Houses Freehold and Leasehold				
Property Fund	17,792	23,574	17,792	23,574
Quality Houses Leasehold Property Fund	24,072	27,172	24,072	27,172
LH Shopping Centers Leasehold Real Estate				
Investment Trust	6,589	19,986	-	-
LH Hotel Leasehold Real Estate Investment				
Trust	-	28,549	-	-
Vistamalls Inc.	8,522	7,854	8,522	7,854
Non-listed company	25,565	8,530	-	-
Total	82,540	115,665	50,386	58,600

As at 31 December 2021, a subsidiary has pledged unit trust of REITs, approximately Baht 1,025 million (2020: Baht 1,206 million) as collateral to secure short-term loan from a financial institution.

14. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2021	2020	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)				
Atlantic Real Estate Co., Ltd.	15,000	15,000	99.99	99.99	14,998	14,998	(39,564)	(34,153)
LH Mall & Hotel Co., Ltd. and its subsidiaries	2,000,000	2,000,000	99.99	99.99	2,000,000	2,000,000	2,646,342	3,182,937
Land and Houses North Co., Ltd.	13,500	13,500	99.99	99.99	13,500	13,500	15,929	15,893
Land and Houses Northeast Co., Ltd.	150,000	150,000	99.99	99.99	149,999	149,999	462,712	384,350
Siam Tanee Property Co., Ltd. and its subsidiary	100,000	100,000	99.99	99.99	64,859	64,859	234,991	173,998
L H Real Estate Co., Ltd.	58,000	58,000	99.99	99.99	25,000	25,000	18,367	17,791
L H Asset Co., Ltd.	100,000	100,000	99.99	99.99	52,734	52,734	1,573,668	1,132,521
L.H. Muang Mai Co., Ltd.	900,000	900,000	55.00	55.00	495,000	495,000	641,668	648,398
L&H Property Co., Ltd.	130,000	130,000	60.00	60.00	174,000	174,000	216,740	204,836
Land and Houses U.S.A., Inc.	(a)	(a)	100.00	100.00	1,343,127	1,343,127	805,225	1,075,604
Asia Asset Advisory Co., Ltd.	100	100	99.94	99.94	100	100	682	770
					<u>4,333,317</u>	<u>4,333,317</u>	<u>6,576,760</u>	<u>6,802,945</u>

(a) As at 31 December 2021 and 2020, Land and Houses U.S.A., Inc. had paid-up capital amounted to USD 40 million.

14.2 Share of comprehensive income

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

(Unit: Thousand Baht)

Company's name	Share of profit or loss		Share of other comprehensive income	
	2021	2020	2021	2020
Atlantic Real Estate Co., Ltd.	(5,411)	(2,181)	-	-
LH Mall & Hotel Co., Ltd. and its subsidiaries	(401,064)	(137,426)	(135,531)	(802,373)
Land and Houses North Co., Ltd.	36	95	-	-
Land and Houses Northeast Co., Ltd.	78,362	37,569	-	-
Siam Tanee Property Co., Ltd. and its subsidiary	49,272	3,210	11,721	(41,504)
L H Real Estate Co., Ltd.	576	(890)	-	-
L H Asset Co., Ltd.	441,147	561,662	-	-
L.H. Muang Mai Co., Ltd.	(6,730)	(23,198)	-	(650)
L&H Property Co., Ltd.	11,904	(6,249)	-	-
Land and Houses U.S.A., Inc.	(370,913)	(12,655)	100,534	(12,367)
Asia Asset Advisory Co., Ltd.	(88)	(106)	-	-
Total	<u>(202,909)</u>	<u>419,831</u>	<u>(23,276)</u>	<u>(856,894)</u>

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

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit or loss allocated to non-controlling interests during the year	
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
L.H. Muang Mai Co., Ltd.	45	45	525	531	(6)	(19)
L&H Property Co., Ltd.	40	40	174	166	8	(4)

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

Summarised information about financial position

(Unit: Million Baht)

	L.H. Muang Mai Co., Ltd.		L&H Property Co., Ltd.	
	2021	2020	2021	2020
	Current assets	1,479	1,559	1,713
Non-current assets	129	131	241	1,701
Current liabilities	(119)	(132)	(172)	(130)
Non-current liabilities	(323)	(380)	(1,346)	(1,482)

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	L.H. Muang Mai Co., Ltd.		L&H Property Co., Ltd.	
	2021	2020	2021	2020
Revenue	289	166	108	138
Profit (loss)	(12)	(42)	20	(10)
Other comprehensive income	-	(1)	-	-
Total comprehensive income	(12)	(43)	20	(10)

Summarised information about cash flow

(Unit: Million Baht)

For the year ended 31 December

	L.H. Muang Mai Co., Ltd.		L&H Property Co., Ltd.	
	2021	2020	2021	2020
Cash flow from (used in) operating activities	28	(130)	(51)	(57)
Cash flow from (used in) investing activities	(1)	-	5	37
Cash flow used in financing activities	(58)	(9)	-	(27)
Net decrease in cash and cash equivalents	(31)	(139)	(46)	(47)

15. Investments in associates

15.1 Details of associates

(Unit: Thousand Baht)

Consolidated and separate financial statements

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2021 (Percent)	2020 (Percent)	2021	2020	2021	2020
LH Financial Group Plc.	Holding company	Thailand	21.88	22.16	4,538,712	4,538,712	8,366,909	8,568,288
Quality Construction Products Plc.	Manufacture of construction materials	Thailand	21.16	21.16	179,178	179,178	422,384	431,558
Home Product Center Plc.	Trading of construction materials	Thailand	30.23	30.23	1,489,020	1,489,020	7,538,990	7,138,358
Land and Houses Property and Loan Fund-II	Real estate business	Thailand	49.99	49.99	743,925	743,925	294,237	325,392
Quality Houses Plc.	Real estate business	Thailand	24.98	24.98	3,282,682	3,282,682	7,604,093	7,500,014
					<u>10,233,517</u>	<u>10,233,517</u>	<u>24,226,613</u>	<u>23,963,610</u>

As at 31 December 2020, the Company pledged a portion of shares of Home Product Center Public Company Limited with net book value of Baht 1,580 million (2021: Already redeemed) as collateral to secure the short-term loan from a financial institution.

15.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Company's name	Consolidated and separate financial statements					
	Share of profit or loss		Share of other comprehensive income		Dividend received	
	2021	2020	2021	2020	2021	2020
LH Financial Group Plc.	272,192	496,001	(149,138)	(769,268)	324,433	208,564
Quality Construction Products Plc.	30,392	24,121	(637)	(1,038)	38,929	15,234
Home Product Center Plc.	1,644,888	1,558,666	28,025	1,486	1,272,281	1,232,523
Land and Houses Property and Loan Fund-II	(31,155)	(20,766)	-	-	-	37,139
Quality Houses Plc.	417,014	530,350	(18,581)	(121,966)	294,354	454,911
Total	2,333,331	2,588,372	(140,331)	(890,786)	1,929,997	1,948,371

15.3 Fair values of investments in listed associates

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

(Unit: Million Baht)

Company's name	Fair values as at 31 December	
	2021	2020
LH Financial Group Plc.	6,211	4,867
Quality Construction Products Plc.	465	386
Home Product Center Plc.	57,650	54,072
Quality Houses Plc.	5,994	6,208
Total	70,320	65,533

15.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	LH Financial Group Plc.		Home Product Center Plc.		Quality Houses Plc.	
	2021	2020	2021	2020	2021	2020
Current assets	264,688	249,307	18,920	15,828	23,364	25,224
Non-current assets	-	-	39,666	40,262	22,871	22,440
Current liabilities	(226,490)	(210,681)	(20,560)	(20,610)	(11,322)	(8,663)
Non-current liabilities	-	-	(15,136)	(13,916)	(7,929)	(12,436)
Net assets	38,198	38,626	22,890	21,564	26,984	26,565
Shareholding percentage (%)	21.88	22.16	30.23	30.23	24.98	24.98
Share of net assets	8,358	8,559	6,920	6,519	6,740	6,636
Goodwill	9	9	619	619	864	864
Carrying amounts of associates based on equity method	8,367	8,568	7,539	7,138	7,604	7,500

Summarised information about comprehensive income

(Unit: Million Baht)

For the year ended 31 December

	LH Financial Group Plc.		Home Product Center Plc.		Quality Houses Plc.	
	2021	2020	2021	2020	2021	2020
Revenue	8,075	7,747	63,933	61,765	8,356	9,377
Profit for the year	1,384	2,057	5,440	5,155	1,670	2,123
Other comprehensive income	(676)	(3,468)	93	5	(74)	(488)
Total comprehensive income	708	(1,411)	5,533	5,160	1,596	1,635

15.5 Aggregate amount of share of comprehensive income from other associates (exclude associates named in Note 15.4)

(Unit: Million Baht)

For the year ended 31 December

	2021	2020
Share of comprehensive income:		
Profit from continuing operations	(1)	3
Other comprehensive income	(1)	(1)
Total comprehensive income	(2)	2
Carrying amount of its interests in all individually immaterial associates accounted for using the equity method	717	757

15.6 Significant change in investments in associate

LH Financial Group Public Company Limited

During the current year, LH Financial Group Public Company Limited sold its treasury shares, this result in change of shareholding of the Company from 22.16% to 21.88%. The Company recognised loss from such transaction of Baht 106.5 million as share of profit from investments in associates in the income statement.

16. Long-term loan to other company

In September 2021, a subsidiary entered into a loan agreement with a lessee which is an unrelated party for a credit facility of Baht 120 million to be used for the construction and decoration of such lessee's establishment. The loan drawdown shall be in accordance with the conditions specified in the agreement. The loan carries an interest rate of MLR - 1.50% per annum. The principal is repayable in 55 monthly instalments with the first instalment in January 2023. The lessee has mortgaged a plot of land with an appraisal value of Baht 110 million as collateral to secure the loan from the subsidiary. As at 31 December 2021, lessee has drawn down this loan amounting to Baht 20 million.

17. Land held for development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Land held for development	6,174,576	3,664,148	5,972,042	3,276,459
Less: Allowance for loss on diminution in value	(724,301)	(724,301)	(652,509)	(652,509)
Land held for development - net	<u>5,450,275</u>	<u>2,939,847</u>	<u>5,319,533</u>	<u>2,623,950</u>

A reconciliation of net book value of land held for 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	2,939,847	1,337,204	2,623,950	1,207,660
Transfer from inventory	3,114,715	1,610,287	3,114,715	1,423,934
Transfer to inventory	(547,816)	-	(255,246)	-
Disposals - net book value	(56,471)	(7,644)	(163,886)	(7,644)
Net book value at end of year	<u>5,450,275</u>	<u>2,939,847</u>	<u>5,319,533</u>	<u>2,623,950</u>

During the year 2021, the Company engaged an independent valuer to appraise the fair value of certain plots of land held for development of the Group, using the Market Comparison Approach as the basis of determining the valuation of assets. The fair values of land held for development appraised by the independent appraiser exceeded their net carrying amount.

As at 31 December 2021 and 2020, the Company has mortgaged certain plots of land held for development to secure long-term loans with net book value as follows:

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	2021	2020
Net book value of land held for development mortgaged as collateral	3,819	2,053

18. 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			Separate financial statements		
	Vacant land	Apartments for rent	Total	Vacant land	Apartments for rent	Total
As at 31 December 2021:						
Cost	212,074	13,102,224	13,314,298	212,074	-	212,074
Less: Accumulated depreciation	-	(1,429,915)	(1,429,915)	-	-	-
Net book value	<u>212,074</u>	<u>11,672,309</u>	<u>11,884,383</u>	<u>212,074</u>	<u>-</u>	<u>212,074</u>
As at 31 December 2020:						
Cost	212,074	11,742,792	11,954,866	212,074	-	212,074
Less: Accumulated depreciation	-	(994,195)	(994,195)	-	-	-
Net book value	<u>212,074</u>	<u>10,748,597</u>	<u>10,960,671</u>	<u>212,074</u>	<u>-</u>	<u>212,074</u>

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	10,960,671	13,264,213	212,074	211,753
Acquisition of assets	36,761	65,978	-	321
Disposals - net book value	-	(1,984,550)	-	-
Depreciation charged	(311,579)	(346,055)	-	-
Translation adjustment	1,198,530	(38,915)	-	-
Net book value at end of year	<u>11,884,383</u>	<u>10,960,671</u>	<u>212,074</u>	<u>212,074</u>

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

The additional information of the investment properties as at 31 December 2021 and 2020 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
The fair value of vacant land	293	220	293	220
The fair value of apartments for rent	13,384 ⁽¹⁾	10,991 ⁽¹⁾	-	-

⁽¹⁾ As at 31 December 2021, the fair value is USD 400 million (2020: USD 366 million).

The fair values of the above investment properties have been determined based on valuation performed by an accredited independent valuer. The fair value of vacant land has been determined based on market prices, while that of apartments for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

As at 31 December 2021, a subsidiary mortgaged its apartments with a total net book value of Baht 7,875 million (2020: Baht 3,389 million) as collateral for long-term loans from overseas financial institutions.

The amounts recognised in profit or loss for investment properties are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Rental income	844	1,211	-	-
Direct cost (include repair and maintenance expenses) which generate rental income	817	940	-	-

19. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Building and improvement	Office equipment	Furniture, fixture and equipment	Motor vehicles	Others	Assets under construction	
<u>Cost</u>								
1 January 2020	28,857	63,038	200,059	548,167	122,610	203,905	161,508	1,328,144
Additions	-	-	7,800	422	3,318	3,340	66,859	81,739
Disposals/write-off	-	(12,237)	(277)	(5,705)	(5,711)	-	-	(23,930)
Transfer in (out)	-	62,001	-	47,465	-	-	(109,466)	-
Translation adjustment	-	-	(2)	(123)	-	-	-	(125)
31 December 2020	28,857	112,802	207,580	590,226	120,217	207,245	118,901	1,385,828
Additions	430,130	594,491	9,590	2,056	8,371	27,902	48,060	1,120,600
Disposals/write-off	-	-	(22,847)	(3,048)	(4,513)	(3,805)	-	(34,213)
Transfer in (out)	-	4,866	330	51,421	-	-	(56,617)	-
Translation adjustment	-	-	56	3,591	-	-	-	3,647
31 December 2021	458,987	712,159	194,709	644,246	124,075	231,342	110,344	2,475,862
<u>Accumulated depreciation</u>								
1 January 2020	-	40,156	142,784	273,278	82,875	106,693	-	645,786
Depreciation for the year	-	5,853	22,112	82,745	16,713	34,560	-	161,983
Depreciation on disposals/write-off	-	(12,236)	(270)	(5,705)	(5,371)	-	-	(23,582)
Translation adjustment	-	-	(5)	(167)	-	-	-	(172)
31 December 2020	-	33,773	164,621	350,151	94,217	141,253	-	784,015
Depreciation for the year	-	7,758	20,703	87,264	17,138	25,964	-	158,827
Depreciation on disposals/write-off	-	-	(22,804)	(3,048)	(4,508)	(3,801)	-	(34,161)
Translation adjustment	-	47	56	968	31	2	-	1,104
31 December 2021	-	41,578	162,576	435,335	106,878	163,418	-	909,785
<u>Allowance for impairment</u>								
1 January 2020	334	-	-	-	-	-	-	334
31 December 2020	334	-	-	-	-	-	-	334
31 December 2021	334	-	-	-	-	-	-	334
<u>Net book value</u>								
31 December 2020	28,857	79,029	42,959	240,075	26,000	65,992	118,901	601,479
31 December 2021	458,653	670,581	32,133	208,911	17,197	67,924	110,344	1,565,743
<u>Depreciation for the year</u>								
2020 (Baht 68 million included in cost of hotel operations and the balance in administrative expenses)								161,983
2021 (Baht 59 million included in cost of hotel operations and the balance in administrative expenses)								158,827

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land	Building and improvement	Office equipment	Furniture, fixture and equipment	Motor vehicles	Others	Assets under construction	
<u>Cost</u>								
1 January 2020	1,860	47,752	125,499	316,889	114,217	59,157	154,060	819,434
Additions	-	-	2,978	32	3,050	1,712	45,939	53,711
Disposals/write-off	-	(12,237)	-	(4,478)	(4,824)	-	-	(21,539)
Transfer in (out)	-	62,001	-	41,755	-	-	(103,756)	-
31 December 2020	1,860	97,516	128,477	354,198	112,443	60,869	96,243	851,606
Additions	-	-	6,903	70	3,842	368	37,600	48,783
Disposals/write-off	-	-	(22,092)	(2,400)	(4,053)	(3,787)	-	(32,332)
Transfer in (out)	-	4,867	330	44,707	-	-	(49,904)	-
31 December 2021	1,860	102,383	113,618	396,575	112,232	57,450	83,939	868,057
<u>Accumulated depreciation</u>								
1 January 2020	-	32,333	110,692	204,544	76,613	52,724	-	476,906
Depreciation for the year	-	3,898	8,857	41,452	15,974	2,653	-	72,834
Depreciation on disposals/write-off	-	(12,236)	-	(4,478)	(4,802)	-	-	(21,516)
31 December 2020	-	23,995	119,549	241,518	87,785	55,377	-	528,224
Depreciation for the year	-	4,664	8,017	45,263	15,484	2,356	-	75,784
Depreciation on disposals/write-off	-	-	(22,092)	(2,400)	(4,047)	(3,787)	-	(32,326)
31 December 2021	-	28,659	105,474	284,381	99,222	53,946	-	571,682
<u>Allowance for impairment</u>								
1 January 2020	334	-	-	-	-	-	-	334
31 December 2020	334	-	-	-	-	-	-	334
31 December 2021	334	-	-	-	-	-	-	334
<u>Net book value</u>								
31 December 2020	1,526	73,521	8,928	112,680	24,658	5,492	96,243	323,048
31 December 2021	1,526	73,724	8,144	112,194	13,010	3,504	83,939	296,041
<u>Depreciation for the year</u>								
2020 (The balance included in administrative expenses)								72,834
2021 (The balance included in administrative expenses)								75,784

In December 2021, Land and Houses U.S.A., Inc., the Company's 100% owned subsidiary, acquired land and a hotel building in the United States of America at price of USD 31 million or approximately Baht 1,056 million.

As at 31 December 2021 and 2020, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Building and equipment items were fully depreciated but are still in use	466	430	368	355

20. Leases

20.1 The Group as a lessee

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

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Land and structures	Hotel buildings	Office building space	Motor vehicles	Total
1 January 2020	6,884,416	5,363,382	364,300	7,492	12,619,590
Additions	3,263,596	-	-	-	3,263,596
Increase (decrease) from lease modification	65,217	(41,474)	14,457	-	38,200
Depreciation for the year	(233,802)	(135,431)	(57,846)	(5,251)	(432,330)
Variance from rental reduction	-	(578,516)	-	-	(578,516)
31 December 2020	9,979,427	4,607,961	320,911	2,241	14,910,540
Additions	3,002,091	-	-	-	3,002,091
Increase (decrease) from lease modification	(66,546)	(77,551)	884	-	(143,213)
Depreciation for the year	(268,123)	(708,889)	(58,941)	(1,078)	(1,037,031)
31 December 2021	12,646,849	3,821,521	262,854	1,163	16,732,387

	(Unit: Thousand Baht)
	Separate financial statements
	<u>Office building space</u>
1 January 2020	311,125
Increase from lease modification	13,464
Depreciation for the year	(44,985)
31 December 2020	279,604
Depreciation for the year	(46,601)
31 December 2021	<u>233,003</u>

During the year ended 31 December 2021, borrowing costs amounting to Baht 18.64 million (2020: Baht 3.60 million) were capitalised as cost projects under construction. The weighted average rate of 2.5% - 2.75% (2020: 2.5% - 3.3%) has been used to determine the amount of borrowing costs eligible for capitalisation.

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

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

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

In May 2021, LHMH entered into an amendment to land lease agreement to extend the construction period for one year. As a result, the end of the lease term is changed from July 2053 to July 2054. LHMH recorded the adjustment of right-of-use assets and lease liabilities decreasing from lease modification of Baht 67 million in the statement of financial position.

In December 2021, the lease term of Grande Centre Point Hotel Terminal 21 expired. In February 2022, LHH entered into a new lease agreement for a term of 3 years which became effective in December 2021 to continue the lease under the previous lease agreement. The lease agreement can be extended in accordance with the conditions stipulated in the agreement. LHH agreed to pay a fixed rental fee plus a variable rental fee in accordance with the conditions stipulated in the agreement. The difference of the fixed rental fee between the previous lease agreement and the new lease agreement is treated as a lease modification. LHH recorded the adjustment of right-of-use assets and lease liabilities decreasing from lease modification of Baht 78 million in the statement of financial position.

In January 2022, L&H Property Company Limited (“LHP”), the Company’s subsidiary, entered into a new lease agreement to lease assets of Grande Centre Point Hotel Ploenchit as the previous lease agreement ended in December 2021, for a term of 3 years. The lease agreement can be extended in accordance with the conditions stipulated in the agreement. LHP agreed to pay a fixed rental fee plus variable rental fee in accordance with the conditions stipulated in the agreement. The difference of the fixed rental fee between the previous lease agreement and the new lease agreement is treated as a lease modification. LHP will recorded the difference from lease modification as right-of-use assets and lease liabilities in the first quarter of 2022.

As at 31 December 2021, a subsidiary has mortgaged its land leasehold rights with structures thereon with a total net book value of Baht 11,545 million (2020: Baht 7,590 million) as collateral for bank overdrafts and long-term loans from financial institution.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Lease payments	9,515,982	10,685,329	252,418	302,902
Less: Deferred interest expenses	(2,801,191)	(3,061,921)	(13,691)	(19,624)
Total	6,714,791	7,623,408	238,727	238,278
Less: Portion due within one year	(789,832)	(764,937)	(45,583)	(44,551)
Lease liabilities - net of current portion	<u>5,924,959</u>	<u>6,858,471</u>	<u>193,144</u>	<u>238,727</u>

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	7,623,408	6,993,947	283,278	311,125
Additions	-	1,823,761	-	-
Accretion of interest	267,378	268,100	5,933	6,922
Repayments	(240,193)	(839,175)	(50,484)	(48,232)
Increase (decrease) from lease modification	(143,213)	38,200	-	13,463
Reduction of lease payments	(792,589)	(661,425)	-	-
Balance at end of year	<u>6,714,791</u>	<u>7,623,408</u>	<u>238,727</u>	<u>283,278</u>

During the year ended 31 December 2021, the subsidiaries have been granted a reduction of hotel building lease payments for a period from January 2021 to December 2021 by the lessor totaling Baht 793 million (2020: for a period from March 2020 to December 2020 totaling Baht 661 million) in accordance with the conditions as stipulated in the lease agreements of hotel buildings. The subsidiaries recognised reduction of lease payments in the income statement for the current year.

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

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	1,037,031	432,330	46,601	44,985
Interest expense on lease liabilities	267,378	120,717	5,933	6,922
Expense relating to short-term leases	4,163	5,214	1,732	2,925
Expense relating to leases of low-value assets	17,367	17,722	13,802	14,934
Expense relating to variable lease payments that do not depend on an index or a rate	-	48,785	-	-

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

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 262 million (2020: Baht 911 million) (the Company only: Baht 66 million, 2020: Baht 66 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 38.1.3 to the financial statements.

20.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of apartments for rent (see Note 18) of the lease terms are between 1 and 8 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2021 and 2020 as follows:

	(Unit: Thousand Baht) Consolidated financial statements	
	2021	2020
Within 1 year	668,141	556,432
Over 1 and up to 5 years	130,859	105,236
Over 5 years	7,000	22,056
Total	<u>806,000</u>	<u>683,724</u>

21. Intangible assets

The net book value of intangible assets (computer software) as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cost	96,827	92,704	58,801	57,267
Less: Accumulated amortisation	(68,418)	(59,454)	(47,332)	(44,804)
Net book value	<u>28,409</u>	<u>33,250</u>	<u>11,469</u>	<u>12,463</u>

A reconciliation of the net book value of intangible assets 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	33,250	41,273	12,463	15,203
Acquisition of computer software	3,795	3,087	3,004	1,155
Disposal and write-off during the year				
- net book value as at disposal date	(4)	(203)	-	-
Amortisation (included in administrative expense)	(9,475)	(11,080)	(3,998)	(3,895)
Translation adjustment	843	173	-	-
Net book value at end of year	<u>28,409</u>	<u>33,250</u>	<u>11,469</u>	<u>12,463</u>

22. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2021	2020	2021	2020	2021	2020
Promissory notes	0.65 - 1.85	1.50 - 1.90	2,469,200	6,845,000	1,499,200	5,875,000
Total			<u>2,469,200</u>	<u>6,845,000</u>	<u>1,499,200</u>	<u>5,875,000</u>

As at 31 December 2020, the Company's short-term loans facilities are secured by the pledge of a portion of shares of Home Product Center Public Company Limited. The Company repaid all short-term loans in September 2021. The drawdown period also ended in September 2021. Currently, the Company has already redeemed such shares of Home Product Center Public Company Limited that pledged with financial institution.

As at 31 December 2021 and 2020, the subsidiary's short-term loans facilities are secured by the pledge of unit trusts of LH Shopping Centers Leasehold Real Estate Investment Trust and LH Hotel Leasehold Real Estate Investment Trust and guaranteed by the Company.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables - unrelated parties	2,130,636	2,106,080	1,206,468	1,414,578
Trade payables - related parties	10,473	6,283	3,116	4,724
Other payables - related parties	7,482	6,462	12,159	5,999
Accrued interest payable				
- related parties	-	-	15,000	15,098
Accrued expenses	997,211	980,000	836,652	818,594
Others	37,965	41,457	30,210	35,305
Total trade and other payables	<u>3,183,767</u>	<u>3,140,282</u>	<u>2,103,605</u>	<u>2,294,298</u>

24. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Long-term loans	18,021,725	15,010,388	9,347,400	8,520,000
Less: Current portion	(2,571,561)	(226,267)	(2,465,000)	-
Long-term loans, net of current portion	<u>15,450,164</u>	<u>14,784,121</u>	<u>6,882,400</u>	<u>8,520,000</u>

As at 31 December 2021 and 2020, long-term loans of the Group from financial institutions are shown below:

	Consolidated		Separate		Interest rate per annum (%)	Principal repayments	Guaranteed by
	financial statements		financial statements				
	2021	2020	2021	2020			
(Unit: Million Baht)							
<u>The Company</u>	2,465	4,000	2,465	4,000	2.20	Within April 2022	Land and premises of project
	1,600	1,600	1,600	1,600	2.20	Within April 2024	Land and premises of project
	-	660	-	660	2.20	Within September 2025	Land and premises of project
	-	550	-	550	2.20	Within October 2024	Land and premises of project
	1,710	1,710	1,710	1,710	2.40	Within October 2025	Land and premises of project
	1,069	-	1,069	-	2.20	Within June 2025	Land and premises of project
	449	-	449	-	2.20	Within December 2025	Land and premises of project
	838	-	838	-	1.95	Within June 2024	Land and premises of project
	677	-	677	-	1.95	Within June 2025	Land and premises of project
	539	-	539	-	1.95	Within December 2025	Land and premises of project
<u>Subsidiaries</u>							
LH Mall & Hotel Co., Ltd.*	3,360	3,360	-	-	MLR - 2.50	First repayment in March 2023 to December 2032	Leasehold and premises of project
	717	207	-	-	MLR - 2.75	First repayment in March 2023 to December 2032	Leasehold and premises of project
	160	-	-	-	MLR - 2.75	First repayment in December 2023 to June 2032	Leasehold and premises of project
Land and Houses U.S.A., Inc.	2,005	1,802	-	-	3.83	Repayment within 5 years from the first drawdown date	Apartment of project
	1,376	-	-	-	Prime rate - 0.30	Within January 2024	Apartment of project
L.H. Muang Mai Co., Ltd.	377	441	-	-	MLR - 2.25	Repayment of principal upon transfer of house of the project to customer or within 5 years from the first drawdown date	Land and premises of project
LH Asset Co., Ltd.*	680	680	-	-	2.40	Within October 2025	Land and premises of project
Total	18,022	15,010	9,347	8,520			
Less: Current portion	(2,572)	(226)	(2,465)	-			
Net	15,450	14,784	6,882	8,520			

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

Movements of the long-term loans account during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Beginning balance	15,010,388	10,221,585	8,520,000	4,000,000
Additional borrowings	5,558,655	5,812,000	3,572,400	4,520,000
Repayments	(2,837,060)	(1,016,183)	(2,745,000)	-
Translation adjustment	289,742	(7,014)	-	-
Ending balance	<u>18,021,725</u>	<u>15,010,388</u>	<u>9,347,400</u>	<u>8,520,000</u>

As at 31 December 2021 and 2020, the Group has mortgaged part of land and structures thereon of projects, investment properties, land held for development and land leasehold rights as collateral for long-term loans.

In March 2020, a subsidiary entered into an amendment of loan agreement with a bank to extend the principal repayment period and request the grace period from March 2020 to February 2021. After the grace period ends, the principal will be paid from March 2021 onwards. Subsequently, in March 2021 and September 2021, the subsidiary entered into two amendments of loan agreements with a bank to extend the principal repayment period and request the grace period from March 2021 to February 2023. After the grace period ends, the principal will be paid from March 2023 onwards.

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

As at 31 December 2021 and 2020, the Group has the long-term credit facilities which have not yet been drawn down as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Undrawdown loan facilities	6,698	9,925	-	4,125

25. Debentures

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

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

As at 31 December 2021, the Company has unissued debentures under the above mentioned approval totaling Baht 21,400 million (2020: Baht 26,400 million).

The outstanding balance of debentures as at 31 December 2021 and 2020 are detailed below.

No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					2021	2020	2021	2020
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2018	Fixed rate 2.96%	7 years	At maturity	7 March 2025	1,200,000	1,200,000	1,200,000	1,200,000
No. 2/2018	Fixed rate 1.98%	3 years	At maturity	7 May 2021	-	6,000,000	-	6,000,000
No. 3/2018	Fixed rate 3.02%	3 years	At maturity	5 October 2021	-	5,000,000	-	5,000,000
No. 1/2019	Fixed rate 2.62%	3 years	At maturity	26 April 2022	6,000,000	6,000,000	6,000,000	6,000,000
No. 2/2019	Fixed rate 2.12%	3 years	At maturity	15 October 2022	7,000,000	7,000,000	7,000,000	7,000,000
No. 1/2020 (1)	Fixed rate 2.30%	2 years	At maturity	12 May 2022	3,000,000	3,000,000	3,000,000	3,000,000
No. 1/2020 (2)	Fixed rate 2.60%	3 years	At maturity	12 May 2023	2,400,000	2,400,000	2,400,000	2,400,000
No. 2/2020	Fixed rate 2.03%	3 years	At maturity	20 October 2023	3,000,000	3,000,000	3,000,000	3,000,000
No. 1/2021 (1)	Fixed rate 1.09%	2 years 16 days	At maturity	12 May 2023	3,000,000	-	3,000,000	-
No. 1/2021 (2)	Fixed rate 1.50%	3 years	At maturity	26 April 2024	5,000,000	-	5,000,000	-
No. 2/2021	Fixed rate 1.46%	3 years 2 days	At maturity	19 October 2024	8,000,000	-	8,000,000	-
Total					<u>38,600,000</u>	<u>33,600,000</u>	<u>38,600,000</u>	<u>33,600,000</u>
Less: Current portion of debentures							<u>(16,000,000)</u>	<u>(11,000,000)</u>
Debentures - net of current portion							<u>22,600,000</u>	<u>22,600,000</u>

Movements of the debentures account during the year ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2021	2020
Beginning balance	33,600,000	39,200,000
Add: Issue of new debenture	16,000,000	8,400,000
Less: Redemption	(11,000,000)	(14,000,000)
Ending balance	38,600,000	33,600,000

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

26. Provisions

(Unit: Thousand Baht)

	Consolidated financial statements						
	After-sale maintenance expenses	Legal cases	Contributions to housing estate juristic persons	Public utilities maintenance	Damages from projects	Others	Total
As at 1 January 2020	95,634	461,464	293,593	159,883	17,556	25,000	1,053,130
Increase during the year	71,268	12,800	41,190	88,813	-	457	214,528
Reversal of provisions	-	(349,090)	-	-	(17,556)	-	(366,646)
Utilised	(83,353)	(3,905)	(14,567)	(97,085)	-	-	(198,910)
As at 31 December 2020	83,549	121,269	320,216	151,611	-	25,457	702,102
Increase during the year	131,251	2,742	55,254	89,408	-	465	279,120
Reversal of provisions	-	(104,728)	-	-	-	-	(104,728)
Utilised	(100,945)	(4,000)	(3,022)	(84,448)	-	-	(192,415)
As at 31 December 2021	113,855	15,283	372,448	156,571	-	25,922	684,079

(Unit: Thousand Baht)

	Separate financial statements							
	After-sale maintenance expenses		Contributions to housing estate juristic persons		Public utilities maintenance	Damages from projects	Others	Total
	Legal cases							
As at 1 January 2020	93,319	461,464	285,225	158,355	17,556	-	1,015,919	
Increase during the year	61,944	12,800	33,750	78,058	-	-	186,552	
Reversal of provisions	-	(349,090)	-	-	(17,556)	-	(366,646)	
Utilised	(81,735)	(3,905)	(14,410)	(93,009)	-	-	(193,059)	
As at 31 December 2020	73,528	121,269	304,565	143,404	-	-	642,766	
Increase during the year	101,244	2,742	46,211	77,611	-	-	227,808	
Reversal of provisions	-	(104,728)	-	-	-	-	(104,728)	
Utilised	(90,130)	(4,000)	(2,093)	(78,591)	-	-	(174,814)	
As at 31 December 2021	84,642	15,283	348,683	142,424	-	-	591,032	

27. Other current financial liabilities / Other non-current financial liability

As at 31 December 2021 and 31 December 2020, the Group has other financial liabilities as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative liabilities				
Cross currency and interest rate swap agreements (Note 40.1)	74,515	-	30,024	-
Total other current financial liabilities	74,515	-	30,024	-
Derivative liability				
Cross currency and interest rate swap agreement (Note 40.1)	3,896	-	3,896	-
Total other non-current financial liability	3,896	-	3,896	-

28. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Provision for long-term employee benefits				
at beginning of year	594,850	527,693	433,486	380,376
Included in profit or loss:				
Current service cost	26,058	30,413	12,284	17,439
Interest cost	8,704	15,667	4,624	8,984
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	(502)	-	-	-
Financial assumptions changes	(3,190)	23,836	-	22,496
Experience adjustments	(13,580)	34,866	-	34,101
Benefits paid during the year	(25,827)	(37,625)	(24,539)	(29,910)
Provision for long-term employee benefits				
at end of year	<u>586,513</u>	<u>594,850</u>	<u>425,855</u>	<u>433,486</u>

The Group expects to pay Baht 68 million (2020: Baht 34 million) of long-term employee benefits during the next year (the Company only: Baht 63 million, 2020: Baht 33 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 21 years (2020: 22 years) (the Company only: 21 years, 2020: 21 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Discount rate	1.1 - 2.4	1.1 - 2.7	1.1	1.1
Salary increase rate	5 - 6	5 - 6.5	5.5	5.5
Turnover rate	0 - 35	0 - 30	0 - 17.5	0 - 17.5

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					
	Discount rate		Salary increase rate		Turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%	10%	10%
Consolidated financial statements	(27)	28	40	(32)	(15)	5
Separate financial statements	(17)	18	20	(18)	(7)	7

(Unit: Million Baht)

	2020					
	Discount rate		Salary increase rate		Turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%	10%	10%
Consolidated financial statements	(28)	30	30	(28)	(11)	12
Separate financial statements	(18)	19	18	(17)	(6)	6

29. Statutory reserve

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

30. Revenue from contracts with customers

30.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Type of goods or service:				
Revenue from sales of real estate	30,461,246	27,524,717	26,506,711	24,362,859
Revenue from hotel operations	764,154	976,268	-	-
Infrastructure service income	439,744	398,073	387,161	356,759
Project management income	200,857	230,054	-	-
Total revenue from contracts with customers	<u>31,866,001</u>	<u>29,129,112</u>	<u>26,893,872</u>	<u>24,719,618</u>
Rental income	843,618	1,210,900	-	-
Interest income	43,972	39,858	387,959	484,281
Dividend income	82,540	115,665	50,386	58,600
Gain on sales of properties	-	405,275	-	-
Gain on exchange	477,742	2,138	416,910	8,623
Others	195,647	163,966	186,899	120,829
Total revenue	<u>33,509,520</u>	<u>31,066,914</u>	<u>27,936,026</u>	<u>25,391,951</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	31,225,400	28,500,985	26,506,711	24,362,859
Revenue recognised over time	640,601	628,127	387,161	356,759
Total revenue from contracts with customers	<u>31,866,001</u>	<u>29,129,112</u>	<u>26,893,872</u>	<u>24,719,618</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
External customers	32,069,018	29,711,885	26,506,711	24,362,859
Inter-segment	45,499	124,127	-	-
Infrastructure service income	439,744	398,073	387,161	356,759
Project management income	200,857	230,054	-	-
Total	32,755,118	30,464,139	26,893,872	24,719,618
Rental income	(843,618)	(1,210,900)	-	-
Adjustments and eliminations	(45,499)	(124,127)	-	-
Total revenue from contracts with customers	31,866,001	29,129,112	26,893,872	24,719,618

30.2 Revenue recognised in relation to contract balances

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenue from sales of real estate recognised during the year that was included in advances received from customers at the beginning of the year	369,180	319,959	360,711	312,552
Revenue from hotel operations recognised during the year that was included in advances received from customers at the beginning of the year	15,698	4,501	-	-

30.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, revenue from sales of real estate totaling Baht 3,848 million is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (2020: Baht 3,356 million) (the Company only: Baht 3,316 million, 2020: Baht 3,132 million). The Group expects to satisfy these performance obligations within 1 year (2020: 2 years).

31. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Interest expenses on borrowings	837,018	760,991	663,284	667,623
Interest expenses on lease liabilities	267,378	120,717	5,933	6,922
Finance cost on provision for decommissioning and long-term liabilities	8,009	6,422	-	-
Total	1,112,405	888,130	669,217	674,545

32. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Purchase of land and land held for development and payment of construction in progress during year	15,597	18,068	12,871	14,145
Changes in land, constructions in progress and land held for development	3,186	(1,122)	3,290	842
Salaries and wages and other employee benefits	1,328	1,283	1,162	1,114
Depreciation and amortisation expenses	1,517	951	126	122

33. 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	1,482,487	1,295,370	1,242,851	1,006,163
Deferred tax:				
Relating to origination and reversal of temporary differences	(203,214)	(79,634)	(29,679)	40,874
Income tax expenses reported in the statements of income	1,279,273	1,215,736	1,213,172	1,047,037

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax on loss from the change in value of financial assets measured at FVOCI	(75,406)	(391,316)	(39,272)	(180,472)
Deferred tax on actuarial gain (losses)	5,182	(11,740)	-	(11,319)
	<u>(70,224)</u>	<u>(403,056)</u>	<u>(39,272)</u>	<u>(191,791)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accounting profit before tax	<u>8,217,835</u>	<u>8,337,510</u>	<u>8,149,301</u>	<u>8,191,954</u>
Applicable tax rate	20% and 28%	17% and 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,617,601	1,667,941	1,629,860	1,638,391
Adjustment in respect of income tax of previous year	-	4,814	-	-
Previously unrecognised tax losses that is used to reduce current tax expenses	(898)	(8)	-	-
Effects of:				
Change in value of investments accounted for the equity method	(466,666)	(517,674)	(426,085)	(601,640)
Non-deductible expenses	10,547	21,976	9,952	11,255
Additional expense deductions allowed	(3,216)	(2,736)	(318)	(1,368)
Unused tax losses	112,219	10,111	-	-
Items treated as revenue under the Revenue Code	11,762	30,390	-	-
Others	(2,076)	922	(237)	399
Total	<u>(337,430)</u>	<u>(457,011)</u>	<u>(416,688)</u>	<u>(591,354)</u>
Income tax expenses reported in the statement of income	<u>1,279,273</u>	<u>1,215,736</u>	<u>1,213,172</u>	<u>1,047,037</u>

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	financial
	financial statements		statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for diminution in value of inventories and land held for development	180,174	180,574	170,567	170,003
Allowance for impairment of other investments	5,200	5,200	5,200	5,200
Allowance for asset impairment	67	67	67	67
Accumulated depreciation - Clubhouse and pool	196,645	165,458	177,597	150,700
Accumulated amortisation - Leasehold rights	1,136,403	1,186,722	-	-
Accumulated amortisation - Intangible assets	388	2,079	-	-
Provisions	79,886	93,975	66,030	85,200
Provision for long-term employee benefits	115,651	116,976	85,171	86,697
Unused tax losses	349,872	360,074	-	-
Accrued land rental	70,348	70,637	-	-
Accrued interest payable	126,309	4,028	-	-
Interest expenses capitalised as costs of projects	37,952	27,105	37,952	27,106
Lease	38,614	22,196	1,145	735
Loss on change in value of equity instruments	224,200	145,762	161,910	122,536
Total	2,561,709	2,380,853	705,639	648,244
Deferred tax liabilities				
Rental income received in advance	(1,559)	(8,977)	-	-
Gain on change in value of equity instruments	(4,241)	(1,311)	-	-
Accumulated depreciation - Investment property	(345,204)	(295,633)	-	-
Advance payment	(757)	(1,433)	-	-
Advance received from sale of assets to REIT	(2,694,963)	(2,833,087)	-	-
Cost to obtain contracts with customers	(16,733)	(28,289)	(16,733)	(28,289)
Total	(3,063,457)	(3,168,730)	(16,733)	(28,289)
Deferred tax assets (liabilities) - net	(501,748)	(787,877)	688,905	619,955
Transaction in statements of financial position				
Deferred tax assets	804,816	721,179	688,905	619,955
Deferred tax liabilities	(1,306,564)	(1,509,056)	-	-
Deferred tax assets (liabilities) - net	(501,748)	(787,877)	688,905	619,955

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 1,325 million (2020: Baht 1,028 million) (the Company only: 2021 and 2020: Nil), on which deferred tax assets have not been recognised as the Group believes that the temporary differences and unused tax losses will not be used.

As at 31 December 2021, the subsidiaries' unused tax losses amounting to Baht 372 million (2020: Baht 78 million) will expire by 2023.

34. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share.

Consolidated and separate financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2021	2020	2021	2020	2021	2020
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the parent					
6,936,129	7,144,917	11,949,713	11,949,713	0.58	0.60

35. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

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

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

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

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

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2021 and 2020.

(Unit: Million Baht)

For the year ended 31 December 2021

	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	30,461	1,608	-	32,069	-	32,069
Inter-segment revenue	-	45	-	45	(45)	-
Interest income	389	33	-	422	(378)	44
Infrastructure service income	440	-	-	440	-	440
Project management income	-	201	-	201	-	201
Finance cost	(700)	(763)	-	(1,463)	351	(1,112)
Depreciation and amortisation	(129)	(1,388)	-	(1,517)	-	(1,517)
Loss on diminution in value of projects	(79)	-	-	(79)	29	(50)
Reversal of provision for legal cases	105	-	-	105	-	105
Gain on sales of properties	1	2	-	3	-	3
Share of profit from investments in associates accounted for by the equity method	447	(31)	1,917	2,333	-	2,333
Segment profit (loss)	6,870	(884)	1,917	7,903	42	7,945
Unallocated revenue and expenses:						
Other income						275
Gain on exchange						478
Loss on derivatives						(480)
Income tax expenses						(1,279)
Profit for the year						6,939

The following table present assets information regarding the Group operating segments for the year ended 31 December 2021.

(Unit: Million Baht)

	Real estate business	Rental and service business	Others	Total reportable segments	Unallocated assets	Consolidated financial statements
Segment assets	53,714	29,834	-	83,548	41,650	125,198
Investments in associates accounted for by the equity method	8,026	294	15,907	24,227	-	24,227
Increase in non-current assets other than financial instruments and deferred tax assets	2,708	3,144	-	5,852	-	5,852

(Unit: Million Baht)

For the year ended 31 December 2020

	Real estate business	Rental and service business	Others	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	27,525	2,187	-	29,712	-	29,712
Inter-segment revenue	62	62	-	124	(124)	-
Interest income	486	40	-	526	(486)	40
Infrastructure service income	398	-	-	398	-	398
Project management income	-	230	-	230	-	230
Finance cost	(705)	(666)	-	(1,371)	483	(888)
Depreciation and amortisation	(123)	(828)	-	(951)	-	(951)
Reversal of provision for legal cases	349	-	-	349	-	349
Gain on sales of properties	-	405	-	405	-	405
Share of profit from investments in associates accounted for by the equity method	554	(21)	2,055	2,588	-	2,588
Segment profit (loss)	6,228	(280)	2,055	8,003	174	8,177
Unallocated revenue and expenses:						
Other income						280
Gain on exchange						2
Loss on derivatives						(121)
Income tax expenses						(1,216)
Profit for the year						7,122

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

(Unit: Million Baht)

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

Geographic information

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

(Unit: Million Baht)

	<u>2021</u>	<u>2020</u>
Revenue from external customers		
Thailand	31,471	29,024
United States of America	598	688
Total	<u>32,069</u>	<u>29,712</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	47,269	43,293
United States of America	12,786	10,783
Total	<u>60,055</u>	<u>54,076</u>

Major customers

For the years 2021 and 2020, the Group has no major customer with revenue of 10% or more of an entity's revenues.

36. Provident fund

The Company and its employees and the subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and employees of each company contribute to the fund monthly at the rate of 5 to 7 percent of basic salary. The fund, which is managed by Land and Houses Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years, the contributions were recognised as expenses are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Contribution to provident fund	56	58	36	36

37. Dividends

Dividends	Approved by	Approved dividend per share (Baht)	Interim dividend per share (Baht)	Additional dividend paid per share (Baht)	Total	Net
					additional dividend paid (Million Baht)	dividend paid (Million Baht)
Interim dividend for 2019	Board of Directors' Meeting on 23 April 2020	0.70	(0.30)	0.40	4,780	4,780
Interim dividend for the operations as from 1 January 2020 to 30 June 2020	Board of Directors' Meeting on 13 August 2020	0.20	-	0.20	2,390	2,390
						<u>7,170</u>
Final dividend for 2020	Annual General Meeting of the shareholders on 27 April 2021	0.50	(0.20)	0.30	3,585	3,585
Interim dividend for the operations as from 1 January 2021 to 30 June 2021 and retained earnings	Board of Directors' Meeting on 10 August 2021	0.25	-	0.25	2,987	2,987
						<u>6,572</u>

38. Commitments and contingent liabilities

38.1 Commitments

38.1.1 As at 31 December 2021 and 2020, the Group has commitments to purchase of land and complete projects on hand as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Commitment to purchase of land	2,874	1,992	2,874	1,992
Commitment under construction contracts	4,674	4,254	1,155	1,767
Commitment in respect of the installation of public utilities of projects on hand	1,295	1,498	951	1,062

38.1.2 As at 31 December 2021, the Group have servitude over land of approximately 184 rai (2020: 177 rai) of which the cost is included in the cost of projects.

38.1.3 Lease commitments

As at 31 December 2021 and 2020, the Group has future lease payments required under these non-cancellable leases contracts that have not yet commenced as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2021	2020
Within 1 year	-	-
Over 1 and up to 5 years	1,072	1,054
Over 5 years	1,839	1,857
Total	2,911	2,911

38.2 Bank guarantees

As at 31 December 2021 and 2020, there were the following outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Letter of guarantees for arrangement and maintenance of public utilities	4,444	4,738	3,444	3,986
Letter of guarantees for electricity usage	42	46	19	25
Letter of guarantees for building construction	34	33	-	-
	4,520	4,817	3,463	4,011

38.3 Guarantees

37.3.1 As at 31 December 2021 and 2020, the Company has the obligations in respect of guarantees for customers amounting to Baht 7 million.

38.3.2 The Company has contingent liabilities to a bank in relation to the financial support in form of issuance of a letter of comfort to provide to the subsidiaries for loans and guarantee facilities obtained for development of the subsidiaries' projects. As at 31 December 2021, the subsidiaries have outstanding loans related to guarantee portion of the Company as specified in the letter of comfort amounting to Baht 5,887 million (2020: Baht 5,217 million).

In addition, the Company provided letter of comfort to the lenders of LH Hotel Leasehold Real Estate Investment Trust ("LHHOTEL"), relating to maintain the percentage of unit holding in LHHOTEL by LH Mall & Hotel Company Limited and maintain the period of the sublease of the Grande Centre Point Hotel Terminal 21 and the Grande Centre Point Hotel Ratchadamri by L&H Hotel Management Company Limited.

38.4 Litigation

- 1) In 2010 - 2016, a housing estate juristic person and residents filed totaling 10 lawsuits against the Company for the construction of a kindergarten in the project with an amount in dispute of Baht 493 million. Details are below:
 - a) Case 1 has the amount in dispute of Baht 338 million. The Court of First Instance ordered the Company to pay for damages of Baht 27 million plus interest at a rate of 7.5% per annum, commencing from 18 January 2008 until the full amount is paid. In September 2013, the Appeal Court altered the judgement of the Court of First Instance, whereby the Company shall pay for damages of Baht 13.8 million plus interest at a rate 7.5% per annum, commencing from 18 January 2008 until the full amount is paid. Subsequently, in August 2020, the Supreme Court altered the judgement of the Appeal Court, whereby the case was dismissed. Therefore, this case was finalised.
 - b) From October to November 2020, the Court dismissed Case 2 and issued an order to dispose of Case 3 to Case 7 with a total amount in dispute of Baht 41 million. Therefore, these cases were finalised.
 - c) From December 2020 to March 2021, the plaintiffs had withdrawn the lawsuits of Case 8 to Case 10 with a total amount in dispute of Baht 114 million. Therefore, these cases were finalised.

During the current year, the Company has reversed the provision as previously recorded liabilities for the above lawsuits totaling Baht 104 million (2020: Baht 349 million).

In addition, in 2018, the housing estate juristic person and residents filed 2 additional lawsuits against the Company for the construction of a kindergarten in the project with an amount in dispute totaling Baht 23 million. In August 2020, plaintiffs had withdrawn the lawsuits. Therefore, these case were finalised.

- 2) In November 2020 and in March 2021, housing residents and housing estate juristic person filed 3 lawsuits against the Company on the grounds of compliance with Environmental Impact Assessment (EIA) in relation to impact of the housing development on the land access, demanding that the Company buy the disputed land or pay compensation to the plaintiffs and demanding that the Company buy the plaintiffs' land and houses totaling Baht 257 million. In December 2021, plaintiffs withdrew all 3 cases.
- 3) As at 31 December 2021, the Company has been sued for breach of agreements, claiming for a total of Baht 114 million (2020: Baht 96 million).

As at 31 December 2021, the Company has set aside a provision of Baht 15 million for liabilities arising as a result of the legal cases (2020: Baht 121 million).

39. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity investments measured at FVOCI	3,740	-	115	3,855
Derivatives - Cross currency and interest rate swaps	-	64	-	64
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	70,320	-	-	70,320
Investment properties	-	-	13,677	13,677
Liabilities measured at fair value				
Derivatives - Cross currency and interest rate swap	-	78	-	78

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Long-term loans from financial institutions	-	-	17,267	17,267
Debentures	-	35,922	-	35,922

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,000	-	1,000
Equity investments measured at FVOCI	4,132	-	100	4,232
Derivatives - Cross currency and interest rate swaps	-	616	-	616
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	65,533	-	-	65,533
Investment properties	-	-	11,211	11,211
Liabilities for which fair value are disclosed				
Long-term loans from financial institutions	-	-	14,550	14,550
Debentures	-	31,729	-	31,729

(Unit: Million Baht)

Separate financial statements

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity investments measured at FVOCI	2,650	-	-	2,650
Derivatives - Cross currency and interest rate swaps	-	64	-	64
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	70,320	-	-	70,320
Investment properties	-	-	293	293
Liabilities measured at fair value				
Derivatives - Cross currency and interest rate swaps	-	34	-	34
Liabilities for which fair value are disclosed				
Long-term loan from related party	-	-	803	803
Long-term loans from financial institutions	-	-	8,651	8,651
Debentures	-	35,922	-	35,922

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Debt investments measured at FVTPL	-	1,000	-	1,000
Equity investments measured at FVOCI	2,847	-	-	2,847
Derivatives - Cross currency and interest rate swaps	-	602	-	602
Assets for which fair value are disclosed				
Investments in associates that are listed companies on the Stock Exchange	65,533	-	-	65,533
Investment properties	-	-	220	220
Liabilities for which fair value are disclosed				
Long-term loan from related party	-	-	803	803
Long-term loans from financial institutions	-	-	8,116	8,116
Debentures	-	31,729	-	31,729

40. Financial instruments

40.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instruments				
Cross currency and interest rate swaps	63,518	615,628	63,518	602,428
Total derivative assets	63,518	615,628	63,518	602,428
Derivative liabilities				
Derivative assets not designated as hedging instruments				
Cross currency and interest rate swaps	78,411	-	33,920	-
Total derivative liabilities	78,411	-	33,920	-

Derivatives not designated as hedging instruments

The Group uses cross currency and interest rate swaps to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 20 to 60 months.

40.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to related parties, loan to other company, investments, trade and other payables, short-term loans, loan from related party, debentures and long-term loans from financial institutions. The financial risks associates with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statements of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating, and coverage by deposits. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into derivatives to manage its risk exposure i.e., cross currency and interest rate swaps to mitigate the risk of rising foreign currency rates and interest rates.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its loans that are denominated in foreign currency. The Group seeks to reduce this risk by entering into cross currency and interest rate swaps when it considers appropriate. Generally, the cross currency and interest rate swaps mature within 5 years.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Philippines Peso	2,878	3,395	-	-	0.6550	0.6261
US Dollar	23	24	100	60	33.5929	30.0371

Foreign currencies	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Philippines Peso	2,878	3,395	-	-	0.6550	0.6261
US Dollar	263	272	-	-	33.5929	30.0371

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase/decrease (%)	2021		2020	
		Effect on profit before tax		Effect on profit before tax	
		Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
		(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
US dollar	+3	(45,725)	(27,371)	(50,768)	(66,794)
	- 3	45,725	27,371	50,768	66,794

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans to related parties, loan to other company, short-term borrowings, loans from related party, debentures and long-term loans from financial institutions. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 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

	2021							Effective interest rate (% p.a.)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total		
	At call	Within 1 year	1 - 5 years					
<u>Financial assets</u>								
Cash and cash equivalents	264	7,799	-	-	1,563	705	10,331	Note 7
Trade and other receivables	-	-	-	-	-	170	170	-
Restricted bank deposit	-	-	-	-	11	-	11	0.1
Loans to related party	-	595	-	-	-	-	595	3.05
Debt investments measured at amortised cost	-	30	-	-	-	-	30	0.50
Equity investments measured at FVOCI	-	-	-	-	-	3,855	3,855	-
Derivatives - Cross currency and interest rate swaps	-	45	19	-	-	-	64	2.60 - 2.92
Long-term loan to other company	-	-	-	-	20	-	20	Note 16
<u>Financial liabilities</u>								
Short-term loans from financial institution	970	1,499	-	-	-	-	2,469	Note 22
Trade and other payables	-	-	-	-	-	3,184	3,184	-
Retention guarantees	-	-	-	-	-	538	538	-
Long-term loans from financial institutions	-	2,495	8,907	-	6,620	-	18,022	Note 24
Debentures	-	16,000	22,600	-	-	-	38,600	Note 25
Lease liabilities	-	790	2,768	3,157	-	-	6,715	2.25 - 4.48
Derivatives - Cross currency and interest rate swaps	-	74	4	-	-	-	78	3.01 - 3.45

(Unit: Million Baht)

Separate financial statements

	2021							Effective interest rate (% p.a.)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total		
	At call	Within 1 year	1 - 5 years					
<u>Financial assets</u>								
Cash and cash equivalents	-	7,500	-	-	949	349	8,798	Note 7
Trade and other receivables	-	-	-	-	-	231	231	-
Loans to related parties	7,030	5,645	3,092	-	-	-	15,767	2.50 - 3.70
Equity investments measured at FVOCI	-	-	-	-	-	2,650	2,650	-
Derivatives - Cross currency and interest rate swaps	-	45	19	-	-	-	64	2.60 - 2.92
<u>Financial liabilities</u>								
Short-term loans from financial institution	-	1,499	-	-	-	-	1,499	Note 22
Trade and other payables	-	-	-	-	-	2,104	2,104	-
Retention guarantee	-	-	-	-	-	338	338	-
Loan from related party	-	840	-	-	-	-	840	2.13
Long-term loans from financial institutions	-	2,465	6,882	-	-	-	9,347	Note 24
Debentures	-	16,000	22,600	-	-	-	38,600	Note 25
Lease liabilities	-	46	193	-	-	-	239	2.25 - 2.40
Derivatives - Cross currency and interest rate swaps	-	30	4	-	-	-	34	3.01 - 3.45

(Unit: Million Baht)

Consolidated financial statements

	2020							
	Fixed interest rates				Floating		Total	Effective interest rate (% p.a.)
	At call	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
<u>Financial assets</u>								
Cash and cash equivalents	137	4,830	-	-	1,537	609	7,113	Note 7
Trade and other receivables	-	-	-	-	-	187	187	-
Restricted bank deposit	-	-	-	-	11	-	11	0.05
Loans to related party	-	-	534	-	-	-	534	3.05
Debt investments measured at amortised cost	-	30	-	-	-	-	30	0.70
Financial assets measured at FVTPL	-	-	-	-	-	1,000	1,000	-
Equity investments measured at FVOCI	-	-	-	-	-	4,232	4,232	-
Derivatives - Cross currency and interest rate swaps	-	429	187	-	-	-	616	2.42 - 3.64
<u>Financial liabilities</u>								
Short-term loans from financial institution	-	6,845	-	-	-	-	6,845	Note 22
Trade and other payables	-	-	-	-	-	3,140	3,140	-
Retention guarantee	-	-	-	-	-	530	530	-
Long-term loans from financial institutions	-	-	11,002	-	4,008	-	15,010	Note 24
Debentures	-	11,000	22,600	-	-	-	33,600	Note 25
Lease liabilities	-	765	3,084	3,774	-	-	7,623	2.25 - 4.48

(Unit: Million Baht)

Separate financial statements

	2020							
	Fixed interest rates				Floating		Total	Effective interest rate (% p.a.)
	At call	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
<u>Financial assets</u>								
Cash and cash equivalents	-	4,500	-	-	818	337	5,655	Note 7
Trade and other receivables	-	-	-	-	-	76	76	-
Loans to related parties	4,892	6,266	1,822	-	-	-	12,980	2.5 - 4.0
Financial assets measured at FVTPL	-	-	-	-	-	1,000	1,000	-
Equity investments measured at FVOCI	-	-	-	-	-	2,847	2,847	-
Derivatives - Cross currency and interest rate swaps	-	429	173	-	-	-	602	2.42 - 3.64
<u>Financial liabilities</u>								
Short-term loans from financial institution	-	5,875	-	-	-	-	5,875	Note 22
Trade and other payables	-	-	-	-	-	2,294	2,294	-
Retention guarantee	-	-	-	-	-	374	374	-
Loan from related party	-	-	840	-	-	-	840	2.13
Long-term loans from financial institutions	-	-	8,520	-	-	-	8,520	Note 24
Debentures	-	11,000	22,600	-	-	-	33,600	Note 25
Lease liabilities	-	44	239	-	-	-	283	2.25 - 2.40

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loan to other company and loans from financial institutions affected as at 31 December 2021 and 2020.

Currency	Increase/ decrease (%)	2021		2020	
		Effect on profit before tax Consolidated financial statement (Thousand Baht)	Effect on profit before tax Separate financial statement (Thousand Baht)	Effect on profit before tax Consolidated financial statement (Thousand Baht)	Effect on profit before tax Separate financial statement (Thousand Baht)
Loan to in Baht	+1	200	-	-	-
	-1	(200)	-	-	-
Loan from in Baht	+1	(46,142)	-	(40,082)	-
	-1	46,142	-	40,082	-
Loan to in US Dollar	+1	(20,052)	-	-	-
	-1	20,052	-	-	-

The above analysis has been prepared assuming that the amounts of the floating rate loan to other company and loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, trade payable, bank loans, debentures and lease contracts. Approximately 34% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 32%) (the Company only: 40%, 2020: 37%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows which comprise of principal and interest:

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	2,489,717	-	-	2,489,717
Trade and other payables	3,183,767	-	-	3,183,767
Retention guarantees	538,400	-	-	538,400
Long-term loans from financial institutions	2,900,047	14,134,252	2,592,200	19,626,499
Debentures	17,081,465	28,863,184	-	45,944,649
Lease liabilities	1,013,217	3,434,290	5,068,475	9,515,982
Total non-derivatives	27,206,613	46,431,726	7,660,675	81,299,014
Derivatives				
Derivative liabilities - net settled	74,515	3,896	-	78,411
Total derivatives	74,515	3,896	-	78,411

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	6,930,438	-	-	6,930,438
Trade and other payables	3,140,282	-	-	3,140,282
Retention guarantees	530,382	-	-	530,382
Long-term loans from financial institutions	603,376	13,695,082	2,167,891	16,466,349
Debentures	11,210,325	23,760,099	-	34,970,424
Lease liabilities	983,165	3,690,406	6,011,758	10,685,329
Total non-derivatives	23,397,968	41,145,587	8,179,649	72,723,204

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021				
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,501,654	-	-	1,501,654
Trade and other payables	2,103,605	-	-	2,103,605
Retention guarantees	337,867	-	-	337,867
Loan from related party	875,892	-	-	875,892
Long-term loans from financial institutions	2,629,484	7,224,578	-	9,854,062
Debentures	17,081,465	28,863,184	-	45,944,649
Lease liabilities	50,483	201,935	-	252,418
Total non-derivatives	24,580,450	36,289,697	-	60,870,147
Derivatives				
Derivative liabilities - net settled	30,024	3,896	-	33,920
Total derivatives	30,024	3,896	-	33,920

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020				
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	5,941,878	-	-	5,941,878
Trade and other payables	2,294,298	-	-	2,294,298
Retention guarantees	373,812	-	-	373,812
Loan from related party	17,892	842,982	-	860,874
Long-term loans from financial institutions	191,906	8,850,941	-	9,042,847
Debentures	11,210,325	23,760,099	-	34,970,424
Lease liabilities	50,484	252,418	-	302,902
Total non-derivatives	20,080,595	33,706,440	-	53,787,035

40.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position, except for the following financial liabilities.

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Carrying amount		Fair value		Carrying amount		Fair value	
	2021	2020	2021	2020	2021	2020	2021	2020
<u>Financial liabilities</u>								
Loan from related party	-	-	-	-	840	840	803	803
Long-term loans from financial institutions	18,022	15,010	17,267	14,550	9,347	8,520	8,651	8,116
Debentures	38,600	33,600	35,922	31,729	38,600	33,600	35,922	31,729

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable and short-term loans to related parties and accounts payable and short-term loan from related parties, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- d) The fair value of fixed rate debentures and long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- e) The carrying amounts of loans to and loans from carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- f) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Group considers to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

39.4 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Non-listed equity investment	Non-listed equity investment
Balance as of 1 January 2020	152,174	-
Net loss recognised into other comprehensive income	(51,880)	-
Balance as of 31 December 2020	100,294	-
Net profit recognised into other comprehensive income	14,652	-
Balance as of 31 December 2021	<u>114,946</u>	<u>-</u>

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Investment in non-listed equity instruments	Stock valuation by dividend discounted model	Risk premium	10.6% (2020: 8.5%)	2% increase (decrease) in the risk premium would result in Baht 21 million (2020: Baht 22 million) decrease (increase) in fair value

41. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants, throughout the reporting period. As at 31 December 2021, the Group's debt-to-equity ratio was 1.47:1 (2020: 1.42:1) and the Company's was 1.11:1 (2020: 1.09:1).

42. Events after reporting period

On 24 February 2022, the meeting of the Company's Board of Directors passed a resolution to propose to the 2022 Annual General Meeting of the Company's shareholders a dividend of Baht 0.25 per share in respect of the Company's operating result of 2021 in addition to the interim dividend to be paid to the Company's shareholders, or a total of Baht 2,987 million for approval.

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.

Section 4

Attachment



Board of Director

Mr. Naporn Sunthornchitcharoen Age 63 years

Position

- Chairman of the Board of Directors
- Chairman of the Executive Committee
- Director and authorized signatory

Appointed Date 12 November 1992

Education

- Bachelor of Engineering (Civil Engineering), Chiangmai University
- MBA, Thammasat University
- National Defense College Class of 2006
- Director Accreditation Program (DAP) 25/2004 : IOD
- Director Certification Program (DCP) 53/2005 : IOD
- Financial Institutions Governance Program (FGP) 2/2011 : IOD
- Stanford Executive Progame (SEP), Graduate School of Business, Stanford University, USA

% of Shareholding as 31 December 2021

0.23

Relationship

-

5 - year Past Experience

Listed Company

Aug 2017 - Present	Chairman of the Board of Directors, Chairman of the Executive Committee Land and Houses Plc. (Property Development)
1992 - Present	Director Land and Houses Plc. (Property Development)
May 2013 - Aug 2017	Executive Director, President (Operations) Land and Houses Plc. (Property Development)
2002 - Apr 2013	Executive Director, Senior Executive Vice President (Operations) Land and Houses Plc. (Property Development)
1991 - 2001	Executive Vice President Land and Houses Plc. (Property Development)
Jun 2017 - Present	Director Quality Houses Plc. (Property Development)
2015 - Present	Member of the Nomination and Remuneration Committee Home Product Center Plc. (Trading of construction material)
2001 - Present	Director, Executive Director Home Product Center Plc. (Trading of construction material)

1994 - Present	Director Quality Construction Products Plc. (Building Material)
May 2011 - Present	Director LH Financial Group Plc. (Holding Company)
Sep 2018 - Mar 2019	Member of Nomination and Remuneration Committee LH Financial Group Plc. (Holding Company)
May 2011 - Jul 2018	Member of the Nomination and Remuneration Committee LH Financial Group Plc. (Holding Company)
May 2011 - Jun 2017	Executive Director LH Financial Group Plc. (Holding Company)
Non-Listed Company	
Dec 2013 - Present	Director Land and Houses Securities Plc. (Management Fund)
2012 - Present	Director Land and Houses U.S.A., Inc. (Property Investment)
2012 - Present	Director Land and House Property and Loan Fund-II (Property Fund)
2005 - Present	Director, Executive Director Land and Houses Bank Plc. (Bank)
2005 - Jul 2018	Member of the Nomination and Remuneration Committee Land and Houses Bank Plc. (Bank)
2004 - Present	Director LH Asset Co., Ltd. (Property Development)
2003 - Present	Director LH Real Estate Co., Ltd. (Property Development)
1995 - Present	Director Land and Houses Northeast Co., Ltd. (Property Development)
1995 - Present	Director Land and Houses North Co., Ltd. (Property Development)
1995 - Present	Director LH Muang Mai Co., Ltd. (Property Development)
1993 - Present	Director Siam Tanee Real Estate Co., Ltd. (Property Development)
1990 - Present	Director Siam Tanee Property Co., Ltd. (Property Development)
1987 - Present	Director Atlantic Real Estate Co., Ltd. (Property Development)
1986 - Present	Director LH Mall and Hotel Co., Ltd. (Property Development)

Mr. Adisorn Thananan-narapool		Age 67 years
Position		
<ul style="list-style-type: none"> • Managing Director • Director and authorized signatory • Member of of the Executive Committee • Member of the Nomination and Compensation Committee 		
Appointed Date 12 November 1992		
Education		
<ul style="list-style-type: none"> • Bachelor of Accounting, Thammasat University • MBA, Thammasat University • Director Accreditation Program (DAP) 7/2004 : IOD • Director Certification Program (DCP) 41/2004 : IOD • Certificate of Leadership Program at Capital Market Academy Batch 2 • Stanford Executive Programe (SEP), Graduate School of Business, Stanford University, USA 		
% of Shareholding as 31 December 2021		
0.70		
Relationship		
-		
5 - year Past Experience		
Listed Company		
May 2013 - Dec 2021	Director, Executive Director, Managing Director (Supports), Member of the Nomination and Compensation Committee Land and Houses Plc. (Property Development)	
2002 - Apr 2013	Director, Executive Director and Senior Executive Vice President Land and Houses Plc. (Property Development)	
1992 - 2001	Executive Vice President Land and Houses Plc. (Property Development)	
Mar 2018 - Dec 2021	Member of the Nomination and Remuneration Committee Quality Houses Plc. (Property Development)	
May 2003 - Dec 2021	Director Quality Houses Plc. (Property Development)	
Non - Listed Company		
2012 - Dec 2021	Director Land and Houses U.S.A., Inc. (Property Investment)	
2005 - Dec 2021	Director L&H Property Co., Ltd. (Property Development)	
2004 - Dec 2021	Director LH Asset Co., Ltd. (Property Development)	
2003 - Dec 2021	Director LH Real Estate Co., Ltd. (Property Development)	
2002 - Dec 2021	Director Land and House Property and Loan Fund-II (Property Fund)	
2001 - Dec 2021	Director LH Muang Mai Co., Ltd. (Property Development)	
2000 - Dec 2021	Director Asia Asset Advisory Co., Ltd. (Investment Advisory)	
1995 - Dec 2021	Director Land and Houses North Co., Ltd. (Property Development)	
1995 - Dec 2021	Director Land and Houses Northeast Co., Ltd. (Property Development)	
1993 - Dec 2021	Director Siam Tanee Real Estate Co., Ltd. (Property Development)	
1991 - Dec 2021	Director LH Mall and Hotel Co., Ltd. (Property Development)	
1990 - Dec 2021	Director Siam Tanee Property Co., Ltd. (Property Development)	
1987 - Dec 2021	Director Atlantic Real Estate Co., Ltd. (Property Development)	

Mr. Watcharin Kasinrerk	Age 60 years
Position	
<ul style="list-style-type: none"> • Managing Director • Director and authorized signatory • Member of of the Executive Committee • Member of the Risk Management and Sustainable Development Committee 	
Appointed Date 22 February 2019	
Education	
<ul style="list-style-type: none"> • Bachelor of Engineering (Civil Engineering), Chiangmai University • MBA, Thammasat University • Stanford Executive Programme (SEP), Graduate School of Business, Stanford University, USA • Director Certification Program (DCP) 275/2019 : IOD 	
% of Shareholding as 31 December 2021	
0.00	
Relationship	
-	
5 - year Past Experience	
Listed Company	
Feb 2019 - Present	Director, Executive Director, Managing Director (Operations), Member of the Risk Management and Sustainable Development Committee Land and Houses Plc. (Property Development)
Sep 2017 - Feb 2019	Senior Executive Vice President Land and Houses Plc. (Property Development)
2015 - Aug 2017	Executive Vice President Land and Houses Plc. (Property Development)
2013 - 2014	Senior Vice President (Project 2) Land and Houses Plc. (Property Development)
Non - Listed Company	
2019 - Present	Director Land and Houses Northeast Co., Ltd. (Property Development)
2019 - Present	Director Siam Tanee Property Co., Ltd. (Property Development)
2019 - Present	Director LH Asset Co., Ltd. (Property Development)
2019 - Present	Director Siam Tanee Real Estate Co., Ltd. (Property Development)
2019 - Present	Director LH Real Estate Co., Ltd. (Property Development)
2019 - Present	Director Land and Houses North Co., Ltd. (Property Development)
2019 - Present	Director Atlantic Real Estate Co., Ltd. (Property Development)
Other Organizations / Institutions	
Oct 2020 - Present	Qualified Board Member of the Central Land Development Board Ministry of Interior

Mr. Adul Chuvanichanon	Age 66 years
Position	
<ul style="list-style-type: none"> • Managing Director • Director and authorized signatory • Member of of the Executive Committee • Member of the Risk Management and Sustainable Development Committee 	
Appointed Date 30 April 2019	
Education	
<ul style="list-style-type: none"> • Bachelor of Engineering (Civil Engineering), Chiangmai University • MBA, Thammasat University • Director Certification Program (DCP) 280/2019 : IOD 	
% of Shareholding as 31 December 2021	
0.01	
Relationship	
-	
5 - year Past Experience	
Listed Company	
Dec 2019 - Present	Member of the Risk Management and Sustainable Development Committee Land and Houses Plc. (Property Development)
May 2019 - Present	Director, Executive Director, Managing Director (Operations) Land and Houses Plc. (Property Development)
Feb 2019 - May 2019	Acting Managing Director (Operations) Land and Houses Plc. (Property Development)
Sep 2017 - Feb 2019	Senior Executive Vice President Land and Houses Plc. (Property Development)
Jan 2014 - Aug 2017	Executive Vice President Land and Houses Plc. (Property Development)
2009 - 2014	Senior Vice President (Project 10) Land and Houses Plc. (Property Development)
2003 - 2009	Vice President (Project 10) Land and Houses Plc. (Property Development)

Mr. Nantawat Pipatwongkasem	Age 62 years
Position	
<ul style="list-style-type: none"> • Senior Executive Vice President • Director and authorized signatory • Company Secretary • Member of the Risk Management and Sustainable Development Committee 	
Appointed Date 12 November 1992	
Education	
<ul style="list-style-type: none"> • Bachelor of Law, Barrister at Law • M.B.A., Thammasat University • Director Certification Program (DCP) 62/2005 : IOD • Director Accreditation Program (DAP) 18/2004 : IOD • Finance for Non-Finance Director (FN) 13/2004 : IOD 	
% of Shareholding as 31 December 2021	
0.00	
Relationship	
-	
5 - year Past Experience	
Listed Company	
Feb 2021 - Present	Senior Executive Vice President Land and Houses Plc. (Property Development)
Sep 2017 - Jan 2021	Executive Vice President Land and Houses Plc. (Property Development)
2014 - Present	Member of the Risk Management and Sustainable Development Committee Land and Houses Plc. (Property Development)
2013 - Present	Senior Vice President (Legal Department) Land and Houses Plc. (Property Development)
1992 - Present	Director Land and Houses Plc. (Property Development)
1990 - Jun 2013	Vice President (Legal Department) Land and Houses Plc. (Property Development)

Non - Listed Company

2012 - Present	Director Land and Houses U.S.A., Inc. (Property Development)
2004 - Present	Director LH Asset Co., Ltd. (Property Development)
2003 - Present	Director LH Real Estate Co., Ltd. (Property Development)
1995 - Present	Director Land and Houses North Co., Ltd. (Property Development)
1995 - Present	Director Land and Houses Northeast Co., Ltd. (Property Development)
1995 - Present	Director LH Muang Mai Co., Ltd. (Property Development)
1993 - Present	Director Siam Tanee Real Estate Co., Ltd. (Property Development)
1990 - Present	Director Siam Tanee Property Co., Ltd. (Property Development)
1987 - Present	Director Atlantic Real Estate Co., Ltd. (Property Development)
2005 - Sep 2018	Director Phuket Future Plan Co., Ltd. (Property Development)
2005 - Aug 2017	Director Double Three Co., Ltd. (Property Development)
Other Organizations / Institutions	
2017 - Oct 2020	Qualified Board Member of the Central Land Development Board Ministry of Interior

Mr. Pakhawat Kovithvathanaphong Age 72 years

Position

- Chairman of the Audit Committee
- Director
- Independent Director

Appointed Date 3 December 1999

Education

- Master's Degree of Marketing & Finance Wharton School, University of Pennsylvania, USA
- Bachelor Degree of Economics (First Class Honors), Thammasat University
- National Defense College Class 344
- Certificate of Leadership Program at Capital Market Academy Batch 5
- Director Accreditation Program (DAP) 4/2003 : IOD
- Director Certification Program (DCP) 58/2005 : IOD
- Corporate Governance for Capital Market Intermediaries (CGI)
- Certificate course of Corporate Governance for Director and Senior Executive of State Enterprises and Public Organization, King Prajadhipok's Institute Batch 15
- Executive Program in "Energy Literacy for a Sustainable Future" TEA Class 12, Thailand Energy Academy

% of Shareholding as 31 December 2021

0.00

Relationship

-

5 - year Past Experience

Listed Company

May 2015 - Present	Chairman of the Audit Committee Land and Houses Plc. (Property Development)
1999 - Present	Director, Independent Director, Member of the Audit Committee Land and Houses Plc. (Property Development)
2016 - Present	Chairman Trinity Watthana Plc. (Holding Company)
2001 - 2016	Chief Executive Officer, Director Trinity Watthana Plc. (Holding Company)
Nov 2018 - Present	Independent Director, Audit Committee P.C.S. Machine Group Holding Plc. (Automotive)
2017 - Present	Independent Director Dusit Thani Plc. (Hotel)
2016 - 2018	Audit Committee Thai Rubber Latex Corporation (Thailand) Plc. (Rubber Business)
2011 - 2018	Independent Director Thai Rubber Latex Corporation (Thailand) Plc. (Rubber Business)

Non - Listed Company

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

Prof. Piphob Veraphong		Age 59 years
Position		
<ul style="list-style-type: none"> Chairman of the Nomination and Compensation Committee Director Independent Director Member of the Audit Committee 		
Appointed Date 29 April 2015		
Education		
<ul style="list-style-type: none"> Master of Laws, LL.M. in Taxation, Boston University Master of Laws, LL.M., Harvard University Certificate of International Taxation, Harvard University Bachelor of Law (Honors), Chulalongkorn University Barrister-at-Law Directors Certification Program (DCP) 238/2017 : IOD 		
% of Shareholding as 31 December 2021		
-		
Relationship		
-		
5 - year Past Experience		
Listed Company		
2015 - Present	Director, Independent Director, Member of the Audit Committee, Chairman of Nomination and Compensation Committee Land and Houses Plc. (Property Development)	
2004 - Present	Independent Director, Member of the Audit Committee Bangkok Chain Hospital Plc. (Health Care Service)	
2003 - 2010	Independent Director, Audit Committee Quality Construction Products Plc. (Building Material)	
Non - Listed Company		
2002 - Present	Partner Law Alliance Co., Ltd. (Legal Advisory)	
2005 - 2008	Independent Director, Audit Committee Land and Houses Retail Bank Plc. (Bank)	

Mr. Bandit Pitaksit		Age 56 years
Position		
<ul style="list-style-type: none"> Chairman of the Risk Management and Sustainable Development Committee Director Independent Director Member of the Audit Committee Member of the Nomination and Compensation Committee 		
Appointed Date 29 April 2015		
Education		
<ul style="list-style-type: none"> Bachelor of Engineering (Civil Engineering), Chulalongkorn University Certificate of Leadership Program at Capital Market Academy Batch 12 The Program for Senior Executives on Justice Administration Batch 17th Politics and Democracy for Executive, King Prajadhipok's Institute (KPI 14th) The National Defence Collage Class of 2014 Director Certification Program (DCP) 237/2017 : IOD Top Executive Program in Commerce and Trade (TEPCoT) 		
% of Shareholding as 31 December 2021		
-		
Relationship		
-		
5 - year Past Experience		
Listed Company		
Mar 2017 - Present	Member of the Nomination and Compensation Committee Land and Houses Plc. (Property Development)	
2016 - Present	Member of the Audit Committee, Chairman of Risk Management and Sustainable Development Committee Land and Houses Plc. (Property Development)	
2015 - Present	Director, Independent Director Land and Houses Plc. (Property Development)	
Non - Listed Company		
Present	Chairman of the Advisory Isuzu Sanguan thai Group (Automotive)	
Present	Chief Advisory Siam Car Rent Co., Ltd. (Car Rental)	

Mr. Achawin	Asavabhokhin	Age 46 years
Position		
<ul style="list-style-type: none"> Director and authorized signatory 		
Appointed Date 9 March 2018		
Education		
<ul style="list-style-type: none"> Bachelor of Science in Engineering, System Science and Engineering, University of Pennsylvania, USA Bachelor of Science in Economics, Finance, University of Pennsylvania, USA Director Certification Program (DCP) 2014 		
% of Shareholding as 31 December 2021		
0.01		
Relationship		
-		
5 - year Past Experience		
Listed Company		
Feb 2018 - Present	Director Land and Houses Plc. (Property Development)	
2017 - Present	Director Quality Houses Plc. (Property Development)	
2014 - Present	Director Home Product Center Plc. (Trading of construction material)	
Non - Listed Company		
Oct 2018 - Present	Chief Marketing Officer, Senior Executive Vice President SCB Asset Management Co., Ltd. (Asset Management)	
Jul 2016 - Sep 2018	Executive Vice President, Group Head, Product & Foreign Fixed Income Group, Investment Division SCB Asset Management Co., Ltd. (Asset Management)	
Feb 2016 - Jun 2016	Executive Vice President & Dept head, International Investment - Internal Dept SCB Asset Management Co., Ltd. (Asset Management)	
Jan 2015 - Jun 2016	Executive Vice President, Product & Foreign Fixed Income Group SCB Asset Management Co., Ltd. (Asset Management)	

Mr. Wit	Tantiworawong	Age 63 years
Position		
<ul style="list-style-type: none"> Senior Executive Vice President Member of of the Executive Committee Chief Finance Officer 		
Appointed Date 01 September 2017		
Education		
<ul style="list-style-type: none"> Bachelor of Administration, Bangkok University MBA, Thammasat University <p><u>Continuing Professional Development (CPD) : 2019</u></p> <ul style="list-style-type: none"> The Impact of the TFRS 16: Leases (6 hours) : Federation of Accounting Professions Under The Royal Patronage of His Majesty The King TFRS 9 Share Experience in Impairment of Financial Assets (6 hours) : Federation of Accounting Professions Under The Royal Patronage of His Majesty The King 		
% of Shareholding as 31 December 2021		
0.01		
Relationship		
-		
5 - year Past Experience		
Listed Company		
Sep 2017 - Present	Senior Executive Vice President Land and Houses Plc. (Property Development)	
May 2013 - Present	Chief Finance Officer Land and Houses Plc. (Property Development)	
2002 - Present	Executive Director Land and Houses Plc. (Property Development)	
May 2013 - Aug 2017	Executive Vice President Land and Houses Plc. (Property Development)	
2009 - Apr 2013	Senior Vice President (Financial Department) Land and Houses Plc. (Property Development)	
1991 - 2008	Vice President (Financial Department) Land and Houses Plc. (Property Development)	
Non - Listed Company		
2012 - Present	Director L&H Hotel Management Co., Ltd. (Hotel)	
2012 - Present	Director Land and Houses U.S.A., Inc. (Property Investment)	
2007 - Present	Director L&H Property Co., Ltd. (Property Development)	
2007 - Present	Director L&H Retail Management Co., Ltd. (Retail)	
2007 - Present	Director L&H Management Co., Ltd. (Management)	
2000 - Present	Director Asia Asset Advisory Co., Ltd. (Investment Advisory)	
1986 - Present	Director LH Mall and Hotel Co., Ltd. (Property Development)	

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

Mr. Chokchai Walitwarangkoon		Age 59 years
Position		
• Senior Executive Vice President		
Appointed Date 01 September 2017		
Education		
• Bachelor of Business Administration (Marketing), Chulalongkorn University		
% of Shareholding as 31 December 2021		
0.00		
Relationship		
-		
5 - year Past Experience		
Listed Company		
Sep 2017 - Present	Senior Executive Vice President Land and Houses Plc. (Property Development)	
2015 - Aug 2017	Executive Vice President Land and Houses Plc. (Property Development)	
2013 - 2014	Senior Vice President (Corporate Communication Department) Land and Houses Plc. (Property Development)	

Mr. Teera Benjasilarak		Age 62 years
Position		
• Executive Vice President (Accounting Department)		
Appointed Date 01 September 2017		
Education		
• Bachelor of Science (Accounting), Kasetsart University		
• MBA, Thammasat University		
Continuing Professional Development (CPD) : 2020		
• Workshop on Preparation of Consolidated Financial Statements (12 hours) : Federation of Accounting Professions Under The Royal Patronage of His Majesty The King		
Continuing Professional Development (CPD) : 2021		
• Validating Account Closing and Financial Reporting <u>Is a bookkeeper who possesses all complete qualifications as required by the Department of Business Development</u>		
% of Shareholding as 31 December 2021		
0.01		
Relationship		
-		
5-year Past Experience		
Listed Company		
Sep 2017 - Present	Executive Vice President Land and Houses Plc. (Property Development)	
2013 - Aug 2017	Senior Vice President (Accounting Department) Land and Houses Plc. (Property Development)	
1991 - 2012	Vice President (Accounting Department) Land and Houses Plc. (Property Development)	

Mr. Visit	Tantichaipakorn	Age 62 years
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Position

- Vice President (Finance Department)

Appointed Date 16 January 2014

Education

- Bachelor of Communication Arts, Sukhothai Thammathirat Open University

% of Shareholding as 31 December 2021

 -

Relationship

 -

5 - year Past Experience

Listed Company

2014 - Present	Vice President (Finance Department) Land and Houses Plc. (Property Development)
2002 - 2013	Assistant Vice President (Finance Department) Land and Houses Plc. (Property Development)

Detail of Head Internal Auditor and Compliance

Detail of Head Internal Auditor

Mr. Pornchai Kiatkajornvirat

Senior Vice President of Internal Audit and System Development

Educations :

- Bachelor of Business Administration, Accounting
- Master of Business Administration, Faculty of Management Science

Work Experiences :

- 1986 - 1989 Accountant
- 1990 - 1991 Assistant Vice President of Accounting Department
- 1992 - 2014 Vice President of Internal Audit and System Development
- 2015 - Present Senior Vice President of Internal Audit and System Development

Training :

- Important Internal Auditing
 - Full Seale Internal Auditing
 - Internal Control Seminar
 - Codes of Conduct
 - Corporate Governance, Risk Management and Internal Audit in tomorrow's Leading Organization
 - Audit Committee (Promotion Mechanism for Good Corporate Governance)
 - Risk Management
 - AGM Assessment Project
 - How can internal auditor supports the Audit Committee?
 - IT Auditing
 - Business Risk Management
 - CG Forum 3/2556 : Conflict of interest : Fighting abusive RPT
 - Corporate Social Responsibility in Form 56-1 Disclosure Guideline
-

Detail of Head of Compliance

- Company Secretary is head of compliance.

Land of the Projects which have for sale

The land that the Company has operated the project for sale as of December 31, 2021, consists of land, land improvement, utilities and construction have the following details :

No.	Name of Project	Area (Rai)	Net Values (MB)	Right	Collateral
1	074 Chaipayruek Chiang Mai	3.65	11.2	LH	
2	075 Nantawan Chiang Mai	3.67	48.3	LH	
3	107 Chonlada Chiang Mai	8.28	52.2	LH	
4	120 Nantawan - Ramintra Phaholyothin 50	6.14	287.9	LH	
5	188 Villaggio Bangna	5.89	154.3	LH	
6	201 Ladawan Chiang Mai	45.71	121.3	LH	
7	203 Nantawan Serene Lake - Chiang Mai	20.49	348.9	LH	
8	205 Ladawan Ratchaphruek Pinklao	5.89	310.3	LH	
9	206 VIVE Rattanathibet - Ratchapruek	1.19	62.55	LH	
10	223 Mantana Westgate	15.66	440.50	LH	
11	224 The Bangkok Sathorn	9.24	403.73	LH	
12	229 Siwalee - Sankampaeng Chiang Mai	12.45	178.3	LH	
13	230 Villaggio Prachauthit 90	8.52	93.6	LH	
14	240 Villaggio Pinklao - Salaya	18.54	179.4	LH	
15	243 Siwalee Mittraphap Road Nakhon Ratchasima	4.07	113.2	LH	
16	246 Siwalee Maliwan Road - Khon Kaen	20.06	207.3	LH	
17	249 Villaggio Rangsit Khlong 2	16.19	205.9	LH	
18	252 Siwalee Srivieng Chiang Rai	85.86	208.1	LH	
19	253 Nantawan - Udon Thani	13.57	240.0	LH	
20	254 Siwalee - Udon Thani	13.83	236.5	LH	
21	261 North 6	2.67	46.2	LH	
22	266 Siwalee Srivieng Chiang Rai	14.11	251.6	LH	
23	272 Mantana - Bypass	62.76	446.2	LH	
24	281 Chonlada Sankampaeng	114.36	156.1	LH	
25	286 Siwalee Maha Sarakham	17.93	266.4	LH	
26	288 Ladawan Rama 2	6.49	412.7	LH	
27	292 Villaggio Phet Kasem Sai 4	5.01	140.9	LH	
28	293 The Room Charoenkrung	5.88	255.0	LH	
29	294 Siwalee Nakhon Pathom	20.68	65.3	LH	
30	303 Villaggio Khon Kaen	63.90	143.1	LH	
31	304 Mantana Serene Lake	9.60	189.2	LH	
32	316 Villaggio Bangna - Thepa Rak	4.05	8.6	LH	
33	318 The Bangkok Thonglor	17.03	141.3	LH	
34	321 EASE 2 Rama 2	9.73	206.7	LH	
35	323 Indy Westgate	11.67	392.3	LH	

No.		Name of Project	Area (Rai)	Net Values (MB)	Right	Collateral
36	324	Chaiyaphruek Ram Intra - Chatu Chot	21.79	224.5	LH	
37	327	Mantana Udon Thani	57.67	34.3	LH	
38	328	Villaggio Ko Rian	2.67	55.7	LH	
39	329	Siwalee Srinagarindra Rom Klao	22.14	444.1	LH	
40	336	Nantawan Rama 9 Srinagarindra	10.66	685.1	LH	
41	337	Anya Westgate	13.45	373.5	LH	
42	338	Villaggio San Sai Chiang Mai	12.00	259.9	LH	
43	339	Chaiyaphruek Westgate	5.10	104.7	LH	
44	343	VIVE Ekkamai Ramintra	1.46	221.7	LH	
45	344	Mantana San Sai - Chiang Mai	23.75	413.1	LH	
46	345	The Room Sukhumvit 38	33.63	1,976.5	LH	
47	347	The Room Phayathai	35.26	1,631.3	LH	
48	349	Villaggio Srinakarin Bangna	35.88	511.6	LH	
49	353	Mantana Phutthamonthon Sai 2	5.23	157.1	LH	
50	357	The Key MRT Phetkasem 48	3.79	922.2	LH	
51	358	Mantana Motorway - Romklao	3.97	147.7	LH	
52	369	The Key Rama 3	3.11	1,051.1	LH	
53	370	Indy Srinagarindra - Phraeksa	3.75	114.2	LH	
54	372	Mantana Ratchaphruek - Nakhonin	54.10	1,372.3	LH	
55	375	Villaggio Suksawat Prachauthit	41.08	389.1	LH	
56	376	Chaiyaphruek Bangna Km.15	50.52	1,028.5	LH	
57	378	Mantana Bangna Wongwaen	68.21	587.7	LH	
58	383	Prueklada Ratchaphruek 345	51.80	589.3	LH	
Subsidiaries						
59	NE407	Siwalee 3 Ayutthaya	3.32	102.2	NE	
60	NE408	Villaggio Srinakarin	19.13	471.8	NE	
61	LHM	Phuket 4 Project	120.30	1,456.3	LHM	Loan
62	SA007	Anya Phet Kasem Sai 4	26.82	409.5	SA	
63	LA016	Inizio Chiang Mai	26.91	225.8	LA	
64	LA020	Siwalee Maliwan Road Khon Kaen	66.71	133.3	LA	
65	LA022	Villaggio Srinakarin Bangna	6.90	29.1	LA	
66	LA023	Mantana Phet Kasem - Sai 4	32.38	338.7	LA	
67	LA024	Indy Ayutthaya	6.35	103.6	LA	
68	LA027	Indy2 Bangna Ramkhamhaeng 2	49.27	416.9	LA	
69	LA028	Siwalee Phet Kasem 69	17.30	266.1	LA	
70	LA029	Anya Ratchaphruek Nakhonin	13.42	475.1	LA	
Total			1,634.57	24,748.8		

NE = Land and Houses Northeast Co., Ltd. LHM = LH Muang Mai CO., Ltd. LA = LH Assets Co., Ltd.
SA = Siam Tanee PropertyCo., Ltd.

The ongoing Project, the project under preparation and the land held for development as of December 31, 2021 have the cost of land, interest on land, land filling preparation, utility development and building construction cost totaling were 52,706 million Baht. The Company and its subsidiaries has taken land valued of 14,779 million Baht to guarantee the long-term loans from the banks.

Corporate Governance Policy

1. Overview of Corporate Governance Policies and Practices

The Board of Directors of the Company is committed to manage the organization in order to achieve efficiency and achieve the objectives with strong belief that the good corporate governance process will raise the Company's performance to grow sustainably and is the key success factor of the Company which is to add maximum value to the shareholders and all stakeholders. Therefore, the Board of Directors is committed to adhering to the core characteristics of the good corporate governance process as well as reviewing the guidelines to be appropriate for the business operations to be consistent with the Good Corporate Governance Principles for Listed Companies 2012 and the Good Corporate Governance for Listed Companies 2017 or Corporate Governance Code (CG Code) and including the improvement or finding any additional measures to replace for the issues that the Company does not yet comply with the best practice.

2. Important Corporate Governance Policy and Guidelines of the Company Nomination and appointment of directors and senior management

The Nomination and Compensation Committee shall consider and screen qualified persons to be appointed as directors and top executives by considering the suitability of skills, knowledge, acceptable experience, transparent working history, maturity and stability including qualifications which are in accordance with the Company's Articles of Association and in possess of qualifications in accordance with the Company's business strategy as well as special knowledge or skills required to strengthen the Board's strength and effectiveness to have professional and diverse directors by considering the structure, size and composition of the board and also provide the opportunity for directors and shareholders to participate in the nomination of qualified directors according to the criteria and methods of selection.

(1) Nomination of Independent directors

The Company has defined the definition of the "Independent Director" in accordance with the principles of good corporate governance and guidelines of the Office of the Securities and Exchange Commission in order to build the trustworthiness among investors and maintain good management balance.

The Company therefore defines the term "Independent Director" to mean a director who does not perform any management duties of the Company, affiliates and associated companies, Also is a director who is free from the management and controlling shareholders and who does not have a business relationship with the Company in such a way as to limit the independent opinions and is a director with the following qualifications :

1. Being a person who holds no more than 1% of the total number of shares with voting rights in the Company, affiliates and associated Company.

2. Not participating in any management. Not being a worker, an employee or an advisor who receives a regular salary or is not a professional auditor, lawyer or professional service provider that limits the independent opinion to the Company, affiliates or associated company or not having control over the Company, affiliates or associated company or is not a person who may have a conflict of interest and must vacate the status or position that may cause any conflict for at least 2 years or more.

3. No business relationship in a manner that limits the independence in performing duties as a director which has a significant amount of value in proportion to the Company's revenue according to the specified criteria and no benefit or interests whether directly or indirectly both in terms of finance and management of the Company, affiliates or associated company, or persons who may have conflicts of interest in a manner that deprives them of their independence.

4. Not being a close relatives with senior management, major shareholders of the Company, affiliates or associated company or any person who may have conflicts of interest and was not appointed as a representative to protect any interests of the directors or major shareholders.

5. Not appointed as a representative to protect interests of the Company's director, major shareholders or shareholders who related to the Company's major shareholders.

6. Able to perform his duties and express opinions or report the performance results in accordance with the duties assigned by the Board of Directors of the Company independently without being under the control of any executives or major shareholders of the Company including related person or close relatives of such persons.

(2) Nomination of the Company's directors

The Company has criteria and procedures for selecting persons to be appointed as directors as follows :

1. The Company provides an opportunity to shareholders who hold a single or multiple shares holding in a total of not less than 0.1% of total Company's shares and has held the said amount of shares continuously for not less than 12 months before the exercise date. The persons can nominate the names of person who may be appointed as a director through the Company's website or by sending a letter to the Secretary of the Board of Directors. The Secretary of the Board of Directors will refer the name of such person to the Nomination and Compensation Committee. The Company will inform the time for nomination through the Stock Exchange of Thailand.

2. The major shareholders may nominate a suitable person to be appointed as a director to the Nomination and Compensation Committee.

3. The Nomination and Compensation Committee will consider and nominate suitable persons to be appointed as directors to the Board of Directors for further presentation to the shareholders' meeting.

4. The shareholders' meeting will elect directors by majority vote in accordance with the following rules and procedures :

- 4.1 One share has one vote.
- 4.2 Each shareholder can vote to select the person nominated as a director one by one.
- 4.3 Persons who receive the highest number of votes in descending order shall be elected as directors equal to the numbers of directors required. In the event that the persons who are elected in descending order have equal votes, the number of directors is more than the number of directors required to have, then the Chairman of the meeting shall have an additional vote as a casting vote.

5. At every annual general meeting of shareholders, one-third of the directors shall vacate the office. If the number of directors cannot be divided exactly into three parts, the number of directors to be vacated shall be issued by the number closest to the part one of three. The recruitment process will be in accordance with Articles 1-4.

6. Directors who must retire from the office in the first and second year after the registration of the Company, a lot shall be drawn to determine who will be retire. In the following years, the member who has been in the office for

the longest time shall retire. Directors retiring by rotation may be elected to a new position.

The Company has determined the qualifications of directors who wish to be recruited to be diverse (Board Diversity) by considering the necessary skills and special expertise that the Company is lacking. As can be seen from the structure and composition of the current Board of Directors, it consists of various directors with a wide range of qualifications in knowledge and expertise such as engineering, business administration, economics, law with a variety of professions and experiences that are useful to the Company's business and the appropriate balance of directors.

The Company has set a policy to limit the number of listed companies in which the director can hold office as a director not more than 5 companies, in order for the Company to get the most benefit from the director's ability to devote their time to perform their duties efficiently.

(3) Nomination of top executives

In the recruitment of the highest-level executive position, the executive committee will be the preliminary consideration in screening and recruiting persons who are qualified, suitable, knowledgeable, competent, experienced, have leadership qualities, management competence and have a good understanding of the Company's business. Then they will be presented to the Nomination and Compensation Committee for consideration and further propose to the Board of Directors for such approval.

Independence of the Board of Directors from the Management

The Company has separated the roles and responsibilities between the Board of Directors and the Management. The Board of Directors is responsible for determining the policies and supervising the operations of the management while the management is responsible for managing various tasks in accordance with the specified policy and preparing reports that are not normal operations of the Company which will be considered by the Board of Directors, which at least one-third of the Boards are independent directors. Independent directors are independent of the management and major shareholders of the Company who is a person that does not have a business relationship with the Company in such a way as to limit the freedom of expression of opinion and to meet the definition of an independent director as mentioned in the topic "6.2.1 (1) Nomination of Independent Directors."

Development of Directors and Executives

Orientation of new directors

The Company realizes the importance of performing duties of new directors, therefore, there is an introduction to the overall guidelines of the Company, structure of subsidiaries, associated companies and other related business companies, to understand both how they work and the shareholding between them. In addition, it also provides the significant and necessary information needed for the performance of duties of directors such as Board of Directors' charter, structure of working within the Company, Articles of Association, Company's objectives, business ethics of the Board of Directors, Good Corporate Governance policy, Related law, Financial Statements including Notes to financial statements and also organizing the meeting with the Chairman of the Board, the Board of Directors, Sub-committees of the Company to receive information about the Company's business operations.

Development and training of directors and management

The Board of Directors emphasizes on the development of the directors by sending the directors to attend training courses which related to the development of knowledge and ability to perform the duties of directors such as the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, the Thai Listed Companies Association and other institutions continuously, including sending the executives to study various long-term projects to develop the directors and increase useful ideas to apply to the Company's business and enhance knowledge and skills to keep up with the competitive business including regular training both inhouse and outside the Company's training institutes.

Rights of Shareholders and equitable treatment of shareholders

Rights of Shareholders

The Company recognizes and values the rights of the shareholders, hence it tried to promote and protect the shareholders to exercise their fundamental rights including to facilitate them to exercise their rights in various matters which shareholders should receive equally such as the dissemination of information related to the Company, details of the exercise of rights in various matters through the news system of the Stock Exchange of Thailand and the Company's website. Including providing the shareholders to propose the meeting agenda and to nominate the persons to be the Company's directors and providing an

opportunity to ask questions on various agendas via the website, to exercise of Voting right on significant issues including the approval of dividend payment etc. The Company will not do anything that violates or deprives the rights of shareholders. In addition, the Company also promotes the shareholders especially the institutional investors to attend the shareholders' meeting through the coordination of the Company's investor relations unit.

In the past year, due to the epidemic situation of the Corona Virus (CORONA-19) in Thailand especially in the area of Bangkok has intensified and the number of infected people has increased a lot, which the Governor of Bangkok has issued an announcement regarding the temporary closure of place No. 25, by closing meeting room service facility and limit the number of attendees to not exceed 20 people. In order to comply with the said announcement, therefore the Company has a need to change the meeting place from the original place to be at the Company's meeting room, 37th floor, Q House Lumpini Building No. 1 South Sathorn Road , Thungmahamek, Sathorn, Bangkok and reduce the number of people who attend the meeting comprising of directors, shareholders and company's officers not exceeding 20 persons. The shareholders that have informed their intention to join the meeting in full number of seats that the Company has prepared. For shareholders that did not attend the meeting, can view the meeting through the Company's website www.lh.co.th under the topic "Investor Information". The details of the arrangement for the shareholders' meeting are as follows :

Prior to the Meeting Date

The Company has published the invitation letter together with supporting documents for each meeting agenda on the Company's website www.lh.co.th under the topic "Investor Information | Information for Shareholders | Invitation to Shareholders Meeting" at least 30 days in advance prior to the meeting date so as to allow shareholders to have enough time to study the information supporting each agenda before receiving the information in form of the hard copy documents from the Company. The Company has sent the invitation letter together with the supporting documents for the agenda of the shareholders' meeting and also supporting documents for attending the meeting to shareholders in advance. The documents sent to shareholders consist of a registration form, a copy of the minutes of the Annual General Meeting of Shareholders No 1/2020, the Annual Report 2020 in the QR Code Format, details of the meeting agenda,

supporting documents for each agenda together with the opinions of the Board of Directors, the method of voting and the details of the documents that the shareholder must present on the date of the meeting. In such case that the shareholder cannot attend the meeting, the Company has sent the Proxy forms in the form prescribed by the Ministry of Commerce along with the profiles of all independent directors as proxies so that the shareholders who are unable to attend the meeting in person can choose to appoint any persons or an independent director whom the Company has designated as a proxy in the shareholders' meeting. In addition, shareholders can also browse and looking at the documents such as invitation letter, documents for attending the meeting, the Annual report in electronic form via QR Code which appears in the registration form delivered or disclosed on the website.

Shareholders' meeting date

The Company emphasizes on the importance of the shareholders' meeting by focus on the meeting place and time that are convenient for the shareholders to travel, including a time that is appropriate and sufficient. Thus the Company has used the Company's office as a place of meeting at the 37th floor, Q House Lumpini Building, No. 1 South Sathorn Road, Thungmahamek, Sathorn, Bangkok, which is located at Lumpini Station of the MRT Station, which can be travel by bus, skytrain (BTS) and the Subway (MRT). The meeting time is held on normal working days.

On the meeting day, the Company always allow shareholders to register at least one hour prior to the meeting and has arranged the officers as facilitators to facilitate the registration for shareholders and proxies who attend the meeting by using a registration system, a system which can search for shareholders' names from their first names, surnames or identification numbers thus made the registration process can be done very fast. The registered shareholders will receive ballots to vote on each agenda by counting votes. The Company has used a computer system to read the votes from the barcoded of the ballots distributed by the Company to the shareholders which made the vote counting accurate and fast and the shareholders can see the votes in each agenda immediately when the vote is finished.

At the shareholders' meeting, the Chairman of the Board of Directors is a Chairman of the meeting and has Chairman of sub-committees and Company's directors attended the meeting. Before the meeting started, the secretary of the meeting had explained the voting method,

vote counting, the ballot used and disclosure of the vote counting results in each agenda for transparency of the meeting as well as giving the shareholders equal opportunities to express their opinions, suggestions and asking their questions. The Chairman then answered the questions and gave complete information to the shareholders as well as allocating sufficient time to discuss each agenda.

The Annual General Meeting of Shareholders No. 1/2021 had a total of 1,403 shareholders and proxies, counting the number of shares of 6,712,441,941 shares (or representing 56.17%) which is more than one-third of the total number of shares which is 11,949,713,176 shares. Mr, Naporn Sunthornchitcharoen presided over the meeting with Mr, Nantawat Pipatwongkasem, director and secretary of the Board of Directors acting the secretary of the meeting with the directors attended the meetings of 9 persons (100%) as follows :

1. Mr. Naporn Sunthornchitcharoen Chairman of the Board of Directors and Chairman of the Meeting
2. Mr. Pakhawat Kovithvathanaphong Independent Director and Chairman of Audit Committee
3. Mr. Piphob Veraphong Independent Director and Chairman of Nomination and Compensation Committee, and Member of Audit Committee
4. Mr. Bundit Pitaksit Independent Director and Chairman of Risk Management and Sustainable Development Committee and Member of Nomination and Compensation Committee
5. Mr. Adisorn Thananan-narapool Director, Managing Director (Supports), and Member of the Nomination and Compensation Committee

6. Mr. Watcharin Kasinrerak	Director, Managing Director (Low-Rise Project Development), and Member of Risk Management and Sustainable Development Committee
7. Mr. Achawin Asavabhokhin	Director
8. Mr. Adul Chuvanichanon	Director, Managing Director (High Rise Project Development) and Member of Risk Management and Sustainable Development Committee
9. Mr.Nantawat Pipatwongkasem	Director, Senior Executive Vice President, Secretary of the Board of Directors and member of the Risk Management and Sustainable Development Committee

Also on this day, the Company had also invited the auditor from EY, who is Ms. Roongnapa Lertsuwannakul, the Company's external auditor to attend the meeting and answered any relevant issues. In addition, the Company also invited independent legal consultant to observe the meeting and to responsible for conducting the meeting to be transparency, legally in accordance to the law and regulation including the Company's Article of Association and acted as a person who count the voting-count of each agenda. In addition, in order to register to the meeting, the Company has brought the registration system and Voting-count system from the Inventech System (Thailand) to use in this meeting.

After the meeting

For the minutes of the Shareholders' meeting, the Company has clearly recorded the meeting information including the list of directors attending the meeting, the significant questions and Company's clarification, the details of the resolution of each agenda which the Company

has disclosed the meetings' resolution and the results of the voting within the following business day from the date of meeting to inform the shareholders through the SET Portal of the Stock Exchange of Thailand and also sent to other related parties within 14 days from the meeting date, including the disclose of minutes, both in Thai and English, through the website of the Company www.lh.co.th so that the shareholders can access to the information instantly without need to wait until the next meeting. Afterwards, the minutes will be submitted to the shareholders for approval in the next shareholders' meeting.

Equitable Treatment of Shareholders

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

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

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

3. The Board of Directors has resolved to allow the Company to allow its shareholders to nominate persons to be elected as directors. The nominated candidates must have all the qualifications specified by the Company and must give their consent for nominating as well in order that the Nomination and Compensation Committee of

the Company will then proceed in accordance with the recruitment, scrutiny and selection process of the names of persons proposed before submitting to the Board of Directors for further consideration. Any person who is approved by the Board of Directors, the name will be included in the agenda for election of the directors of the Company at the next meeting. For the name that is not approved by the Board of Directors, the Company will notify the shareholders of this matter with the rationale on the website of the Company or other appropriate information dissemination channels. This year, no shareholder proposed any additional agenda or nominate a person to be elected as a director in any way.

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

5. Encourage shareholders to use ballots for every agenda by providing the ballots separately for every important issue so that shareholders can vote as they deem appropriate. The ballots will be collected in the meeting room so that there will be counted and combine the scores for the calculation with the votes that have been voted in advance in the proxy form before making the announcing of the resolution of the votes in the meeting room.

6. The election of the director to replace those who retired by rotation, the Company also allows the shareholders to exercise the rights to elect the directors individually.

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

Disclosure and Transparency

1. The Company has realized the importance of disclosure of information sufficiently, accurately, completely, promptly and transparently. Therefore, the Company disseminates the significant information of the Company, both financial and non-financial information through the

website of the Stock Exchange of Thailand www.set.or.th and website of the Securities and Exchange Commission www.sec.or.th according to the criteria stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission. In addition, the information that the Company has already released to the public and any stakeholders must be published on the Company's website www.lh.co.th with regular updates so that users can receive information in a timely manner easy access and get the most benefit from this information.

2. The financial statements that are brought to disclose to stakeholders must be approved by the Audit Committee and the Board of Directors first.

3. The Board of Directors of the Company has provided a report on the Board of Directors' responsibility for the financial reports along with the auditor's report in the annual report.

4. The Company has complied with the principles of good corporate governance and reported on the corporate governance policy that has been agreed in summary. The results of the implementation of the policies are included in the annual report and the company website.

5. The Company has disclosed the roles and duties of the Board of Directors and the sub-committees under the topic "7.2 Information about the Board of Directors" and "7.3 Information about the Sub-committees" and the number of times each director attended the meeting under the topic "8.1.2(1) Meetings of the Board of Directors and Sub-committees"

Responsibility to stakeholders

The Company places importance on the rights of all groups of stakeholders, namely shareholders, employees and executives of the Company and its subsidiaries, customers, business partners, competitors, creditors, government sectors, joint ventures, society, communities and the environment, so as to ensure that the fundamental rights of these stakeholders are well protected and maintained in accordance with the requirements of the related law and rules including the Company has set a framework for ethical behavior and business ethics which has been published through the Company's website and will not do anything that violates the right of stakeholders. All these are considered an important part in building the long-term success of the Company. The details are as follows :

Shareholders : The Company emphasizes great importance to the shareholders by complying with the

principles of good corporate governance, adherence to the performance of duties with honesty, actions and decisions with due diligence and in accordance with relevant legal requirements, giving importance to the rights of shareholders such as the right to receive complete, accurate and timely information of the Company, right to receive dividends, right to vote, right to appoint a proxy, rights in the shareholders' meeting, right to vote on important Company matters etc.

Employee : The Company strictly respects human rights principles by taking into account equality, personal freedom, does not discriminate on race, nationality, language, religion, gender, age, education and political opinions including not supporting any actions that violates international human rights. The Company has taken care and fair treatment in various aspects for employees such as determining compensation in accordance with the level of responsibility and according to the labor market price mechanism. Providing welfare in various fields, establishment of employee safety and sanitation policy, continuous promotion and development of employees' potential including the establishment of a welfare committee to represent the employees to discuss with the Company on the matters related to employee's welfare.

Customers : The Company delivers quality products and services with fair price. There are advertisements or information which are accurate, complete, straightforward and strictly comply with the terms and conditions of contracts with customers. Moreover, the Company has set up the unit to contact, listen to suggestions or comments from the customers to know their problems and any requirements to develop and improve, to build confidence and maximum satisfaction including the determination to develop new technologies and innovations continuously to create convenience, comfort and safety for customers.

Business Partners : The Company treats its partners appropriately. The selection of the business partners will be based on equal and fair competition between each partner. The Company has given the opportunity to partners, sellers, contractors to bid on the work, offer the contract price, product prices with transparency, honesty, openness and fairness to all business partners. There are criteria for selecting partners and contractual parties by considering qualifications, quality of work, past performance, experience, expertise in the business, stable financial condition, no history of abandonment of work, and ability to deliver work as scheduled for the best benefit of the Company. The Company shall then make an agreement or clearly

contract with partners without any unfair conditions which are imposed on business partners.

Creditors : The Company does not act in violations of the terms of the agreement, no concealment or facts that will cause damage to the creditors. The Company manages its loan in accordance with its objectives of loans, does not use the fund in such a way that may cause damage to the Company and control the repayment of loans and interests to be on time and fully comply with the borrowing conditions under the agreement.

Competitors : The Company emphasizes on ethical conduct in accordance with the rules of competition with professionalism and transparency under the legal framework. Not infringing on the confidentiality or knowing the trading secrets of competitors by fraudulent means and adhere to the policies and treatment of competitors as stated in the Business Ethics Manual.

Society, Community and Environment : The Company has always been aware of its social, community and environmental responsibilities which is embedded in the main business process since the product design, the proper selection of materials and resources, quality control of products and services, delivery time, develop the products for residents to have a better quality of life including strictly comply with the guidelines to reduce the impacts in the environmental impact report. In addition, the Company also operates and complies with the relevant laws including promoting the efficient use of resources and has continually organized various projects and activities for the social community.

Supervision of subsidiaries and associated companies

The nomination and exercise of voting rights to appoint persons to be directors in subsidiaries and associated companies is carried out by the management and must be approved by the Board of Directors. The person who is appointed as a director in the subsidiary or associated company will be responsible for operating in the best interests of the subsidiary or the associated company.

The Company supervises its subsidiaries and associated companies regarding to the disclosure of financial position and operating performances, transactions between the subsidiaries and connected persons, the acquisition or disposition of assets or making any other important transactions of the said subsidiary in its entirety. The Company has set the regulations on connected transactions and disclosure of information in accordance

with the Company's rules including supervising the collection of data to be accurate and complete accounting records can be checked and collecting information to prepare consolidated financial statements within the deadline.

Prevention of Conflicts of Interest

The Board of Directors realizes the importance of preventing conflicts of related persons, namely the Board of Directors, Management and Company's employees by defining measures to manage to ensure that the Company has a transparent business management for the best interests of all shareholders which the Company has disclosed details in this matter under the topic "8.1.4(1) Prevention of Conflicts of Interest".

Prevention of use of inside information

The Company has clear policy regarding the proper use of authority through several channels including good corporate governance, Company Code of Conduct, various announcements from the office of the SEC or other related agencies, internal communications, organizational culture etc. so that all the employees at all levels are aware of the equal treatment of shareholders without seeking benefits from the inside information. The Company has disclosed details in this matter under the topic "8.1.4 (2) Prevention of the use of inside information".

Intellectual Property or copyright

The Company has the policy to comply with the laws regarding to non-infringement of intellectual property or copyright including not encouraging employees to act that infringes the intellectual property or copyright of others without permission which is stipulated in the non-disclosure agreement which the Company requires all employees and executives to sign this contract.

Privacy Policy

The Company has recognized the importance of personal data protection and complies with the laws and personal data protection rules according to the Personal Data Protection Act. B.E. 2562 ("Personal Data Protection Act"), the Company has then taken the following actions :

1. Prepare the personal data protection policy and regulations on the protection of personal data. This sets out the procedures for personal data concerning matters such as collecting, using or disclosing personal data, rights of the data owner, the deletion or destruction of the data and handling of the personal data breach incidents, etc.

2. Appoint the Senior Manager of Information Technology Department Serves as the Company's Personal Data Protection Officer (DPO) with a group of 12 personal protection working groups from various departments throughout the organization.

3. Determine the roles, duties and responsibility of the Personal Data Protection Officer which is primarily responsible for managing and supervising employees regarding the protection of personal information of the Company to comply with the personal data protection policies and procedures and is a guide for decision-making on personal data protection such as compliance with the rights of data subjects, dealing with the personal data breach incidents etc. as well as strengthening the corporate culture of personal data protection, representing the Company in liaising with the Office of the Personal Data Protection Commission.

4. The regulations are reviewed and revised once a year or when there is a significant change in order to comply with relevant laws and to be up-to-date.

5. Determine the penalties if there is a violation. Failure to comply with the rules and regulations set by the company will be disciplinary sanctions include warnings, threaten with punishment, suspensions, terminations and possible legal action.

In addition, the Company provides knowledge and understanding of information security to the head of staff in each department including the Company has prepared a Non-disclosure agreement for all employees to know and sign the contract so as to encourage employees to be aware of and strictly comply with non-disclosure agreements to prevent the leakage of various Company information to unrelated third parties.

3. Business ethics

The Company adheres to operate its business with transparency, honesty and fair so it has issued a Code of Conduct for the Board of Directors, management and employees and requires the directors, executives and employees to strictly follow the Code of Conduct, perform their duties in lines with the Company's mission within the law and Company's regulations on the basis of the professional ethics. The Company has prepared the Code of Conduct for dissemination in the Company's central database. There are activities to encourage compliance with the Code of Conduct and good corporate governance culture and also provide the effective communication of practice guidelines and follow up on compliance with the Code of Conduct for all employees such as

- New employees' orientation. There must be a topic on the principles of good corporate governance and employee ethics for understanding and as a guideline.

- Communicating to employees about the Code of Conduct for employees via electronic mail system.

- Organizing activities through the media in the electronic network system within the organization especially public relations which relates to the Code of Conduct and Corporate Governance principles on the first home page (Welcome Page).

- Follow up through the operational control of the heads of each unit and through the mechanisms of the internal audit unit in monitoring and evaluation.

The Company has annually followed up and monitored the performance of the Code of Conduct. The Company also assigned the Audit Department and develop a system to monitor the practice under the audit work. The report of the Audit Committee acknowledged the audit results and suggested solutions. In addition, in 2021, the Company's auditors who are independent auditors outside the Company have assessed their compliance with the Code, in which the assessment results have no further clarifications.

The Company emphasizes the importance to run the operations by promoting free trade competition, honesty and fairness within the framework of the law and the Company's business ethics, avoiding the actions that may cause conflicts of interest. There are measures to supervise the use of inside information for themselves and other relatives. Respect the rights and equality of all stakeholders, including shareholders, employees, customers, business partners, competitors, creditors as well as communities, society and the environment. It has established guidelines that cover the rights and the benefits that stakeholders should receive thoroughly in the Company's ethics and business codes for the Board of Directors, executives and employees to follow :

1. Guidelines of the Board of Directors

- Recruiting executives who are knowledgeable, competent, ethical and well accepted by the society.
- Give sufficient administrative authority to the executives for flexibility in management.
- Support and encourage executives and employees to work under the established ethical framework.
- Not seeking benefits for themselves and other related persons from the inside organization's information that has not yet been disclosed to the public.

2. Management's Guidelines

Management is involved with many groups of people such as shareholders, employees, customers, business partners, competitors and society. So the Company has set the framework as a guideline for the executives as follows :

Management's treatment to shareholders

- Perform their duties with honesty, care and professional conduct.
- Do not seek benefit for themselves and related persons from the organization's information which has not yet been disclosed to the public.
- Do not disclose corporate confidential information to any outsiders.
- Do not take any action which may cause the conflicts of interest to the organization.

Management's treatment to employees

- Treat employees fairly in regards to compensation.
- Treat employees in terms of safety in life and property.
- Treat employees with honesty in the matter that is benefit or penalty.
- Treat employees with politeness.
- Listen to comments and suggestions rationally.
- Emphasize the employees to understand the code of conduct which employees can perform.
- Encourage employees to receive additional training in related fields to their work.

Management's treatment to customers

- Treat customers fairly in terms of products and services.
- Disclose of information of products and services accurately and completely.
- Allowing the customers to complain about the imperfections of products or services.
- Take customer confidentiality seriously in order not to cause any damage or annoyance to customers.
- Comply with the terms and conditions with customers fairly.
- In such case that unable to comply with the terms or conditions, should immediately notify the customers to find a solution together.

Management's treatment to Business partner

- Do not claim or receive any benefits unfairness from the partners.
- Comply with various conditions towards partners fairly.

- If in case that unable to comply with any of conditions, should notify the business partner in advance to jointly find solutions.

Management's treatment to competitors

- Behave within the framework of good competition rules.
- Do not seek for any confidential information of trade competitors by dishonest means.

Management's treatment to society

- Do not do anything that will adversely affect the environment beyond the law.
- Operate or control to comply with the spirit of laws and regulations.

3. Employee's Guidelines

- Perform duties with honesty and patience.
- Maintain the confidentiality of customers and business partners in good faith.
- Pay attention to the organization in keeping the environment clean and safe.
- Strictly comply with the rules, regulations and announcement of the organization.
- Notify the relevant units in the Company if any action is found wrongly happened.
- Fair maintenance of equipment or assets or interests of the organization.
- Maintain and co-create unity and solidarity among employees.
- Paying serious attention to activities that will enhance the quality, efficiency and development of the organization.
- Do not defame the organization or executives or other employees without facts.
- Do not take any action that may cause conflicts of interest to the organization.
- Do not encourage or support any person to act against the organization to gain commercial benefits for themselves or their friends.
- Do not bring any weapons or dangerous objects or any illegal things into the work area.
- Avoid accepting any gifts that make you feel uncomfortable with your duties in the future. If it is unavoidable and you feel uncomfortable, immediately report to the supervisor in the hierarchy and request to be received only during important festivals such as New Year festival.

In conclusion, the Company has set the penalties if the employee acts in a way that causes a conflict of interest with the business by consider according to the organization structure of the Company by allowing the Head of the department to consider at the first step, then summarized the story and submit to a high-level commander and other related business lines in order to determine the offense and specify the appropriate punishment. But if the conflict of interest is severe and causes a lot of damage, thus it may not be in the diagnosis of the unit then it should be brought to the management of the Company to consider finding a conclusion and determine the final penalty.

4. Significant Changes and Developments in the Corporate Governance Policy, Practice and System in the past year

The Company adheres to and performs in accordance with the principles of good corporate governance, both the principles of Good Corporate Governance for Listed Companies in 2012 and the principles of Good Corporate Governance for Listed Companies in 2017 or the Corporate Governance Code (CG Code) which in 2021, the Board of Directors, by the recommendations of the Audit Committee, has reviewed the implementation of 8 principles according to the CG Code to be used. From the review, it was found that the Company mainly complied with the principles of good governance where there are only some issues that have not yet been complied with. The Board of Directors therefore resolved to improve or add alternative measures for practices that are not yet compliant with the CG Code to enhance the governance and raise the standards of corporate governance of the Company as follows :

1. Sub-guideline 1.4.1 The Board of Directors should prepare a board charter or policy on corporate governance that specifies the duties and responsibilities of the Board for reference in the performance of duties of all directors and the charter should be reviewed annually. It should also review the division of roles and duties of the Board of Directors, President and management regularly to be consistent with the direction of the organization.

What the Company doing : The Company has a charter for the Board of Directors which has clearly stated the duties of the Company's directors including it has also been considered and approved at the Board of Directors' meeting. However, the charter has never been reviewed annually. The Company shall review the charter when it is

necessary to change, amend or update and then submit for the approval from the Board of Directors before being disclosed or announced.

Board of Directors' Resolution : The Board of Directors resolves to review the Charter annually starting from 2022 onwards.

2. Guideline 3.2 The Board of Directors should select suitable persons to be directors and ensure that the composition and the conduct of the Board of Directors facilitate the use of discretion in making independent decision. The sub-committees that the Company has not yet complied with are as follows :

- Sub-guideline 3.2.1 The Chairman of the Board should be an independent director
- Sub-guideline 3.2.2 Should separate the person holding the position of the Chairman of the Board from the person holding the position of Chief Executive Officer.
- Sub-guideline 3.2.4 In case the Chairman and Chief Executive Officer are not clearly separated, the balance of power between the board and management should be encouraged. by considering that the composition of the board should consist of more than half of the independent directors or appointing a designated independent director to consider setting the agenda of the board of directors.
- Sub-guideline 3.2.5 The board should set a policy for independent directors to hold office for no more than 9 consecutive years from the date of first appointment as independent directors.

The company's current practice : The Chairman of the Board of Directors is not an independent director and is the same person as the Chief Executive Officer, Mr. Naporn Soonthornchitcharoen and the Company has no policy to limit the length of the office of independent directors. At present, there is only one independent director who has been in office for more than 9 years, namely Mr. Pakhawat Kovithvathanapong who has been appointed as an independent director since 1999.

Board of Directors' Resolution : The Board of Directors has considered and seen that Mr. Naporn Soonthornchitcharoen, the Chairman, is a person who is suitable for both qualifications and abilities, having very well experience and expertise in working. For the independent

director who has served more than 9 years, Mr. Pakhawat Kovithvathanapong is able to express his opinion independently and has all the qualifications as required by the Company's independent director and also share his knowledge and work experience to provide useful suggestions to the Company. However, in order to comply with the guidelines and more confident that the operation of the Board of Directors facilitates independent decision-making, therefore the Board of Directors resolved to appoint an independent director, Mr. Bundit Pitaksit to consider setting the agenda of every meeting of the Board of Directors starting from the Board of Directors Meeting No.1./2022 onwards.

3. Sub-guideline 5.2.1 (7) Anti-fraud and corruption by ensuring that the Company complies with relevant laws and standards and requiring the Company to have and announce the anti-fraud and corruption policy to the public. They may join the network in the fight against corruption as well as encouraging other companies and trading partners to have and announce anti-corruption policies. including joining the network as well.

The company's current practice : The Company adheres to and complies with all relevant laws and standards and conducts its business with ethics, and responsibility to stakeholders, does not violate the rights of stakeholders. This is considered an important part in building credibility of the company and its long-term success. However, at present, the company has not joined any anti-corruption network.

Board of Directors' Resolution : The Board of Directors agrees that the Company should join the Anti-Corruption Network by assigning the management to prepare to become a member of the anti-corruption network.

Report of the Audit Committee

Dear Shareholders

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

In 2021, the Audit Committee held 6 meetings which members attended were as follows :

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

The Audit Committee has performed its duties which were assigned by the Board of Directors and in accordance with the Company's regulations on the rules and guidelines of the Audit Committee which complies with the regulations of the Stock Exchange of Thailand, by focusing on compliance with the principles of good corporate governance and having a good internal audit system. In order to ensure the efficiency of the Audit Committee's work, therefore the Committee invited auditors, Senior Vice Presidents of the Accounting Department and other managements to participate the meetings on relevant issues at all time. In the fifth meeting which was held exclusively with the external auditors only, without any attendance of the Company's management or executives from any department so as to allow the Audit Committee to listen to their work environment, to exchange their views and to acknowledge their significant notices and suggestions including to acknowledge the revised accounting standards, which the Audit Committee will have to present to the Board of Directors to acknowledge or review in the major recommendations raised from the external auditors.

Major activities of the Audit Committee were as follows :

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

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

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

The Audit Committee did not find any significant internal control flaws which the Company's auditors and Internal Audit Department shared the same view. The Committee had also approved the internal audit plan for the year 2022 of the Internal Audit Department.

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

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

4. Review any connected transactions and consistently monitor the transactions which may be classified as related-party transactions or such transactions that may cause potential conflicts of interests to ensure that the Company has complied with the regulations of the related entities and has disclosed accurate and complete information which the interests of all stakeholders had been taken into consideration.

The Audit Committee found that the Company has complied with the related rules and regulations which means that the Company has treated the connect transactions in normal practice as those the Company has conducted with other third parties.

5. Selection of the external auditors based on their independence, reputation, past performances, as well as the appropriate audit fee. For the year 2021, the Audit Committee proposed the appointment of the external auditors from EY Office Limited to the Board of Directors and received approval from the Shareholders' meeting at the 2021 annual general shareholders' meeting.
6. Emphasize the Company to have good corporate governance according to CG Code consistently based on the principles of the Stock Exchange of Thailand and the Securities and Exchange Commission to set the Company's working standards to be above the normal standards and the Committee has proposed the Company to review the appropriateness of the implementation at least once a year through the Board of Directors and then disclose in the Annual Report and Form 56-1 annually.

7. The Audit Committee has followed and been informed the guidelines of risk management and the progress of the Company's sustainable development plan from the Risk Management and Sustainable Development Committee and acknowledged that the Company has an appropriate monitoring procedure to use as a risk management tool including the proper guidelines to manage such risks, both in short and long term, consistently.
8. The Audit Committee has performed its duties independently throughout the period of work and has also conducted a self-assessment at the end of the year to review the comprehensiveness and accuracy according to the scope defined in the Audit Committed Charter.

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

Yours Sincerely,



(Mr. Pakawat Kovithvathanaphong)
Chairman of the Audit Committee
February 24, 2022

Report of the Nomination and Compensation Committee

Dear Shareholders

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

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

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

In 2021, the Nomination and Compensation Committee held 2 meetings in total to consider various agendas and proposed the report of meeting together with comments and recommendations to the Board of Directors' Meeting as follows;

1. To nominate qualified person as the company's directors replacing those who retired by rotation.
2. To consider and allocate the amount of bonus for 2020's operation to directors.
3. To determine and fix the remuneration budget for year 2021 to directors.
4. To consider and allocate remuneration and meeting allowance for year 2021 to each director and member of committees.
5. To consider and review the report of the Nomination and Compensation Committee in order to publish in the Company's annual report.
6. To review salary increase and bonus to the Chairman of Executive Committee.
7. To consider and review the Self-Assessment of the Nomination and Compensation Committee for 2021.

The Nomination and Compensation Committee has performed its duties in compliance with the roles and regulations established in accordance with good corporate governance principles for maximum benefit of the Company and all stakeholders.

Yours sincerely,



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



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