

# QUALITY HOUSES QH TB

## THAILAND / REAL ESTATE

# BUY

FROM HOLD

## 1Q22 signals a recovery

- QH's 1Q22 net profit beat Bloomberg's consensus estimate by 10%, up 18% q-q and 36% y-y to THB585m.
- Solid sales of real estate projects plus healthy profit sharing from associates are key supports for its strong bottom line.
- Upgrade to BUY with a decent upside and dividend yield.

TARGET PRICE	THB2.50
CLOSE	THB2.14
UP/DOWNSIDE	+16.8%
PRIOR TP	THB2.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+3.0%

## KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	8,120	8,697	9,116	9,554
Net profit	1,670	2,565	2,692	3,093
EPS (THB)	0.16	0.24	0.25	0.29
vs Consensus (%)	-	19.4	14.2	20.8
EBITDA	977	1,199	1,336	1,709
Core net profit	1,670	2,565	2,692	3,093
Core EPS (THB)	0.16	0.24	0.25	0.29
Chg. In EPS est. (%)	-	0.2	(2.3)	(2.8)
EPS growth (%)	(21.4)	53.6	4.9	14.9
Core P/E (x)	13.7	8.9	8.5	7.4
Dividend yield (%)	4.7	7.2	7.5	8.7
EV/EBITDA (x)	36.7	30.8	28.0	21.9
Price/book (x)	0.8	0.8	0.8	0.8
Net debt/Equity (%)	47.9	50.0	50.1	48.2
ROE (%)	6.2	9.3	9.5	10.5

## Solid 1Q22 net profit on strong housing sales

QH posted a solid 1Q22 net profit of THB585m, up 18% q-q and 36% y-y, beating Bloomberg's consensus estimate by 10%. Key points were 1) strong revenue of THB1.9b from real estate (+4% y-y), driven by the rising sales of housing projects to more than offset the 32% y-y weaker revenue from condominiums; 2) hotel revenue grew 16% y-y to THB101m due to the relaxed travel restrictions under the Test & Go and Sandbox programs and Alternative Quarantine in 1Q22, resulting in a higher number of foreign tourist arrivals; and 3) 2% y-y lower revenue from office rentals due to lower demand. Share of profits increased by 3% y-y, mainly driven by a higher contribution from HMPRO at THB300m.

## A healthy outlook for housing projects

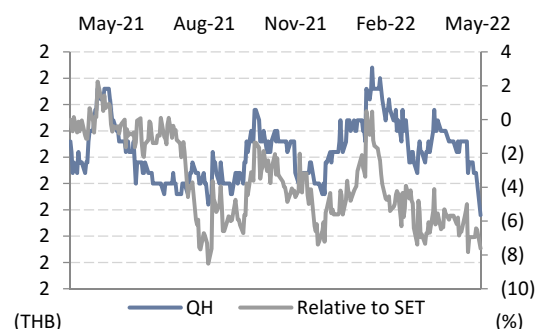
QH saw solid real estate project sales, with presales of THB2b in 1Q22 (+16% y-y, -8% q-q) and a project transfer value of THB1.9b (+3% y-y, -14% q-q). As of 1Q22, QH has 71 projects remaining with 34% DH for prebuilt, 23% TH for prebuilt, and 34% condominiums for presales. Projects in Bangkok & vicinity accounted for 89% and 83% of the total project value for low-rises and condominiums, respectively. QH's backlog stood at THB880m in 1Q22, up from THB792m in 2021. QH launched one new project worth THB2.7b and closed 4 sold-out projects in 1Q22.

## HMPRO remains a key supporting growth driver

In 1Q22, share of profits amounted to THB399m, mainly from HMPRO at THB300m (+11% y-y). LH Financial contributed THB70m (-10% y-y), with QH Leasehold Property at THB37m (-5% y-y) and QH Hotel and Residence Freehold at a THB8m loss. Cost of land remained the largest expense at THB1.24b, while selling and administrative expenses declined by 1% y-y and 4% y-y, respectively, despite the 2% y-y higher revenue.

## Upgrade to BUY with a decent upside and dividend yield

After its share price decline from end-March, coupled with our more positive view on QH's earnings outlook in 2022-23 as a result of the full economic activities that should allow it to accelerate its sales of property and rental projects, we upgrade QH to BUY from Hold but maintain our SoTP-based TP of THB2.5. We think the improving outlook for tourism and residential project sales should be key catalysts for QH in 2022.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.0)	(10.8)	(7.0)
Relative to country (%)	(2.2)	(5.3)	(8.1)
Mkt cap (USD m)	662		
3m avg. daily turnover (USD m)	2.4		
Free float (%)	63		
Major shareholder	Land & Houses (25%)		
12m high/low (THB)	2.44/2.12		
Issued shares (m)	10,714.08		

Sources: Bloomberg consensus; FSSIA estimates


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## Investment thesis

We believe QH is appropriate for value investors who are seeking dividend stocks, as it offers a decent dividend yield. Moreover, it is currently trading at a deep discount to its investment value (20% stake in Home Product Center, (HMPRO TB, BUY, TP THB18.3), 14% stake in LH Financial Group, (LHFG TB, not rated), 31% stake in Quality Houses Hotel and Residence Freehold and Leasehold Property Fund, (QHHR TB, not rated), and a 26% stake in Quality Houses Leasehold Property Fund, (QHLPF TB, not rated)). However, we think the stock may be overlooked by investors, as its core property business remains sluggish.

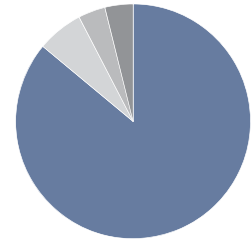
## Company profile

Quality Houses, known for developing super high-end, low-rise residences, was founded by Mr. Anant Asavabhokhin. QH has expanded into offerings for lower income groups under different brands. QH also runs commercial properties, which help to generate recurring incomes.

[www.qh.co.th](http://www.qh.co.th)

## Principal activities (revenue, 2021)

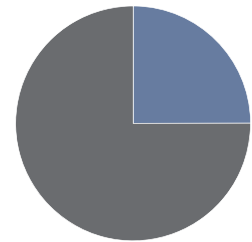
- Land and houses - 86.0 %
- Residential condominium - 6.4 %
- Rental and service of office - 3.7 %
- Rental and service of residential buildings - 3.9 %



Source: Quality Houses

## Major shareholders

- Land & Houses - 25.0 %
- Others - 75.0 %



Source: Quality Houses

## Catalysts

Potential catalysts to drive QH's share price include:

- 1) Aggressive launches of new residential projects after the slowdown since 2016;
- 2) A higher-than-expected absorption rate from existing inventory;
- 3) Economic conditions improving, such as lower household debt or higher consumer confidence.

## Risks to our call

Key downside risks to our call are delays in new launches, poor demand for new launches, rising competition, residential supply and a lower-than-expected gross profit margin.

## Event calendar

Date	Event
August 2022	2Q22 results announcement

## Key assumptions

	2021 (%)	2022E (%)	2023E (%)	2024E (%)
<b>Residential sales (THB m)</b>	<b>7,502</b>	<b>8,067</b>	<b>8,454</b>	<b>8,860</b>
Residential sales growth	(11.8)	7.5	4.8	4.8
Low-rise GPM	31.0	31.4	31.5	33.8
High-rise GPM	21.8	22.5	22.7	22.9
SG&A to sales	22.4	21.0	20.8	20.0

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in residential revenue, we project 2022 earnings to rise by 0.3%, and vice versa, all else being equal.
- For every 1% increase in GPM, we project 2022 earnings to rise by 3.3%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we project 2022 earnings to drop by 3.1%, and vice versa, all else being equal.

Source: FSSIA estimates

## Exhibit 1: QH – summary of 1Q22 operations

Year to Dec 31	1Q21	2Q21	3Q21	4Q21	1Q22	----- Change -----		1Q22	2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%22E	(THB m)	(THB m)	(y-y%)
<b>Sales</b>	<b>2,032</b>	<b>2,106</b>	<b>1,588</b>	<b>2,394</b>	<b>2,091</b>	<b>(13)</b>	<b>3</b>	<b>24</b>	<b>8,120</b>	<b>8,697</b>	<b>7</b>
Gross profit	580	629	461	748	719	(4)	24	27	2,418	2,645	9
Operating costs	(466)	(447)	(428)	(475)	(450)	(5)	(3)	25	(1,816)	(1,825)	1
<b>Operating profit</b>	<b>113</b>	<b>183</b>	<b>33</b>	<b>272</b>	<b>269</b>	<b>(1)</b>	<b>137</b>	<b>33</b>	<b>602</b>	<b>819</b>	<b>36</b>
Operating EBITDA	208	278	126	365	359	(2)	73	30	977	1,199	23
Other income	63	60	57	56	52	(7)	(18)	20	236	253	7
Interest expense	(84)	(82)	(84)	(80)	(71)	(11)	(16)	27	(330)	(262)	(21)
<b>Profit before tax</b>	<b>92</b>	<b>161</b>	<b>6</b>	<b>248</b>	<b>250</b>	<b>1</b>	<b>170</b>	<b>31</b>	<b>508</b>	<b>810</b>	<b>60</b>
Tax	(48)	(61)	(31)	(81)	(64)	(20)	34	42	(220)	(154)	(30)
Associates	387	381	288	326	399	22	3	21	1,382	1,908	38
Reported net profit	431	482	263	494	585	18	36	23	1,670	2,565	54
<b>Recurring net profit</b>	<b>431</b>	<b>482</b>	<b>263</b>	<b>494</b>	<b>585</b>	<b>18</b>	<b>36</b>	<b>23</b>	<b>1,670</b>	<b>2,565</b>	<b>54</b>
EPS (THB)	0.04	0.04	0.02	0.05	0.05	18	36	23	0.16	0.24	54
<b>Recurring EPS (THB)</b>	<b>0.04</b>	<b>0.04</b>	<b>0.02</b>	<b>0.05</b>	<b>0.05</b>	<b>18</b>	<b>36</b>	<b>23</b>	<b>0.16</b>	<b>0.24</b>	<b>54</b>
BV/share (THB)	2.51	2.48	2.47	2.52	2.57	2	2		2.52	2.60	3
<b>Key Ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>				
<b>Gross margin</b>	<b>28.5</b>	<b>29.9</b>	<b>29.0</b>	<b>31.2</b>	<b>34.4</b>	<b>3.2</b>	<b>5.9</b>		<b>29.8</b>	<b>30.4</b>	<b>0.6</b>
Operating margin	5.6	8.7	2.1	11.4	12.9	1.5	7.3		7.4	9.4	2.0
EBITDA margin	10.2	13.2	8.0	15.2	17.2	1.9	6.9		12.0	13.8	1.8
<b>Recurring net margin</b>	<b>21.2</b>	<b>22.9</b>	<b>16.6</b>	<b>20.6</b>	<b>28.0</b>	<b>7.3</b>	<b>6.8</b>		<b>20.6</b>	<b>29.5</b>	<b>8.9</b>
SG&A / Sales	22.9	21.2	26.9	19.9	21.5	1.7	(1.4)		22.4	21.0	(1.4)
Interest coverage (EBITDA) (x)	2.5	3.4	1.5	4.6	5.1				3.0	4.6	
Net debt/equity (x)	0.5	0.5	0.5	0.5	0.4				0.5	0.5	

Sources: QH; FSSIA estimates

## Exhibit 2: QH – segmentation

	1Q21	2Q21	3Q21	4Q21	1Q22	----- Change -----		1Q22	2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%22E	(THB m)	(THB m)	(y-y%)
<b>Net Sales</b>	<b>2,032</b>	<b>2,106</b>	<b>1,588</b>	<b>2,394</b>	<b>2,091</b>	<b>(13)</b>	<b>3</b>	<b>24</b>	<b>8,120</b>	<b>8,697</b>	<b>7</b>
Land & Houses	1,775	1,850	1,375	1,985	1,851	(7)	4	25	6,985	7,515	8
Condo	93	113	72	239	63	(74)	(32)	11	518	552	7
Rental - office buildings	77	78	74	74	75	0	(2)	24	303	309	2
Rental - residential buildings	87	65	67	96	101	6	16	32	314	321	2
<b>Cost of Goods Sold</b>	<b>1,452</b>	<b>1,477</b>	<b>1,127</b>	<b>1,647</b>	<b>1,371</b>	<b>(17)</b>	<b>(6)</b>	<b>23</b>	<b>5,702</b>	<b>6,052</b>	<b>6</b>
Land & Houses	1,239	1,253	966	1,362	1,211	(11)	(2)	25	4,821	4,792	(1)
Condo	71	93	61	180	53	(71)	(26)	14	405	387	(5)
Rental - office buildings	27	28	26	26	27	2	(1)	25	107	107	(0)
Rental - residential buildings	114	103	73	78	81	3	(29)	24	369	336	(9)
<b>Gross Profit</b>	<b>580</b>	<b>629</b>	<b>461</b>	<b>748</b>	<b>719</b>	<b>(4)</b>	<b>24</b>	<b>27</b>	<b>2,418</b>	<b>2,645</b>	<b>9</b>
	(%)	(%)	(%)	(%)	(%)	<b>(ppt)</b>	<b>(ppt)</b>		(%)	(%)	<b>(ppt)</b>
<b>Gross Margin</b>	<b>28.5</b>	<b>29.9</b>	<b>29.0</b>	<b>31.2</b>	<b>34.4</b>	<b>3.2</b>	<b>5.9</b>		<b>29.8</b>	<b>30.4</b>	<b>0.6</b>
Land & Houses	30.2	32.3	29.7	31.4	34.6	3.2	4.4		31.0	36.2	5.3
Condo	23.3	17.5	16.4	24.8	16.5	(8.3)	(6.8)		21.8	30.0	8.2
Rental - office buildings	64.5	64.6	64.6	64.8	64.1	(0.7)	(0.4)		64.6	65.4	0.8
Rental - residential buildings	(31.6)	(57.6)	(10.2)	18.0	19.9	1.9	51.5		(17.4)	(4.7)	12.7

Sources: QH; FSSIA estimates

## Exhibit 3: QH – share of profits from investment in associates

	1Q21	2Q21	3Q21	4Q21	1Q22	----- Change -----		2021
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)
HMPRO TB	271	285	173	352	300	(15)	11	1,081
LHFG TB	78	56	87	(51)	70	na	(10)	170
QHPP TB	39	38	35	36	37	3	(5)	148
QHHR TB	(1)	2	(8)	(10)	(8)	na	na	(17)
<b>Total</b>	<b>387</b>	<b>381</b>	<b>287</b>	<b>327</b>	<b>399</b>	<b>22</b>	<b>3</b>	<b>1,382</b>

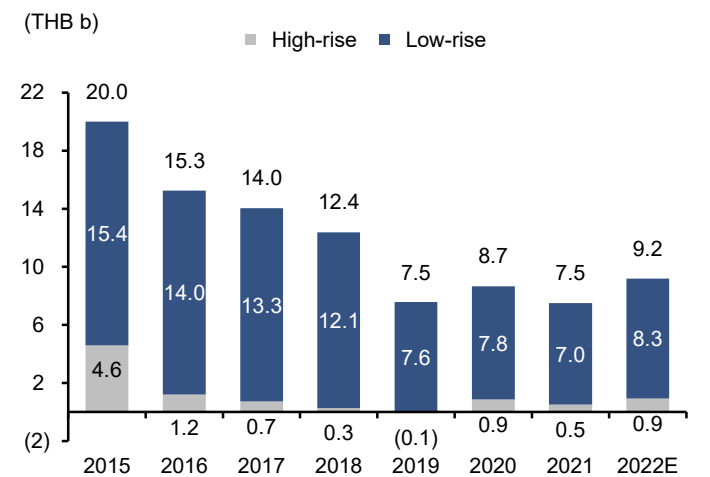
Source: QH

**Exhibit 4: SoTP valuation**

SoTP valuation	Stake (%)	Total shares (m)	Price (THB/share)	Value (THB b)	Remark
Quality Houses Leasehold Property Fund (QHPF TB, not rated)	26	797	10.0	2.1	Market price
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (QHHR TB)	31	336	6.0	0.6	Market price
Home Product Center Plc. (HMPRO TB, BUY)	20	13,151	18.3	48.1	Target price (THB18.3)
LH Financial Group Plc. (LHFG TB, not rated) (holds 100% in Land and Houses Bank Plc.)	14	21,184	1.1	3.2	Market price
<b>Total NAV</b>				<b>54.0</b>	
<b>NAV @50% holding discount</b>				<b>21.6</b>	
QH's shares fully-diluted (m)				10,714	
NAV of its investment				2.0	
Profit from property business				657	
EPS for property business				0.06	
Assumed 8x PE				0.49	
<b>Total NAV/share</b>				<b>2.50</b>	

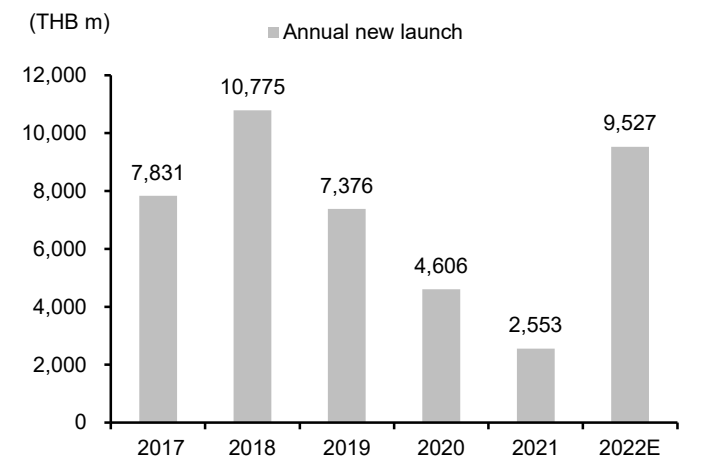
Source: FSSIA estimates

**Exhibit 5: Yearly presales and target**



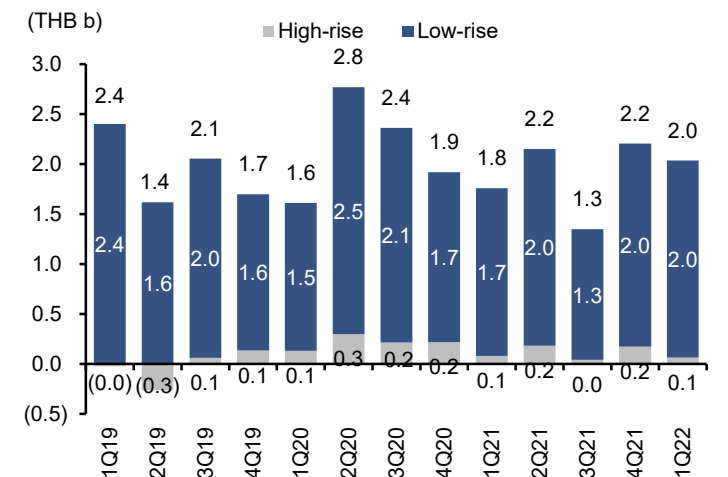
Sources: QH; FSSIA's compilation

**Exhibit 7: Aggressive new launches targeted for 2022**



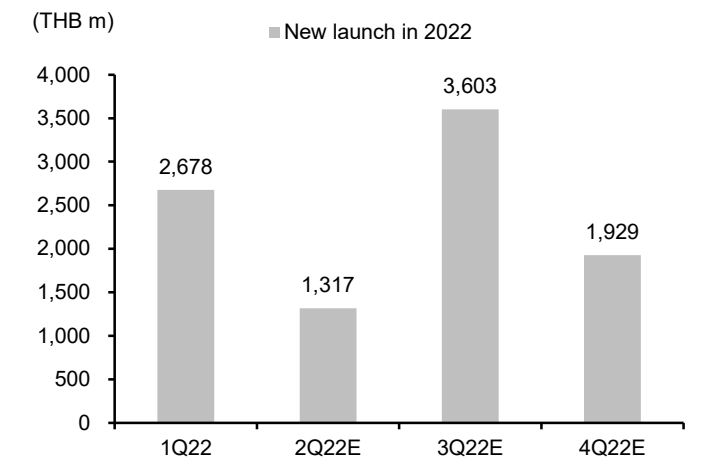
Sources: QH estimates

**Exhibit 6: Balanced and healthy quarterly presales**



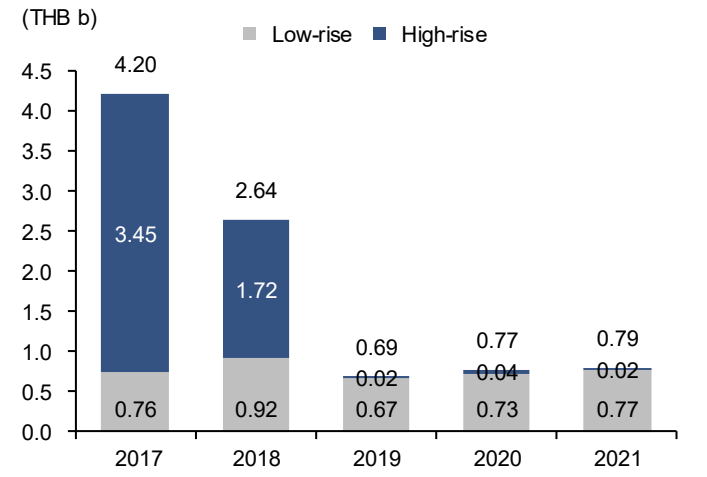
Sources: QH; FSSIA's compilation

**Exhibit 8: New launch plan in 2022 of THB9,527m, comprising 66% high-end, 34% mid-end**



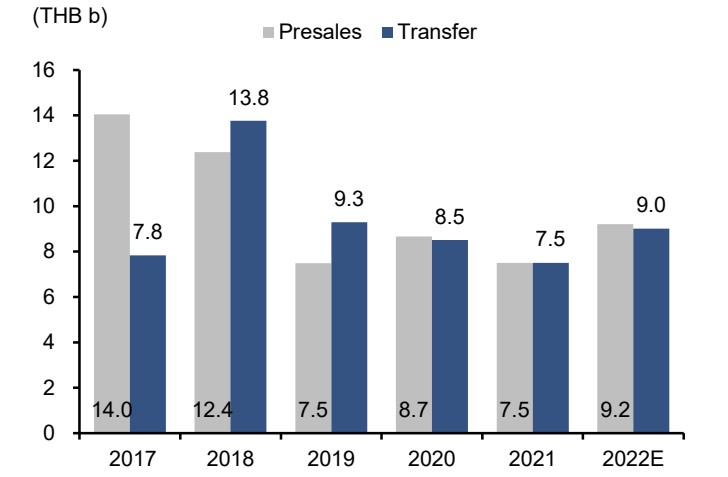
Sources: QH estimates

**Exhibit 9: Wisely managed backlog**



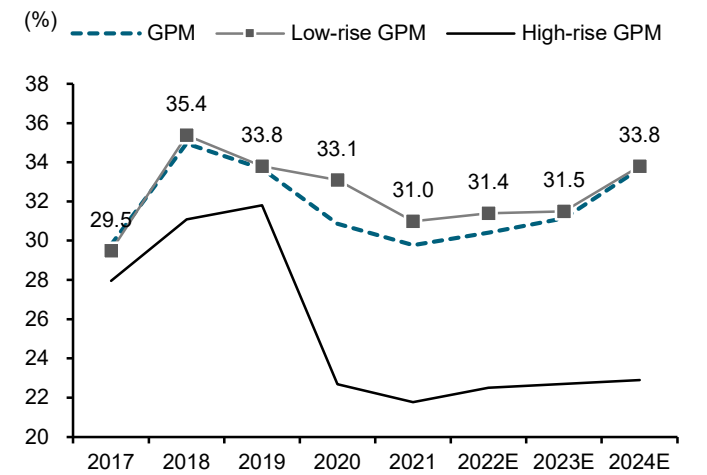
Source: QH estimates

**Exhibit 10: Balanced presales and transfers**



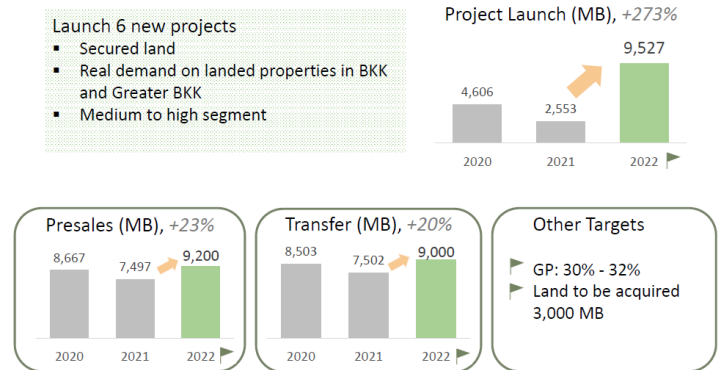
Sources: QH; FSSIA estimates

**Exhibit 11: Improving GPM projected**



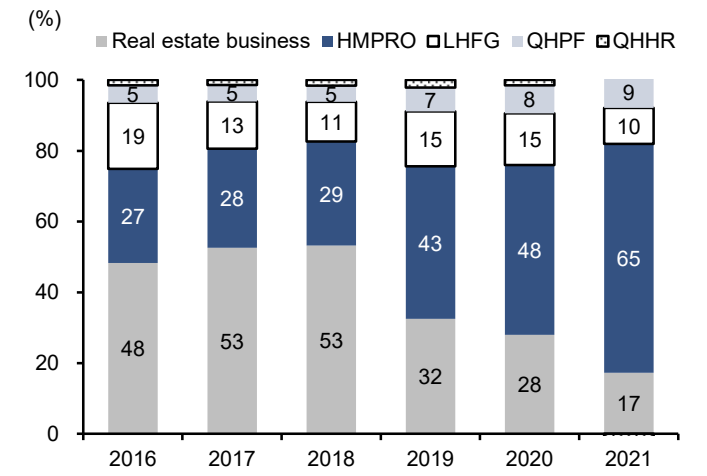
Sources: QH; FSSIA estimates

**Exhibit 12: QH's 2022 business plan**



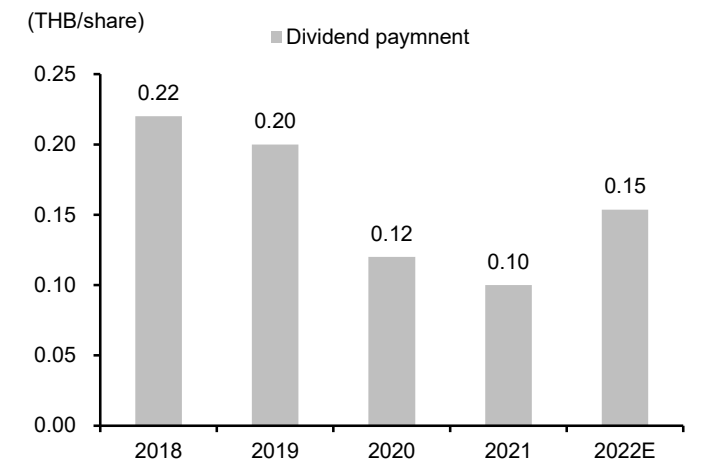
Sources: QH; [Business plan 2022, February 2022](#)

**Exhibit 13: Supportive contributions from associates**



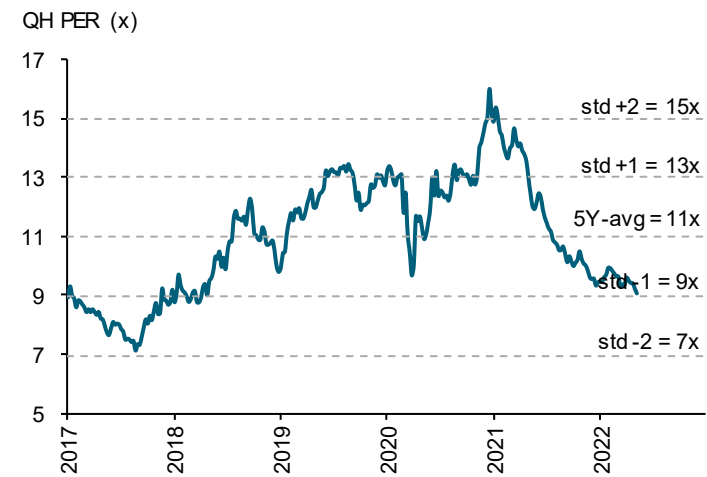
Sources: QH; FSSIA's compilation

**Exhibit 14: Dividend payments**



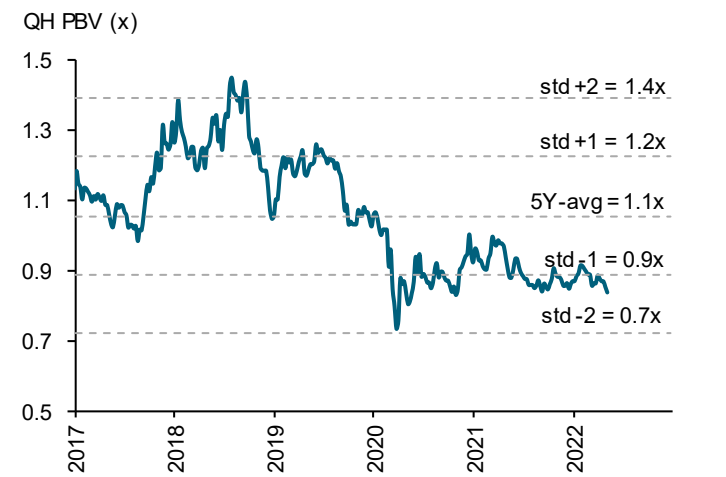
Sources: QH; FSSIA estimates

**Exhibit 15: Rolling one-year forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 16: Rolling one-year forward P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 17: Key valuations of companies under coverage**

	BBG	Rec	---Share price---		Up(down) side	Market Cap (USD m)	NP growth		--- PE ---		-- DivYld --		--- ROE ---		--- PBV ---	
			Current (THB)	Target (THB)			22E (%)	23E (%)	22E (x)	23E (x)	22E (%)	23E (%)	22E (%)	23E (%)	22E (x)	23E (x)
AP (Thailand)	AP TB	BUY	10.90	13.00	19	990	6.9	3.0	7.1	6.9	4.9	5.1	14.2	13.3	1.0	0.9
Land and Houses	LH TB	BUY	8.70	10.20	17	3,003	17.2	10.1	12.9	11.7	6.5	7.1	16.2	17.8	2.1	2.1
LPN Development	LPN TB	HOLD	4.38	4.60	5	184	132.4	4.8	9.2	8.8	7.6	8.0	6.1	6.3	0.6	0.5
Pruksa Holding	PSH TB	BUY	13.00	15.00	15	822	46.5	5.3	8.3	7.8	9.2	9.7	8.0	8.4	0.7	0.7
Quality Houses	QH TB	BUY	2.14	2.50	17	662	53.6	4.9	8.9	8.5	7.2	7.5	9.3	9.5	0.8	0.8
Supalai	SPALI TB	BUY	20.80	28.00	35	1,172	(11.6)	3.1	6.5	6.3	6.9	6.4	15.8	17.2	1.1	1.1
<b>Coverage</b>						<b>6,833</b>	<b>13.4</b>	<b>5.8</b>	<b>9.9</b>	<b>9.2</b>	<b>6.8</b>	<b>7.1</b>	<b>13.9</b>	<b>14.8</b>	<b>1.4</b>	<b>1.4</b>

Share prices as of 9 May 2022

Source: FSSIA estimates



# Appendix

Exhibit 18: QH's business model



Source: QH

Exhibit 19: Low-rise projects at end of 1Q22

AS of 1Q22	No. of Projects	Project Unit	Project Value (MB)	Available for transfer Unit	Available for transfer Value (MB)	%
<b>Bangkok &amp; Greater Bangkok</b>						
Detached Houses	25	5,132	43,334	1,727	14,750	34%
Prukpirom	2	270	7,425	104	2,584	35%
Laddarom	4	556	7,288	196	2,522	35%
Vararom	1	306	2,340	239	1,865	80%
CASA	17	3,788	25,441	1,163	7,679	30%
The Trust	1	212	839	25	100	12%
Townhouses	23	7,722	25,587	2,645	9,442	37%
CASA	14	4,308	15,463	2,111	7,790	50%
Gusto	9	3,414	10,123	534	1,653	16%
<b>Total of Low-rise projects in BKK and greater BKK</b>	<b>48</b>	<b>12,854</b>	<b>68,920</b>	<b>4,372</b>	<b>24,192</b>	<b>35%</b>
<b>Provinces (Chiang Mai, Rayong, Chachoengsao, Chonburi : Banbueng ; Sriracha)</b>						
Detached Houses	9	1,288	6,332	584	3,051	48%
Laddarom	1	113	1,278	74	832	65%
Vararom	3	360	1,993	209	1,167	59%
CASA	5	815	3,060	301	1,052	34%
The Trust	0	-	0	-	0	0%
<b>Total of Low-rise projects in provinces</b>	<b>9</b>	<b>1,288</b>	<b>6,332</b>	<b>584</b>	<b>3,051</b>	<b>48%</b>
<b>Total of Low-rise projects</b>	<b>57</b>	<b>14,142</b>	<b>75,252</b>	<b>4,956</b>	<b>27,244</b>	<b>36%</b>

Source: QH

Exhibit 21: Land bank at end of 1Q22

Undeveloped Land	No. of Projects	Areas			
		ACRE	Sq.W.	Sq.M.	%
<b>Bangkok</b>					
<b>Low-rise Projects</b>					
QH	7	244	243,921	975,684	57%
Casa	6	51	51,336	205,344	12%
The Trust	2	45	45,279	181,117	11%
Gusto	3	33	33,434	133,736	8%
<b>High-rise Projects</b>					
QH	0	-	-	-	0%
Casa	2	4	4,349	17,396	1%
The Trust	3	6	6,067	24,267	1%
<b>Total Land Bank in Bangkok</b>	<b>23</b>	<b>384</b>	<b>384,386</b>	<b>1,537,544</b>	<b>90%</b>
<b>Provinces</b>					
<b>Low-rise Projects</b>					
QH	2	4	3,781	15,126	1%
Casa	1	30	29,620	118,480	7%
<b>High-rise Projects</b>					
QH	1	1	1,276	5,103	0%
The Trust	2	7	6,995	27,980	2%
<b>Total Land Bank in Provinces</b>	<b>6</b>	<b>42</b>	<b>41,672</b>	<b>166,688</b>	<b>10%</b>
<b>Grand Total Bangkok&amp;Provinces</b>	<b>29</b>	<b>426</b>	<b>426,058</b>	<b>1,704,233</b>	<b>100%</b>

Note: 1 ACRE = 1,000 Sq.W., 1 Sq.W = 4 Sq.M.

Source: QH

Exhibit 20: High-rise projects at end of 1Q22

AS of 1Q22	No. of Projects	Project Unit	Project Value (MB)	Available for sales Unit	Available for sales Value (MB)	%
<b>Bangkok &amp; Greater Bangkok</b>						
Q	1	273	9,958	208	7,638	77%
CASA	1	847	1,535	382	631	41%
The Trust	2	2,850	5,218	905	1,727	33%
The Point	1	821	671	231	182	27%
<b>Total of High-rise projects in BKK and greater BKK</b>	<b>5</b>	<b>4,791</b>	<b>17,382</b>	<b>1,726</b>	<b>10,178</b>	<b>59%</b>
<b>Provinces (Chiang Mai, Chiang Rai, Nakhon Prathom, Petchaburi : Chonburi ; Sriracha; Pattaya)</b>						
Q	1	207	1,460	161	958	66%
QH	1	348	565	3	4	1%
CASA	2	274	709	112	337	48%
The Trust	4	2,203	3,579	336	463	13%
The Point	1	683	502	472	338	67%
<b>Total of High-rise projects in provinces</b>	<b>9</b>	<b>3,715</b>	<b>6,815</b>	<b>1,084</b>	<b>2,101</b>	<b>31%</b>
<b>Total of High-rise projects</b>	<b>14</b>	<b>8,506</b>	<b>24,197</b>	<b>2,810</b>	<b>12,279</b>	<b>51%</b>
<b>Grand Total</b>	<b>71</b>	<b>22,648</b>	<b>99,449</b>	<b>7,766</b>	<b>39,523</b>	<b>40%</b>

Source: QH

Exhibit 22: Office buildings for rent at end of 1Q22

Project	Land Area	Owner	Building Details				End of Lease Term
			No. of Floors	Gross Area (Sq.M.)	Rentable Area (Sq.M.)	Avg. Occupancy Rate 1Q22	
<b>1. QH Projects</b>							
Q. Houses Asoke	2-2-54 Rai	QH-Leasehold	22	48,300	19,677	87%	Nov 2022
Q. Houses Sathorn	2-3-56 Rai	QH-Leasehold	19	27,000	13,454	77%	Dec 2023
<b>Total (1)</b>				<b>75,300</b>	<b>33,131</b>	<b>83%</b>	
<b>2. QH Property Fund</b>							
Q. Houses Ploenchit	1-1-63 Rai	QH-Freehold	18	22,520	10,870	98%	Dec 2036
Q. Houses Lumpini - Office space	7-3-94 Rai	QH-PF-Leasehold	38	120,520	57,215	88%	
- Retail space			4		9,398	96%	
<b>Total - Q. Houses Lumpini</b>			<b>42</b>	<b>120,520</b>	<b>66,613</b>	<b>90%</b>	<b>Dec 2035</b>
Waveplace - Office space	2-3-99 Rai	QH-PF-Leasehold	15	45,671	19,009	86%	
- Retail space			5		5,858	97%	
<b>Total - Waveplace</b>			<b>20</b>	<b>45,671</b>	<b>24,867</b>	<b>88%</b>	<b>Oct 2030</b>
<b>Total (2)</b>				<b>188,711</b>	<b>102,350</b>	<b>90%</b>	
<b>Grand Total (1)+(2)</b>				<b>264,011</b>	<b>135,481</b>	<b>88%</b>	

Source: QH

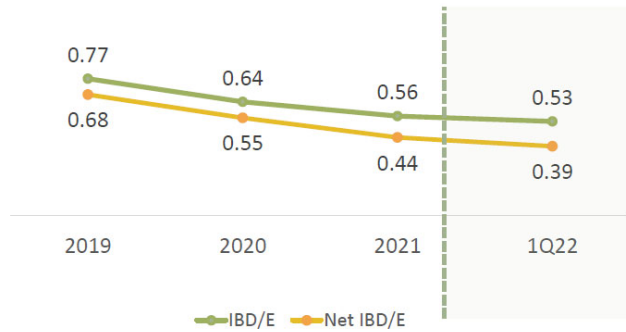
Exhibit 23: Hotel business at end of 1Q22



Projects	Land Area	Owner	Building Details				1Q22	End of Lease Term
			No. of Floors	Gross Area (Sq.M.)	Rentable Area (Sq.M.)	No. Of Units		
<b>1. Hotel belonging to QH</b>								
Centre Point Hotel Silom	4-3-20 Rai	Leasehold	27	26,000	13,933	214	32%	Jul 2023
Centre Point Prime Hotel Pattaya	4-2-26 Rai		29	29,947	15,611	555	24%	Freehold
<b>Total (1)</b>				<b>55,947</b>	<b>29,544</b>	<b>769</b>	<b>28%</b>	
<b>2. Hotel leased from</b>								
QHHR								
Centre Point Hotel Pratunam	1-2-25 Rai	Rent	28	25,390	13,009	256	33%	Freehold
Centre Point Hotel Sukhumvit 10	1-2-86 Rai	Rent	28	37,265	19,095	234	54%	Freehold
Centre Point Hotel Chidlom	1-1-34 Rai	Rent	24	22,000	11,744	200	55%	May 2026
<b>Total (2)</b>				<b>84,655</b>	<b>43,848</b>	<b>924</b>	<b>48%</b>	
<b>Total (1)+(2)</b>				<b>140,602</b>	<b>73,392</b>	<b>1,693</b>	<b>40%</b>	
<b>3. Management Contract</b>								
Centre Point Sukhumvit-Thonglor	2-3-19 Rai		11	24,723	13,875	156	90%	Freehold
Centre Point Residence Phromphong	3-1-14 Rai		24	42,150	24,396	76	83%	Freehold
Mandarin Hotel Sam Yan by Centre Point	7-0-0 Rai		7&14	36,885	14,478	374	13%	Freehold
L&H Villa Sathon	11-3-28 Rai		n.a.	18,882	13,742	37	95%	Jan 2025
<b>Total (3)</b>				<b>122,640</b>	<b>66,491</b>	<b>643</b>	<b>72%</b>	
<b>Grand Total (1)+(2)+(3)</b>				<b>263,242</b>	<b>139,884</b>	<b>2,336</b>	<b>55%</b>	

Source: QH

Exhibit 24: Interest bearing debts and financial cost



Outstanding Loan	2021		1Q22	
	Amount (MB)	Avg. Cost (%)	Amount (MB)	Avg. Cost (%)
Short Term Debt	-	-	-	-
Long Term Debt	15,144	2.56%	14,743	2.55%
<b>Total Loan</b>	<b>15,144</b>	<b>2.56%</b>	<b>14,743</b>	<b>2.55%</b>

Source: QH

Exhibit 25: QH's milestones



Source: QH



## Financial Statements

### Quality Houses

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	9,138	8,120	8,697	9,116	9,554
Cost of goods sold	(5,928)	(5,327)	(5,673)	(5,884)	(5,935)
<b>Gross profit</b>	<b>3,210</b>	<b>2,793</b>	<b>3,025</b>	<b>3,231</b>	<b>3,619</b>
Other operating income	0	0	0	0	0
Operating costs	(1,790)	(1,816)	(1,825)	(1,895)	(1,910)
<b>Operating EBITDA</b>	<b>1,420</b>	<b>977</b>	<b>1,199</b>	<b>1,336</b>	<b>1,709</b>
Depreciation	(390)	(375)	(380)	(392)	(404)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,030</b>	<b>602</b>	<b>819</b>	<b>944</b>	<b>1,305</b>
Net financing costs	(385)	(326)	(257)	(345)	(342)
Associates	1,530	1,382	1,908	2,004	2,104
Recurring non-operating income	1,762	1,614	2,157	2,264	2,377
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>2,407</b>	<b>1,890</b>	<b>2,719</b>	<b>2,863</b>	<b>3,340</b>
Tax	(284)	(220)	(154)	(172)	(247)
<b>Profit after tax</b>	<b>2,123</b>	<b>1,670</b>	<b>2,565</b>	<b>2,692</b>	<b>3,093</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>2,123</b>	<b>1,670</b>	<b>2,565</b>	<b>2,692</b>	<b>3,093</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,123</b>	<b>1,670</b>	<b>2,565</b>	<b>2,692</b>	<b>3,093</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.20	0.16	0.24	0.25	0.29
Reported EPS	0.20	0.16	0.24	0.25	0.29
DPS	0.12	0.10	0.15	0.16	0.19
Diluted shares (used to calculate per share data)	10,714	10,714	10,714	10,714	10,714
<b>Growth</b>					
Revenue (%)	(14.4)	(11.1)	7.1	4.8	4.8
Operating EBITDA (%)	(9.2)	(31.2)	22.7	11.4	27.9
Operating EBIT (%)	(23.2)	(41.5)	36.1	15.3	38.2
Recurring EPS (%)	(25.6)	(21.4)	53.6	4.9	14.9
Reported EPS (%)	(25.6)	(21.4)	53.6	4.9	14.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	30.9	29.8	30.4	31.1	33.6
Gross margin of key business (%)	30.9	29.8	30.4	31.1	33.6
Operating EBITDA margin (%)	15.5	12.0	13.8	14.7	17.9
Operating EBIT margin (%)	11.3	7.4	9.4	10.4	13.7
Net margin (%)	23.2	20.6	29.5	29.5	32.4
Effective tax rate (%)	32.4	43.4	19.0	20.0	20.0
Dividend payout on recurring profit (%)	60.5	64.2	64.2	64.2	64.2
Interest cover (X)	7.3	6.8	11.6	9.3	10.8
Inventory days	1,465.0	1,457.2	1,320.3	1,324.5	1,333.2
Debtor days	2.7	1.4	1.1	1.1	1.1
Creditor days	34.9	36.3	36.9	37.3	37.9
Operating ROIC (%)	3.0	1.6	3.3	3.6	5.0
ROIC (%)	4.2	3.0	5.7	5.9	6.5
ROE (%)	7.9	6.2	9.3	9.5	10.5
ROA (%)	4.8	3.9	5.9	6.0	6.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Land and houses	7,674	6,985	7,515	7,891	8,286
Residential condominium	829	518	552	563	574
Rental and service of office	305	303	309	325	341
Rental and service of residential buildings	330	314	321	337	354

Sources: Quality Houses; FSSIA estimates

## Financial Statements

### Quality Houses

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	2,123	1,670	2,565	2,692	3,093
Depreciation	390	375	380	392	404
Associates & minorities	0	0	0	0	0
Other non-cash items	(97)	(184)	(583)	(743)	(737)
Change in working capital	2,222	2,657	(1,044)	(460)	2
<b>Cash flow from operations</b>	<b>4,638</b>	<b>4,518</b>	<b>1,318</b>	<b>1,880</b>	<b>2,763</b>
Capex - maintenance	(229)	(90)	(189)	(189)	(189)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	824	(825)	(1,095)	(1,213)	(1,318)
Other investments (net)	97	184	583	743	737
<b>Cash flow from investing</b>	<b>692</b>	<b>(731)</b>	<b>(702)</b>	<b>(659)</b>	<b>(771)</b>
Dividends paid	(1,286)	(1,071)	(1,646)	(1,727)	(1,985)
Equity finance	(1,133)	(181)	0	0	0
Debt finance	(2,614)	(1,838)	1,125	605	95
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(5,032)</b>	<b>(3,091)</b>	<b>(521)</b>	<b>(1,122)</b>	<b>(1,890)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>298</b>	<b>697</b>	<b>96</b>	<b>99</b>	<b>102</b>
Free cash flow to firm (FCFF)	5,721.94	4,117.35	878.70	1,571.25	2,338.86
Free cash flow to equity (FCFE)	2,716.40	1,949.64	1,742.36	1,826.20	2,086.87

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	0.53	0.38	0.08	0.15	0.22
FCFE per share	0.25	0.18	0.16	0.17	0.19
Recurring cash flow per share	0.23	0.17	0.22	0.22	0.26

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	2,884	2,907	3,096	3,285	3,474
Less: Accumulated depreciation	(1,239)	(1,361)	(1,554)	(1,759)	(1,976)
<b>Tangible fixed assets (net)</b>	<b>1,645</b>	<b>1,546</b>	<b>1,542</b>	<b>1,526</b>	<b>1,498</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	11,425	11,524	11,524	11,524	11,524
Cash & equivalents	2,510	3,206	3,302	3,401	3,504
A/C receivable	37	26	28	29	30
Inventories	22,545	19,987	21,050	21,656	21,701
Other current assets	136	145	155	163	171
<b>Current assets</b>	<b>25,227</b>	<b>23,364</b>	<b>24,535</b>	<b>25,250</b>	<b>25,405</b>
Other assets	9,371	9,801	10,781	11,859	13,045
<b>Total assets</b>	<b>47,667</b>	<b>46,236</b>	<b>48,383</b>	<b>50,159</b>	<b>51,473</b>
Common equity	26,568	26,985	27,904	28,868	29,977
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>26,568</b>	<b>26,985</b>	<b>27,904</b>	<b>28,868</b>	<b>29,977</b>
Long term debt	11,316	6,917	7,399	7,658	7,699
Other long-term liabilities	1,120	1,012	1,084	1,136	1,191
<b>Long-term liabilities</b>	<b>12,436</b>	<b>7,929</b>	<b>8,483</b>	<b>8,794</b>	<b>8,889</b>
A/C payable	502	556	591	612	619
Short term debt	6,658	9,220	9,863	10,208	10,263
Other current liabilities	1,502	1,546	1,543	1,676	1,726
<b>Current liabilities</b>	<b>8,663</b>	<b>11,322</b>	<b>11,996</b>	<b>12,497</b>	<b>12,607</b>
<b>Total liabilities and shareholders' equity</b>	<b>47,667</b>	<b>46,236</b>	<b>48,383</b>	<b>50,159</b>	<b>51,473</b>
Net working capital	20,713	18,056	19,100	19,560	19,557
Invested capital	43,153	40,927	42,947	44,469	45,625

\* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	2.48	2.52	2.60	2.69	2.80
Tangible book value per share	2.48	2.52	2.60	2.69	2.80

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	58.2	47.9	50.0	50.1	48.2
Net debt/total assets (%)	32.4	28.0	28.9	28.8	28.1
Current ratio (x)	2.9	2.1	2.0	2.0	2.0
CF interest cover (x)	8.1	7.0	7.8	6.3	7.1

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>10.8</b>	<b>13.7</b>	<b>8.9</b>	<b>8.5</b>	<b>7.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>12.6</b>	<b>16.0</b>	<b>10.4</b>	<b>10.0</b>	<b>8.7</b>
Reported P/E (x)	10.8	13.7	8.9	8.5	7.4
Dividend yield (%)	5.6	4.7	7.2	7.5	8.7
Price/book (x)	0.9	0.8	0.8	0.8	0.8
Price/tangible book (x)	0.9	0.8	0.8	0.8	0.8
EV/EBITDA (x) **	27.0	36.7	30.8	28.0	21.9
EV/EBITDA @ target price (x) **	29.8	40.6	34.0	30.9	24.1
EV/invested capital (x)	0.9	0.9	0.9	0.8	0.8

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Quality Houses; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Suwat Sinsadok, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Quality Houses	QH TB	THB 2.14	BUY	Key downside risks to our call are delays in new launches, poor demand for new launches, rising competition, residential supply and a lower-than-expected gross profit margin.
AP (Thailand)	AP TB	THB 10.90	BUY	Downside risks to our P/E-based TP are declining profitability from rising cost pressure in tandem with weakening pricing power and increased competition, such that it hurts take-up rates. This is especially true for condominium projects which typically have more units than low-rise projects.
Land and Houses	LH TB	THB 8.70	BUY	Key downside risks to our SoTP-based TP are slower responses to new launches and new project postponements. Key risks on the macro front include 1) a slower market expansion than we assume; 2) intensifying competition, which could undermine profitability; and 3) rising cost pressure.
LPN Development	LPN TB	THB 4.38	HOLD	Upside risks to our P/E-based TP are revivals in new launches and better-than-expected take-up rates of new launches. Downside risks to our call are lower profitability from inventory clearance and delays in new launches.
Pruksa Holding	PSH TB	THB 13.00	BUY	Key downside risks to our P/E based TP are a weaker-than-expected take-up rate for new launches, declining utilisation at factories and softening profitability.
Supalai	SPALI TB	THB 20.80	BUY	Downside risks to our P/E derived TP are cost overruns, delays or poor reception of new launches, presale cancellations, homebuyers' inability to obtain mortgage financing, weak take-up rates and reduced pricing power from rising competition.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 09-May-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

## Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

## Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.