

Major Development Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2021

## **Independent Auditor's Report**

To the Shareholders of Major Development Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Major Development 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 Major Development 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 Major Development Public Company Limited and its subsidiaries and of Major Development 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.

### **Emphasis of Matter**

I draw attention to Note 1.2 to the consolidated financial statements. The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group's business activities, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so. My opinion is not modified in respect of this matter.

## **Key Audit Matter**

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter.

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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

### ***Recognition of revenue from sale of real estate***

Revenue from sale of real estate is the most 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, there is an intense competition in the real estate business. There are therefore risks with respect to the occurrence of revenue from sale of real estate and timing of revenue recognition.

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

- Assessing and testing the Group's internal controls with respect to the cycle of revenue from sale 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 sales agreements to assess whether 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 throughout the period, particularly for accounting entries made through journal vouchers including reversal of revenue after the period-end.

## **Other Information**

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

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the 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 matter. I describe this matter 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.

Manee Rattanabunnakit  
Certified Public Accountant (Thailand) No. 5313

EY Office Limited  
Bangkok: 28 February 2022

**Major Development Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Revenues</b>					
Sales	25	4,010,881,963	6,677,503,358	304,447,343	797,227,465
Revenues from hotel operations		97,989,943	155,704,071	-	-
Management fee income		96,392,382	89,924,644	-	-
Rental income		92,679,939	87,946,642	4,872,000	4,872,000
Net gain from change in fair value of investment properties	14	39,117,821	108,810,639	16,552,000	25,550,000
Dividend income	13.2	-	-	-	198,893,760
Other income		106,352,902	323,919,638	14,677,183	12,669,234
<b>Total revenues</b>		<b>4,443,414,950</b>	<b>7,443,808,992</b>	<b>340,548,526</b>	<b>1,039,212,459</b>
<b>Expenses</b>					
Cost of sales		2,692,035,069	4,796,950,014	230,928,818	517,028,331
Cost from hotel operations		118,343,823	160,829,932	-	-
Cost of services		70,288,579	70,533,261	-	-
Cost of rental		31,273,520	28,164,132	-	-
Selling expenses		541,607,063	981,551,779	30,384,384	131,602,171
Administrative expenses		748,460,666	754,230,027	136,710,069	67,605,042
<b>Total expenses</b>		<b>4,202,008,720</b>	<b>6,792,259,145</b>	<b>398,023,271</b>	<b>716,235,544</b>
<b>Operating profit (loss)</b>		<b>241,406,230</b>	<b>651,549,847</b>	<b>(57,474,745)</b>	<b>322,976,915</b>
Share of profit from investments in joint ventures	13.2	6,081,132	132,591,359	-	-
Finance income	26	37,843,207	21,720,264	258,905,639	224,219,041
Finance cost	27	(587,292,082)	(490,135,713)	(479,118,946)	(455,649,860)
<b>Profit (loss) before income tax expenses</b>		<b>(301,961,513)</b>	<b>315,725,757</b>	<b>(277,688,052)</b>	<b>91,546,096</b>
Income tax expenses	29	(51,303,048)	(116,389,761)	(8,568,091)	(25,065,649)
<b>Profit (loss) for the year</b>		<b>(353,264,561)</b>	<b>199,335,996</b>	<b>(286,256,143)</b>	<b>66,480,447</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(353,073,625)	199,335,996	(286,256,143)	66,480,447
Non-controlling interests of the subsidiaries		(190,936)	-	-	-
		<b>(353,264,561)</b>	<b>199,335,996</b>		
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<b>(0.41)</b>	<b>0.23</b>	<b>(0.33)</b>	<b>0.08</b>

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

**Major Development Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
<b>Profit (loss) for the year</b>	<u>(353,264,561)</u>	<u>199,335,996</u>	<u>(286,256,143)</u>	<u>66,480,447</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain (loss)	(13,805,068)	(6,658,651)	-	212,463
Less: Income tax effect	2,761,014	1,331,730	-	(42,493)
	<u>(11,044,054)</u>	<u>(5,326,921)</u>	<u>-</u>	<u>169,970</u>
Changes in revaluation of assets	25,116,383	4,042,326	-	-
Less: Income tax effect	(5,023,277)	(808,465)	-	-
	<u>20,093,106</u>	<u>3,233,861</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	9,049,052	(2,093,060)	-	169,970
	<u>9,049,052</u>	<u>(2,093,060)</u>	<u>-</u>	<u>169,970</u>
<b>Total comprehensive income for the year</b>	<u><u>(344,215,509)</u></u>	<u><u>197,242,936</u></u>	<u><u>(286,256,143)</u></u>	<u><u>66,650,417</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(344,024,573)	197,242,936	(286,256,143)	66,650,417
Non-controlling interests of the subsidiaries	(190,936)	-	-	-
	<u><u>(344,215,509)</u></u>	<u><u>197,242,936</u></u>	<u><u>(286,256,143)</u></u>	<u><u>66,650,417</u></u>

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



Major Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	<b>Separate financial statements</b>				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>	860,411,939	875,266,939	105,000,000	2,804,946,717	4,645,625,595
Profit for the year	-	-	-	66,480,447	66,480,447
Other comprehensive income for the year	-	-	-	169,970	169,970
Total comprehensive income for the year	-	-	-	66,650,417	66,650,417
<b>Balance as at 31 December 2020</b>	<u>860,411,939</u>	<u>875,266,939</u>	<u>105,000,000</u>	<u>2,871,597,134</u>	<u>4,712,276,012</u>
<b>Balance as at 1 January 2021</b>	860,411,939	875,266,939	105,000,000	2,871,597,134	4,712,276,012
Loss for the year	-	-	-	(286,256,143)	(286,256,143)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(286,256,143)	(286,256,143)
<b>Balance as at 31 December 2021</b>	<u>860,411,939</u>	<u>875,266,939</u>	<u>105,000,000</u>	<u>2,585,340,991</u>	<u>4,426,019,869</u>
	-	-	-	-	-
	-	-	-	-	-

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

Major Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

<b>Consolidated financial statements</b>								
Equity attributable to owners of the Company								
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other component of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets			
<b>Balance as at 1 January 2020</b>	860,411,939	875,266,939	105,000,000	3,371,358,717	244,221,709	5,456,259,304	-	5,456,259,304
Profit for the year	-	-	-	199,335,996	-	199,335,996	-	199,335,996
Other comprehensive income for the year	-	-	-	(5,326,921)	3,233,861	(2,093,060)	-	(2,093,060)
Total comprehensive income for the year	-	-	-	194,009,075	3,233,861	197,242,936	-	197,242,936
<b>Balance as at 31 December 2020</b>	860,411,939	875,266,939	105,000,000	3,565,367,792	247,455,570	5,653,502,240	-	5,653,502,240
<b>Balance as at 1 January 2021</b>	860,411,939	875,266,939	105,000,000	3,565,367,792	247,455,570	5,653,502,240	-	5,653,502,240
Loss for the year	-	-	-	(353,073,625)	-	(353,073,625)	(190,936)	(353,264,561)
Other comprehensive income for the year	-	-	-	(11,044,054)	20,093,106	9,049,052	-	9,049,052
Total comprehensive income for the year	-	-	-	(364,117,679)	20,093,106	(344,024,573)	(190,936)	(344,215,509)
Additional investment in subsidiaries of non-controlling interests of subsidiaries	-	-	-	-	-	-	600,100	600,100
<b>Balance as at 31 December 2021</b>	860,411,939	875,266,939	105,000,000	3,201,250,113	267,548,676	5,309,477,667	409,164	5,309,886,831
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

**Major Development Public Company Limited and its subsidiaries**

**Statement of cash flows**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(301,961,513)	315,725,757	(277,688,052)	91,546,096
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	122,776,443	134,860,445	6,853,686	8,586,490
Loss (gain) on sale and write-off assets	23,767,565	14,353,586	(1,460,100)	1,901,994
Write-off of withholding tax deducted at source and value added tax	6,890,762	20,258,665	4,786,977	6,951,413
Reversal of provision for deposits for purchase of land	-	(12,500,000)	-	-
Reversal of provision for long-term employee benefits	(16,601,371)	(2,160,231)	-	(7,169,529)
Share of profit from investments in joint ventures	(6,081,132)	(132,591,359)	-	-
Net gain from change in fair value of investment properties	(39,117,821)	(108,810,639)	(16,552,000)	(25,550,000)
Dividend income	-	-	-	(198,893,760)
Finance income	(37,843,207)	(21,720,264)	(258,905,639)	(224,219,041)
Finance cost	555,986,267	458,571,434	452,208,563	424,882,131
Profit (loss) from operating activities before changes in operating assets and liabilities	307,815,993	665,987,394	(90,756,565)	78,035,794
Operating assets (increase) decrease				
Trade and other receivables	(7,565,083)	(5,428,493)	(5,478,211)	18,762,124
Real estate development cost	1,722,964,870	2,125,949,667	229,140,140	516,642,377
Advances for construction	55,913,046	200,141,199	264,460	8,540,154
Deposits for purchase of land	124,473,439	(37,500,000)	37,076,903	-
Cost to obtain contracts with customers	153,261,977	253,539,890	-	1,318,465
Other current assets	(21,233,754)	14,380,422	17,367,649	3,535,040
Other non-current assets	(57,607,832)	(9,800,112)	(15,932,425)	400,712
Operating liabilities increase (decrease)				
Trade and other payables	(378,139,336)	(274,892,519)	95,591,347	29,090,553
Retention payables	(165,946,961)	16,064,071	(26,012,991)	(9,973,886)
Deposits and advances from customers	(551,472,781)	(679,037,888)	(11,557,376)	(125,808,134)
Other current liabilities	67,638,799	(65,942,210)	77,889,691	(37,474,208)
Other non-current liabilities	6,430,056	(1,132,055)	-	-
Cash flows from operating activities	1,256,532,433	2,202,329,366	307,592,622	483,068,991
Interest paid	(676,873,465)	(617,426,477)	(462,058,665)	(416,664,174)
Cash received from withholding tax deducted at source and value added tax	12,700,061	75,471,417	-	18,257,660
Corporate income tax paid	(123,092,381)	(147,700,585)	(5,555,245)	(10,577,181)
<b>Net cash flows from (used in) operating activities</b>	<b>469,266,648</b>	<b>1,512,673,721</b>	<b>(160,021,288)</b>	<b>74,085,296</b>

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

**Major Development Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	(8,499,679)	28,965,081	1,104,924	(19,484)
Acquisition of investment properties	(6,481,021)	(107,578,173)	-	-
Cash received from sales of investment properties	-	8,000,000	-	8,000,000
Acquisition of property, plant and equipment	(19,284,453)	(97,547,161)	(60,726)	-
Cash received from sales of property, plant and equipment	394,783,341	40,670,888	1,558,313	36,916
Acquisition of intangible assets	(1,794,154)	(2,326,660)	(64,200)	(532,860)
Prepayment for purchase of shares	(148,331,254)	(232,635,000)	-	-
Cash payment for investments in subsidiaries	-	-	(1,999,700)	(251,999,700)
Cash payment for investment in joint ventures	(5,745,000)	(5,099,701)	-	(5,099,701)
Cash received from short-term loans to related parties	-	-	1,461,300,000	854,475,000
Cash payment for short-term loans to related parties	-	-	(1,127,785,416)	(629,000,000)
Cash payment for long-term loans to related parties	(328,500,000)	(83,000,000)	(328,500,000)	(83,000,000)
Interest received	2,073,443	2,694,789	156,456,516	115,197,730
Dividend received	-	198,893,760	-	198,893,760
<b>Net cash flows from (used in) investing activities</b>	<b>(121,778,777)</b>	<b>(248,962,177)</b>	<b>162,009,711</b>	<b>206,951,661</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts from financial institutions	-	(967,921)	-	-
Decrease in short-term bills of exchange	(60,000,000)	(125,000,000)	(60,000,000)	(125,000,000)
Cash received from short-term loans from related parties	-	50,000,000	102,000,000	156,000,000
Repayment of short-term loans from related parties	-	(50,000,000)	(65,000,000)	(50,000,000)
Repayment of lease liabilities	(12,337,302)	(11,972,686)	(666,525)	(631,598)
Cash received from debentures	3,297,000,000	2,138,600,000	2,697,000,000	1,988,600,000
Repayment of debentures	(3,300,000,000)	(1,699,400,000)	(3,300,000,000)	(1,699,400,000)
Cash received from long-term loans from financial institutions	2,213,663,367	3,498,492,478	750,000,000	96,725,718
Repayment of long-term loans from financial institutions	(3,495,493,648)	(3,904,021,732)	(750,000,000)	(96,725,718)
Proceed in subsidiary's shares from non-controlling interests	600,100	-	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(1,356,567,483)</b>	<b>(104,269,861)</b>	<b>(626,666,525)</b>	<b>269,568,402</b>
Net increase (decrease) in cash and cash equivalents	(1,009,079,612)	1,159,441,683	(624,678,102)	550,605,359
Cash and cash equivalents at beginning of year	1,548,127,357	388,685,674	676,542,304	125,936,945
<b>Cash and cash equivalents at end of year</b>	<b>539,047,745</b>	<b>1,548,127,357</b>	<b>51,864,202</b>	<b>676,542,304</b>
	-	-	-	-

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

**Major Development Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Supplemental cash flows information				
Non-cash items				
Acquisition of assets under lease agreement	9,500,000	36,237,446	-	-
Increase in project cost of hotel building which no cash has been paid	-	70,201,699	-	-
Transferred real estate development cost to property, plant and equipment	-	34,830,710	-	-
Transferred real estate development cost to deposit for purchase of land	-	4,900,000	-	-
Transferred property, plant and equipment to investment properties	-	117,606,108	-	-
Transferred advance to long-term loans to related party	-	-	-	300,000,000

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

## **Major Development Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2021**

#### **1. General information**

Major Development Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Group is principally engaged in the development of properties for sales, hotel business and properties rental and service business. The registered office of the Company is at 141 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road, Klongton Nua, Wattana, Bangkok.

#### **1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation significantly affects the Group’s business activities, and this is significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. 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 will record the impact when it is possible to do so.

#### **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 Major Development 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	2020
			Percent	Percent
<u>Direct shareholding</u>				
Major Development Hotels and Resorts Company Limited	Hotel	Thailand	100	100
Major Development Residences Company Limited	Development of properties for sales	Thailand	100	100
MJR Development Company Limited	Development of properties for sales and properties rental	Thailand	100	100
MJP Property Company Limited	Development of properties for sales and hotel	Thailand	100	100
MJC Development Company Limited	Development of properties for sales	Thailand	100	100
MJD Residences Company Limited	Development of properties for sales	Thailand	100	100
Major Development Property Partners Company Limited	Condominium juristic person management	Thailand	100	100
Major Development Estate Company Limited	Development of properties for sales	Thailand	100	100
Major Development Commercial Company Limited	Hotel and properties rental	Thailand	100	100
MDPC Company Limited	Agent, representative and real estate advisor business	Thailand	100	100
MJV2 Co., Ltd.	Development of properties for sales	Thailand	100	100
MJV4 Co., Ltd.	Development of properties for sales	Thailand	100	100
<u>Indirectly owned by subsidiaries</u>				
MJ One Company Limited	Development of properties for sales	Thailand	100	100
Major SPV One Co., Ltd.	Development of properties for sales	Thailand	100	100
Peoplescape Co., Ltd.	Provision of organisational development and management consulting services	Thailand	90	-
Healthscape Co., Ltd.	Accommodation of health business	Thailand	90	-

Details of changes in the structure of the Group during the current year are presented in Note 12 to the consolidated financial statements.

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

- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

### **3. New financial reporting standards**

#### **a) Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised 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.

#### **b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

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

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



## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### **a) Revenue from sales of real estate**

Revenue from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership/delivery of the goods. 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.

#### **b) Revenue from hotel operations**

Revenues from hotel operations comprise room sales, food and beverage sales and other related services, from which income are recognised when services have been rendered and are presented at the invoiced value, excluding value added tax, after deducting discounts.

#### **c) Rendering of services**

Service revenue is recognised at a point in time upon completion of the service.

#### **d) Rental income**

Rental of area in buildings is recognised on an accrual basis over the period of contract.

#### **e) 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).

#### **f) Cost of real estate sales**

In determining the costs of land and house 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 selling price and saleable area.

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

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

**g) Finance cost**

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

**h) Dividends**

Dividends are recognised when the right to receive the dividends is established.

**4.2 Cash and cash equivalents**

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

**4.3 Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the weighted average method.

**4.4 Real estate development costs**

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

The Group recognises losses on diminution in value of projects (if any) in profit or loss.

**4.5 Cost to obtain a contract**

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

**4.6 Investments in subsidiaries and joint ventures**

- a) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method.

#### **4.7 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

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.

#### **4.8 Property, plant and equipment/Depreciation**

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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

Temporary buildings and building improvement	5 and 10 years
System and utilities work	15 years
Hotel building and condominium units	20 - 50 years
Furniture and office equipment	5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.9 Borrowing costs**

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

#### **4.10 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and 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, which are computer software, is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 3, 5 and 10 years.

No amortisation is provided on computer software under installation.

#### **4.11 Lease**

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	20	years
Equipment	5	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.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

### ***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.

### **4.12 Related party transactions**

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

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

### **4.13 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary asset 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.

### **4.14 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, investments and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could 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. However, in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment except for good will 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 unless the assets is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as revaluation increase.

#### **4.15 Employee benefits**

##### **Short-term employee benefits**

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

##### **Post-employment benefits and other long-term employee benefits**

###### ***Defined contribution plans***

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

###### ***Defined benefit plans and other long-term employee benefits***

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

Past service costs are 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.

#### **4.16 Provisions**

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

#### **4.17 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

The Group recognises deferred tax liabilities for all taxable temporary differences while 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.

#### **4.18 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.

## **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.

### **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 60 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.

### **4.19 Fair value measurement**

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

### **Investment properties**

The Group presents investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued some items of the investment properties using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 14.

### **Property plant and equipment/Depreciation**

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

The Group measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment 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.

## Impairment of investments in subsidiaries

The Company will record impairment loss on investments in subsidiaries when the objective evidence of impairment exists. The determining impairment of investments in subsidiaries require the management judgement with respect to its projections of future performance of the subsidiaries.

## Litigations

The Group has contingent liabilities as a result of litigations. The management has used judgement to assess of the results of the litigations and has recorded the contingent liabilities with reasonable loss estimated as at the end of reporting period.

## 6. Related party transactions

The relationships between the Company, subsidiaries and joint ventures are summarised as described in Notes 12 and 13 to the consolidated financial statements and the relationships between the Company and other related parties and summarised below.

Name of related parties	Relationship
Must International Trading PTE Ltd.	Shareholder of Major Residences Company Limited, MJD-JV1 Company Limited and MJV3 Co., Ltd.
GMM Singapore Real Estate PTE Ltd.	Shareholder of Major Residences Company Limited, MJD-JV1 Company Limited and MJV3 Co., Ltd.
DANYA CEBUS LTD.	Shareholder of TMDC Construction Company Limited
GRG Global Investment Limited	Shareholder of TMDC Construction Company Limited, Major Residences Company Limited, MJD-JV1 Company Limited and MJV3 Co., Ltd.

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		Transfer pricing policy
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	222	204	6.80 % to 7.50% per annum
Land rental income	-	-	5	5	Cost plus margin
Interest expense	-	-	3	-	2.00 to 6.90% per annum (2020: 2.0% per annum)
Commission expenses	-	-	4	14	Percentage of revenue

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions with joint ventures</u>					
Interest income	36	19	36	19	Rate based on MLR per annum
Management fee income	17	23	-	-	Cost plus margin
Interest expense	-	1	-	1	6.80% per annum
Sales of land and house	-	191	-	191	Close to the prices charged to other customers of the same project

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b><u>Other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	1,046,600	962,185
Joint ventures	139,365	88,028	124,467	88,028
Total other receivables - related parties	139,365	88,028	1,171,067	1,050,213
<b><u>Deposit for purchase of condominium unit (presented in other current assets)</u></b>				
Joint ventures	86,829	-	-	-
Total deposit for purchase of condominium unit	86,829	-	-	-
<b><u>Other payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	319,443	205,000
Joint ventures	1,394	1,392	1,392	1,392
Total other payable - related parties	1,394	1,392	320,835	206,392

## Loans to related parties and loans from related parties

As at 31 December 2021 and 2020, the balances of loans between the Group and those related companies and the movements are as follows:

(Unit: Thousand Baht)

Short-term loans to	Interest rate (% per annum)	Separate financial statements			
		Balance as at		Balance as at	
		31 December 2020	Increase	Decrease	31 December 2021
Major Development Estate Company Limited	7.50	1,938,000	160,000	(618,000)	1,480,000
Major Development Commercial Company Limited	7.50	328,500	350,500	-	679,000
Major Development Hotels and Resorts Company Limited	6.90	123,500	62,500	(51,000)	135,000
MJD Residences Company Limited	6.90	378,000	413,500	(792,300)	-
MJV2 Co., Ltd.	6.90	-	130,200	-	130,200
MJR Development Company Limited	6.90	-	5,400	-	5,400
MJP Property Company Limited	6.90	-	5,685	-	5,685
<b>Total</b>		<b>2,768,800</b>	<b>1,127,785</b>	<b>(1,461,300)</b>	<b>2,435,285</b>

(Unit: Thousand Baht)

Long-term loans to	Interest rate (% per annum)	Consolidated financial statements			
		Balance as at		Balance as at	
		31 December 2020	Increase	Decrease	31 December 2021
Major Residences Company Limited	MLR - 0.75	183,600	86,700	-	270,300
MJD-JV1 Co., Ltd.	MLR - 1.25				
	(2020: MLR - 0.75 and 1.25)	234,600	81,600	-	316,200
MJV3 Co., Ltd.	MLR + 0.50	83,000	160,200	-	243,200
<b>Total</b>		<b>501,200</b>	<b>328,500</b>	<b>-</b>	<b>829,700</b>
Less: Allowance for impairment loss from investments in joint venture		(55,213)			(38,809)
<b>Total</b>		<b>445,987</b>			<b>790,891</b>
Less: Current portion		(244,800)			-
<b>Long-term portion</b>		<b>201,187</b>			<b>790,891</b>

(Unit: Thousand Baht)

Long-term loans to	Interest rate (% per annum)	Separate financial statements			
		Balance as at 31 December		Balance as at 31 December	
		2020	Increase	Decrease	2021
Major Residences Company Limited	MLR - 0.75	183,600	86,700	-	270,300
MJD-JV1 Co., Ltd.	MLR - 1.25				
	(2020: MLR - 0.75 and 1.25)	234,600	81,600	-	316,200
MJV3 Co., Ltd.	MLR + 0.50	83,000	160,200	-	243,200
MJR Development Company Limited	6.80	300,000	-	-	300,000
Total		801,200	328,500	-	1,129,700
Less: Current portion		(244,800)			(300,000)
Long-term portion		556,400			829,700

Loans to related parties is due for payment within September 2022 to November 2025.

(Unit: Thousand Baht)

Short-term loans from	Interest rate (% per annum)	Separate financial statements			
		Balance as at 31 December		Balance as at 31 December	
		2020	Increase	Decrease	2021
Major Development Residences Company Limited	2.00	106,000	-	-	106,000
MJC Development Company Limited	6.90	-	25,000	(25,000)	-
MJD Residences Company Limited	6.90	-	77,000	(40,000)	37,000
Total		106,000	102,000	(65,000)	143,000

### Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Short-term employee benefits	124	186	10
Post-employment benefits	2	3	-	-
Total	126	189	10	8

### Guarantee obligations with related parties

The Company has obligations in respect of guarantees of related parties obtained from banks and unrelated parties as described in Note 32.5 to the financial statements, for which no guarantee fee has been charged.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	7,485	1,033	96	79
Bank deposits	531,563	1,547,094	51,768	676,463
<b>Total</b>	<b>539,048</b>	<b>1,548,127</b>	<b>51,864</b>	<b>676,542</b>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05% and 0.25% per annum (2020: 0.05% and 1.70% 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>				
Aged on the basis of due dates				
Past due				
Up to 3 months	17,883	10,711	-	-
3 - 6 months	121	3,298	-	-
6 - 12 months	827	997	-	-
Over 12 months	1,118	674	-	-
<b>Total</b>	<b>19,949</b>	<b>15,680</b>	<b>-</b>	<b>-</b>
Less: Allowance for expected credit losses	(794)	(287)	-	-
<b>Total trade receivables - unrelated parties, net</b>	<b>19,155</b>	<b>15,393</b>	<b>-</b>	<b>-</b>
<u>Other receivables</u>				
Other receivables and advances - related parties	37,606	22,038	675,629	657,224
Other receivables and advances - unrelated parties	19,776	31,540	5,939	18,866
Interest receivables - related parties	101,759	65,990	495,438	392,989
<b>Total other receivables</b>	<b>159,141</b>	<b>119,568</b>	<b>1,177,006</b>	<b>1,069,079</b>
<b>Total trade and other receivables</b>	<b>178,296</b>	<b>134,961</b>	<b>1,177,006</b>	<b>1,069,079</b>

Set out below is the movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	2021	2020
Beginning balance	287	264
Provision for expected credit losses	507	23
<b>Ending balance</b>	<b>794</b>	<b>287</b>



## 9. Real estate development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Land and construction under development	3,415,897	3,048,010	-	-
Developed land and construction	3,614,277	5,396,728	138,070	367,210
<b>Total</b>	<b>7,030,174</b>	<b>8,444,738</b>	<b>138,070</b>	<b>367,210</b>

During the year, subsidiaries capitalised interest amounting to Baht 105 million (2020: Baht 98 million) to the land and construction under development. The capitalisation rates of interest are based on the borrowing costs of the specific loans, as described in Note 19 to the financial statements.

As at 31 December 2021 and 2020, the Group has mortgaged some project land and construction thereon as collateral against credit facilities received from banks and guaranteed as collateral against the issuance of the debentures and at the Court. Their net book values are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book values of land and construction thereon that have been pledged as collateral	5,508	7,829	-	-
Net book values of land and construction thereon that have been guaranteed due to legal cases	52	58	52	58

## 10. Costs to obtain a contract with a customer

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	220,433	473,973	-	1,318
Additions	84,913	191,232	11,233	40,900
Amortisation	(238,175)	(444,772)	(11,233)	(42,218)
<b>Net book value at end of year</b>	<b>67,171</b>	<b>220,433</b>	<b>-</b>	<b>-</b>

## 11. Restricted bank deposits

These represent bank deposits to secure credit facilities from banks and the issuance of bank guarantees in respect of certain performance bonds as required in the normal course of business.

## 12. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)									
	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method-net	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)						
Major Development Hotels and Resorts Company Limited										
	400,000	400,000	100	100	399,999	399,999	(239,800)	(239,800)	160,199	160,199
Major Development Residences Company Limited										
	100,000	100,000	100	100	99,999	99,999	-	-	99,999	99,999
MJR Development Company Limited	600,000	600,000	100	100	600,000	600,000	(363,623)	(363,623)	236,377	236,377
MJP Property Company Limited	600,000	600,000	100	100	600,000	600,000	-	-	600,000	600,000
MJC Development Company Limited	600,000	600,000	100	100	600,000	600,000	-	-	600,000	600,000
MJD Residences Company Limited	750,000	750,000	100	100	750,000	750,000	-	-	750,000	750,000
Major Development Property Partners Company Limited										
	2,750	2,750	100	100	2,750	2,750	-	-	2,750	2,750
Major Development Estate Company Limited										
	1,520,000	1,520,000	100	100	1,520,000	1,520,000	-	-	1,520,000	1,520,000
Major Development Commercial Company Limited										
	900,000	900,000	100	100	900,000	900,000	-	-	900,000	900,000
MDPC Company Limited	10,000	10,000	100	100	9,999	9,999	-	-	9,999	9,999
MJV2 Co., Ltd.	50,000	50,000	100	100	50,000	50,000	-	-	50,000	50,000
MJV4 Co., Ltd.	2,000	-	100	-	2,000	-	-	-	2,000	-
Total					5,534,747	5,532,747	(603,423)	(603,423)	4,931,324	4,929,324

Movements of the investments in subsidiaries during the year ended 31 December 2021 are as follows:

### Direct investment

#### **MJV4 Co., Ltd.**

The Company invested in MJV4 Co., Ltd., a newly incorporated company, to engage in development of properties for sales. The new company has a registered capital of Baht 2 million and was registered with the Ministry of Commerce on 21 April 2021. The Company acquired and paid for 19,997 ordinary shares, accounting for 100% of the total share.

## Indirect investments by subsidiaries

### **MJ One Company Limited (held by MJR Development Company Limited, MJP Property Company Limited and MJC Development Company Limited)**

The Extraordinary General Meeting of shareholders of MJ One Company Limited passed a resolution approving a decrease in the registered capital by reducing par value from Baht 100 per share to Baht 25 per share to compensate for the accumulated loss. The company registered the capital reduction with the Ministry of Commerce on 15 March 2021. The capital reduction resulted in the remaining registered capital of Baht 15 million.

### **Major SPV One Co., Ltd. (held by Major Development Estate Company Limited)**

Major Development Estate Company Limited (MDE) invested in Major SPV One Co., Ltd. (“a subsidiary”), a newly incorporated company, to engage in development of properties for sales. The new company has a registered capital of Baht 100 million and was registered with the Ministry of Commerce on 9 December 2020. MDE acquired 999,997 ordinary shares, accounting for 100% of the total share, and made share payment totaling Baht 25 million, or 25% of the registered capital in December 2020, and Baht 75 million for the remaining shares in March 2021. The subsidiary registered the share capital increase with the Ministry of Commerce on 10 May 2021.

### **Peoplescape Co., Ltd. (held by Major Development Estate Company Limited)**

Major Development Estate Company Limited (MDE) invested in Peoplescape Co., Ltd. a newly incorporated company, to engage in the provision of organisational development and management consulting services. The new company has a registered capital of Baht 1 million and was registered with the Ministry of Commerce on 4 March 2021. MDE acquired and paid for 8,999 ordinary shares, accounting for 90% of the total share.

### **Healthscape Co., Ltd. (held by Major Development Estate Company Limited)**

Major Development Estate Company Limited (MDE) invested in Healthscape Co., Ltd., a newly incorporated company, to engage in the accommodation of health business. The new company has a registered capital of Baht 5 million and was registered with the Ministry of Commerce on 4 August 2021. MDE acquired and paid for 45,000 ordinary shares, accounting for 90% of the total share.

## Major Development Estate Company Limited (“subsidiary”)

In November 2019, the subsidiary entered into a to sell and to purchase share agreement to acquire 400,000 ordinary shares of a company including any new shares in the future, representing 100% of the shareholding in such company, with a contract value of Baht 1,653 million. The agreement required that such company shall not have any trade payable, liability and responsibility expect when allowed by the subsidiary and the outstanding liability shall be deducted from the purchase price. The subsidiary made advance payment of Baht 165 million to the seller. The share transfer will be registered in July 2020.

Subsequently, in 2020, such company increased its share capital from 400,000 ordinary shares to 2,000,000 ordinary shares at the same purchase price. In March and August 2020, the subsidiary entered into 2 addenda to sell and to purchase share agreement to amend share transfer date to 31 December 2021 and to pay additional compensation due to the postponement at rate MLR of a financial institution calculating from 1 January 2021 until the transfer date.

In 2020 and 2021, the subsidiary made additional advance payments of Baht 233 million and Baht 148 million, respectively, to the seller (cumulative advance payment of Baht 546 million).

### 13. Investments in joint ventures

#### 13.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2021	2020	2021	2020	2021	2020
			(%)	(%)				
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	54,215	57,102
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	44,101	46,390
MJD-JV1 Co., Ltd.	Development of properties for sales	Thailand	51	51	510	510	-	-
MJV3 Co., Ltd.	Development of properties for sales	Thailand	51	51	5,100	5,100	-	5,016
Techscape Co., Ltd.	Development and design of application platform	Thailand	51	-	5,745	-	5,614	-
Total					105,704	99,959	103,930	108,508

Movement of the investment in joint venture during the year ended 31 December 2021 is as follows:

**Techscape Co., Ltd. (formerly known as “Cubixcode Co., Ltd.”)**

Healthscape Co., Ltd. (a subsidiary of Major Development Estate Company Limited) invested in Techscape Co., Ltd., a newly incorporated company, to engage in the development and design of application platform business. The new company was registered with the Ministry of Commerce on 20 February 2020, with a registered and paid-up capital of Baht 1 million and Baht 0.25 million, respectively. Healthscape Co., Ltd. acquired and made share payment totaling Baht 6 million, or 51% of the registered share capital in August and October 2021.

(Unit: Thousand Baht)

Joint ventures	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2021 (%)	2020 (%)	2021	2020	2021	2020	2021	2020
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	-	-	12,750	12,750
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	(31,869)	(31,869)	49,730	49,730
MJD-JV1 Co., Ltd.	Development of properties for sales	Thailand	51	51	510	510	-	-	510	510
MJV3 Co., Ltd.	Development of properties for sales	Thailand	51	51	5,100	5,100	-	-	5,100	5,100
Total					99,959	99,959	(31,869)	(31,869)	68,090	68,090

**13.2 Share of comprehensive income and dividend received**

During the years, the Company recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements and dividend income in separate financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year		Dividend received during the year	
	2021	2020	2021	2020	2021	2020
Major Residences Company Limited	(2,887)	147,448	-	-	-	198,894
TMDC Construction Company Limited	(2,289)	(895)	-	-	-	-
MJD-JV1 Co., Ltd.	19,337	(13,878)	-	-	-	-
MJV3 Co., Ltd.	(7,949)	(84)	-	-	-	-
Techscape Co., Ltd.	(131)	-	-	-	-	-
Total	6,081	132,591	-	-	-	198,894

### 13.3 Summarised financial information about material jointly controlled entity

#### Summarised information about financial position

(Unit: Million Baht)

	Major Residences Company Limited		MJD-JV1 Co., Ltd.	
	2021	2020	2021	2020
Cash and cash equivalents	2	80	107	8
Real estate development cost	1,282	1,445	2,205	1,836
Advances for construction	22	46	25	32
Other current assets	76	56	31	2
Cost to obtain contracts with customers	1	10	36	42
Other non-current assets	29	32	33	53
<b>Total assets</b>	<b>1,412</b>	<b>1,669</b>	<b>2,437</b>	<b>1,973</b>
Current portion of long-term loan	156	1,006	-	61
Deposits and advances from customers	32	210	463	359
Other current liabilities	222	251	286	189
Long-term loans	814	-	1,690	1,420
<b>Total liabilities</b>	<b>1,224</b>	<b>1,467</b>	<b>2,439</b>	<b>2,029</b>
<b>Net assets</b>	<b>188</b>	<b>202</b>	<b>(2)</b>	<b>(56)</b>
Shareholding percentage (%)	51	51	51	51
<b>Net assets in proportion of shareholding percentage</b>	<b>96</b>	<b>103</b>	<b>(1)</b>	<b>(29)</b>
Elimination entries	(42)	(46)	(32)	(26)
<b>Carrying amounts of joint ventures based on equity method</b>	<b>54</b>	<b>57</b>	<b>(33)</b>	<b>(55)</b>

#### Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	Major Residences Company Limited		MJD-JV1 Co., Ltd.	
	2021	2020	2021	2020
Revenue	266	1,267	439	-
Other income	5	14	1	4
Cost of sales	(189)	(781)	(306)	-
Selling and administrative expenses	(38)	(119)	(31)	(21)
Finance cost	(43)	(22)	(3)	-
Income tax expenses	-	(58)	(39)	7
<b>Profit (loss)</b>	<b>1</b>	<b>301</b>	<b>61</b>	<b>(10)</b>
Shareholding percentage (%)	51	51	51	51
<b>Profit (loss) in proportion of shareholding percentage</b>	<b>1</b>	<b>154</b>	<b>31</b>	<b>(5)</b>
Elimination entries	(4)	(7)	(12)	(9)
<b>Share of profit (loss) from investments in joint ventures</b>	<b>(3)</b>	<b>147</b>	<b>19</b>	<b>(14)</b>

## 14. Investment properties

(Unit: Thousand Baht)

Consolidated financial statements					
	Land awaiting for sale and land for rent project under construction	Land and building for rent	Condominium units for rent	Construction in progress	Total
Net book value as at 1 January 2020	755,364	1,593,957	15,440	990,276	3,355,037
Additions	-	435	-	108,425	108,860
Capitalised interest	-	-	-	64,684	64,684
Transferred to property, plant and equipment	-	117,606	-	-	117,606
Adjust	-	(1,283)	-	-	(1,283)
Disposals	-	-	(9,920)	-	(9,920)
Gain from change in fair value	6,800	102,011	-	-	108,811
Net book value as at 31 December 2020	762,164	1,812,726	5,520	1,163,385	3,743,795
Additions	740	5,741	-	-	6,481
Transferred from (to) property, plant and equipment	-	50	-	(2,727)	(2,677)
Transfers in (out)	(309,408)	1,444,483	-	(1,135,075)	-
Adjust	-	(1,198)	-	-	(1,198)
Disposals	-	(80)	-	-	(80)
Gain from change in fair value	1,304	37,815	-	-	39,119
Net book value as at 31 December 2021	454,800	3,299,537	5,520	25,583	3,785,440

(Unit: Thousand Baht)

Separate financial statements					
	Land awaiting for sale and land for rent project	Land and building for rent projects	Condominium units for rent	Construction in progress	Total
Net book value as at 1 January 2020	771,692	-	15,440	-	787,132
Disposals	-	-	(9,920)	-	(9,920)
Gain from change in fair value	25,550	-	-	-	25,550
Net book value as at 31 December 2020	797,242	-	5,520	-	802,762
Gain from change in fair value	16,552	-	-	-	16,552
Net book value as at 31 December 2021	813,794	-	5,520	-	819,314

During the year 2020, a subsidiary capitalised interest of Baht 65 million to the cost of construction in progress. The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was MLR.

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land awaiting for sale, land for rent project under construction and condominium units for rent have been determined based on market prices, while that of land and building for rent projects has been determined using the income approach.

Key assumptions used in the valuation of land and office building for rent are summarised below:

	Consolidated financial statements	Result to fair value whereas an increase in assumption value
Occupancy rate (%)	11% - 90%	Increase
Discount rate (%)	10%	Decrease
Rental rate (Baht/m <sup>2</sup> )	400 - 770	Increase

Amounts recognised in profit or loss for investment properties are as follows:

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Rental income				
Fixed rental income	76,055	73,082	4,872	4,872
Rental income relating to variable lease payments that do not depend on an index or a rate	16,625	14,864	-	-
Direct operating expenses (including repairs and maintenance) of investment property that generated rental income	1,788	1,084	-	-
Direct operating expenses (including repairs and maintenance) of investment property that did not generate rental income	37	885	-	-

The Group has mortgaged investment properties with carrying values as at 31 December 2021 amounting to Baht 3,637 million (Separate financial statements: Baht 814 million) (2020: Baht 3,596 million, Separate financial statements: Baht 797 million) with commercial banks as collateral against credit facilities received from banks and guarantee as collateral at the Court and the issuance of the debentures.



## 15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value				
Property, plant and equipment	2,184,051	2,642,198	47,805	52,492
Right-of-use assets (Note 21)	38,880	42,646	1,998	2,768
Total	<u>2,222,931</u>	<u>2,684,844</u>	<u>49,803</u>	<u>55,260</u>

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
	Revaluation basis	Cost basis					
	Land	Right-of-use assets (Land)	Buildings, and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	
<b>Cost/Revalued amount:</b>							
1 January 2020	1,224,501	-	1,652,529	354,864	44,644	101,521	3,378,059
Adjustments of right-of-use assets due to TFRS 16 adoption	-	10,847	-	-	-	-	10,847
Additions	133	-	71,583	18,295	25,876	77,370	193,257
Capitalised interest	-	-	-	-	-	780	780
Disposals	(33,631)	-	(13,960)	(855)	(1,859)	-	(50,305)
Write-off	-	-	(5,895)	(57,443)	-	-	(63,338)
Transferred to investment properties	(95,750)	-	(24,955)	-	-	-	(120,705)
Transfers in (out)	-	-	170,927	313	-	(171,240)	-
Transferred from real estate development cost	26,147	-	4,183	4,500	-	-	34,830
Revaluations	4,043	-	-	-	-	-	4,043
31 December 2020	1,125,443	10,847	1,854,412	319,674	68,661	8,431	3,387,468
Additions	-	-	8,878	6,465	9,500	3,940	28,783
Disposals	(258,000)	-	(155,577)	(30,095)	(14,031)	-	(457,703)
Write-off	-	-	(7,735)	(5,406)	(230)	(632)	(14,003)
Transfers in (out)	-	-	8,269	1,360	-	(9,629)	-
Transferred from investment properties	-	-	-	2,677	-	-	2,677
Revaluations	25,116	-	-	-	-	-	25,116
31 December 2021	<u>892,689</u>	<u>10,847</u>	<u>1,708,117</u>	<u>294,675</u>	<u>63,900</u>	<u>2,110</u>	<u>2,972,338</u>

## Consolidated financial statements

	Revaluation basis		Cost basis				Total
	Land	Right-of-use assets (Land)	Buildings, and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	
<b>Accumulated depreciation:</b>							
1 January 2020	2,366	-	333,167	250,990	35,587	-	622,110
Depreciation for the year	-	502	80,338	41,945	7,174	-	129,959
Depreciation on disposals	-	-	(1,487)	(799)	(1,207)	-	(3,493)
Depreciation on write-off	-	-	(3,636)	(54,452)	-	-	(58,088)
Depreciation for transferred to Investment properties	-	-	(3,099)	-	-	-	(3,099)
31 December 2020	2,366	502	405,283	237,684	41,554	-	687,389
Depreciation for the year	-	837	82,911	27,362	6,817	-	117,927
Depreciation on disposals	-	-	(29,518)	(20,131)	(11,267)	-	(60,916)
Depreciation on write-off	-	-	(7,736)	(2,431)	(61)	-	(10,228)
31 December 2021	2,366	1,339	450,940	242,484	37,043	-	734,172
<b>Allowance for impairment loss:</b>							
1 January 2020	-	-	15,235	-	-	-	15,235
31 December 2020	-	-	15,235	-	-	-	15,235
31 December 2021	-	-	15,235	-	-	-	15,235
<b>Net book value:</b>							
31 December 2020	1,123,077	10,345	1,433,894	81,990	27,107	8,431	2,684,844
31 December 2021	890,323	9,508	1,241,942	52,191	26,857	2,110	2,222,931
<b>Depreciation for the year</b>							
2020 (Baht 85 million included in cost from hotel operations, and the balance in administrative expenses)							129,959
2021 (Baht 73 million included in cost from hotel operations, and the balance in administrative expenses)							117,927

(Unit: Thousand Baht)

	Separate financial statements			
	Cost basis			
	Buildings, and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
<b>Cost:</b>				
1 January 2020	80,078	77,390	28,281	185,749
Disposals	-	(305)	(245)	(550)
Write-off	(93)	(42,899)	-	(42,992)
31 December 2020	79,985	34,186	28,036	142,207
Additions	-	61	-	61
Disposals	-	(573)	(10,526)	(11,099)
Write-off	-	(128)	-	(128)
31 December 2021	79,985	33,546	17,510	131,041
<b>Accumulated depreciation:</b>				
1 January 2020	23,860	74,107	24,743	122,710
Depreciation for the year	3,988	2,179	770	6,937
Depreciation on disposals	-	(304)	(245)	(549)
Depreciation on write-off	(93)	(42,893)	-	(42,986)
31 December 2020	27,755	33,089	25,268	86,112
Depreciation for the year	3,864	787	770	5,421
Depreciation on disposals	-	(476)	(10,526)	(11,002)
Depreciation on write-off	-	(128)	-	(128)
31 December 2021	31,619	33,272	15,512	80,403
<b>Allowance for impairment loss:</b>				
1 January 2020	835	-	-	835
31 December 2020	835	-	-	835
31 December 2021	835	-	-	835
<b>Net book value:</b>				
31 December 2020	51,395	1,097	2,768	55,260
31 December 2021	47,531	274	1,998	49,803
<b>Depreciation for the year</b>				
2020 (included in administrative expenses)				6,937
2021 (included in administrative expenses)				5,421

In September 2021, a subsidiary entered into a sale and purchase agreement to sell land and hotel construction with a local company (“a purchaser”), amounting to Baht 389 million, net of related selling expenses. The ownership was transferred to the purchaser on 25 October 2021.

The Group arranged for an independent professional valuer to appraise the value of land in 2021 on an asset-by-asset basis using the market approach.

The Group had the lands been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2021 and 2020 would have been approximately Baht 509 million and Baht 738 million, respectively.

During the year 2020, subsidiaries capitalised interest of Baht 1 million to the cost of construction in progress. The capitalisation rates of interest were MLR.

As at 31 December 2021, certain building and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 170 million (2020: Baht 152 million).

Land, buildings and building improvements of the Group with carrying values as at 31 December 2021 amounting to Baht 1,778 million (Separate financial statements: Baht 36 million) (2020: Baht 2,162 million, Separate financial statements: Baht 9 million) have been mortgaged with local commercial banks as collateral against credit facilities received from banks and guarantee at the Court and the issuance of the debentures.

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer		Total	Computer		Total
	Computer software	software under installation		Computer software	software under installation	
As at 31 December 2021						
Cost	39,838	597	40,435	7,520	597	8,117
<u>Less Accumulated amortisation</u>	<u>(23,940)</u>	<u>-</u>	<u>(23,940)</u>	<u>(6,453)</u>	<u>-</u>	<u>(6,453)</u>
Net book value	<u>15,898</u>	<u>597</u>	<u>16,495</u>	<u>1,067</u>	<u>597</u>	<u>1,664</u>
As at 31 December 2020						
Cost	37,079	1,753	38,832	7,520	533	8,053
<u>Less Accumulated amortisation</u>	<u>(19,196)</u>	<u>-</u>	<u>(19,196)</u>	<u>(5,020)</u>	<u>-</u>	<u>(5,020)</u>
Net book value	<u>17,883</u>	<u>1,753</u>	<u>19,636</u>	<u>2,500</u>	<u>533</u>	<u>3,033</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	19,636	23,253	3,033	4,162
Acquisition of computer software	1,794	2,327	64	533
Disposals	(86)	(1,042)	-	(13)
Amortisation	(4,849)	(4,902)	(1,433)	(1,649)
Net book value at end of year	<u>16,495</u>	<u>19,636</u>	<u>1,664</u>	<u>3,033</u>

#### 17. Short-term bills of exchange

	(Unit: Thousand Baht)			
	Consolidated/		Separate	
	Interest rate (% per annum)		financial statements	
	2021	2020	2021	2020
Bills of exchange - Face value			182,000	242,000
Less: Prepaid interest expenses	6.75	6.25 - 6.75	(3,694)	(2,455)
Bills of exchange - net			<u>178,306</u>	<u>239,545</u>

#### 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables and other payables -				
unrelated parties	234,297	574,860	33,429	46,178
Advances received from related parties	1,394	1,392	316,985	206,026
Advances received from unrelated parties	5,526	5,936	2,643	4,715
Accrued interest expenses - related party	-	-	3,850	366
Accrued interest expenses - unrelated parties	42,844	53,695	37,095	48,662
Accrued expenses - unrelated parties	40,068	77,236	782	1,329
Total	<u>324,129</u>	<u>713,119</u>	<u>394,784</u>	<u>307,276</u>

## 19. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Long-term loans from financial institutions	2,940,507	4,222,337	-	-
Less: current portion	(736,601)	(1,549,502)	-	-
Long-term portion	<u>2,203,906</u>	<u>2,672,835</u>	<u>-</u>	<u>-</u>

Movements of the long-term loans account for 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	4,222,337	4,627,867	-	-
Additional borrowings	2,213,663	3,498,492	750,000	96,726
Repayment	(3,495,493)	(3,904,022)	(750,000)	(96,726)
Balance at end of year	<u>2,940,507</u>	<u>4,222,337</u>	<u>-</u>	<u>-</u>

Long-term loans of the Group have principal repayment conditions with the rates stipulated in the loan agreements when the collaterals mortgaged with the banks are redeemed. Interest is charged at rate based on MLR. Full settlement of these loans is to be made within 2023 to 2029.

The Group has placed deposits at banks and mortgaged the real estate development cost, investment properties and the land and buildings, with banks to secure the long-term loans. In addition, long-term loans of subsidiaries are guaranteed by the Company.

Certain loan agreements contain covenants that, among other things, require the Group to maintain a debt-to-equity ratio. Debt is defined all interest-bearing debt and equity includes shareholder's equity and loan from related parties.

As at 31 December 2021, the subsidiaries had credit facilities which have not drawn down of Baht 5,136 million (2020: Baht 5,013 million).

## 20. Debentures

The Company issued unsecured and unsubordinated bearer debentures to be offered to institutional investor and/or high net worth investors with the term of interest payment on quarterly basis. The issuance of such debentures is a part of a total issue of Baht 10,000 million which was approved by Annual General Meeting of the shareholders on 27 April 2016 and 27 April 2017, respectively.

The debentures contain term of issue relating to the transfer or disposal of assets, no declaration of dividend if debenture issuer makes default in principal and/or interest repayment and the maintenance of a certain financial covenant that, among other things, require the Company to maintain a debt-to-equity ratio not exceeding 3.5:1 for the consolidated financial statements. Debt is defined as all interest bearing debt and excludes loan from related parties and equity is defined as shareholder's equity.

The outstanding balance of long-term debentures as at 31 December 2021 and 2020 are detailed below.

(Unit: Million Baht)

Year of issuance	Interest rate (% p.a.)		Terms (years)		Consolidated		Separate	
					financial statements		financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020
2019	6.8	6.7 - 7.0	2.5	2 - 2.5	700	4,000	700	4,000
2020	6.8	6.8	2 - 2.8	2 - 2.8	2,139	2,139	1,989	1,989
2021	6.4 - 6.8	-	1.5 - 2.5	-	3,297	-	2,697	-
Total long-term debentures - at face value					6,136	6,139	5,386	5,989
Less: Prepaid interest expenses					(6)	(6)	(6)	(6)
Less: Unamortised costs relating to the issuance of the debentures					(43)	(38)	(36)	(34)
Long-term debentures - net					6,087	6,095	5,344	5,949
Less: Portion due within one year					(2,777)	(3,291)	(2,182)	(3,291)
Portion due over one year					3,310	2,804	3,162	2,658

The debentures of Baht 1,100 million, which were issued in 2020 and 2021, are secured by the mortgage of the subsidiaries' real estate development cost, land and building and investment properties.

## 21. Leases

### 21.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 14 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land	Office equipment	Motor vehicles	Total
	As at 1 January 2020	10,847	9,940	7,625
Additions	-	-	25,390	25,390
Disposals	-	-	(652)	(652)
Depreciation for the year	(502)	(3,236)	(6,766)	(10,504)
As at 31 December 2020	10,345	6,704	25,597	42,646
Additions	-	-	9,500	9,500
Disposals	-	-	(2,752)	(2,752)
Depreciation for the year	(837)	(3,236)	(6,441)	(10,514)
As at 31 December 2021	9,508	3,468	25,904	38,880

(Unit: Thousand Baht)

	Separate financial statements
	Motor vehicles
As at 1 January 2020	3,538
Depreciation for the year	(770)
As at 31 December 2020	2,768
Depreciation for the year	(770)
As at 31 December 2021	1,998



**b) Lease liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Lease payment	33,123	40,188	1,251	2,002
Less: Deferred interest expenses	(2,571)	(3,474)	(57)	(141)
Total	30,552	36,714	1,194	1,861
Less: Portion due within one year	(11,311)	(10,092)	(703)	(667)
Lease liabilities - net of current portion	<u>19,241</u>	<u>26,622</u>	<u>491</u>	<u>1,194</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	36,714	15,901	1,861	2,492
Additions	6,175	32,786	-	-
Disposal	(2,150)	-	-	-
Accretion of interest	1,291	1,513	84	119
Repayments	(11,478)	(13,486)	(751)	(750)
Balance at end of year	<u>30,552</u>	<u>36,714</u>	<u>1,194</u>	<u>1,861</u>

A maturity analysis of lease payments is disclosed in Note 34 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)	
	For the year ended 31 December 2021	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	10,514	770
Interest expense on lease liabilities	1,291	84

## 21.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of land, office building and community mall (see Note 14) of the lease terms are between 1 - 25 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		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Within 1 year	74	105	5	4
Over 1 and up to 5 years	52	111	11	8
Over 5 years	-	-	18	16
<b>Total</b>	<b>126</b>	<b>216</b>	<b>34</b>	<b>28</b>

## 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	54,939	50,440	-	7,382
Included in profit or loss:				
Current service cost	7,984	3,544	-	403
Interest cost	639	1,177	-	144
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(86)	823	-	-
Financial assumptions changes	3,728	1,310	-	-
Experience adjustments	10,163	5,584	-	-
Adjustment	(25,225)	(7,939)	-	(7,929)
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<b>52,142</b>	<b>54,939</b>	<b>-</b>	<b>-</b>

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 14 - 27 years (2020: 14 - 27 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	Consolidated financial statements	
	2021	2020
Discount rate	1.49 - 3.07	1.49 - 3.07
Salary increase rate	3 - 7	3 - 7
Staff turnover rate	4.87 - 57.30	4.87 - 57.30

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: Thousand Baht)	
	Consolidated financial statements	
	2021	
	Increase 1.0%	Decrease 1.0%
Discount rate	(4,216)	4,851
Salary increase rate	4,512	(4,023)
Staff turnover rate	(7,238)	9,440

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	
	Increase 1.0%	Decrease 1.0%
Discount rate	(2,213)	2,365
Salary increase rate	2,615	(2,451)
Staff turnover rate	(3,255)	3,811

### 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

## 24. Revaluation surplus

This represents surplus arising from revaluation of property. Movements of revaluation surplus account for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2021	2020
Balance - beginning of year	247,455	244,221
Add: Revaluations	25,116	4,042
Less: Income tax effect	(5,023)	(808)
Balance - end of year	<u>267,548</u>	<u>247,455</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

## 25. Revenue from contracts with customers

### 25.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Type of goods:</b>				
Revenue from land and houses sales	180,000	1,277,500	-	-
Revenue from residential condominium units sales	<u>3,830,882</u>	<u>5,400,003</u>	<u>304,447</u>	<u>797,227</u>
Total revenue from contracts with customers	<u>4,010,882</u>	<u>6,677,503</u>	<u>304,447</u>	<u>797,227</u>

### 25.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, revenue totaling Baht 918 million (2020: Baht 2,944 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied. The Group expects to satisfy these performance obligations within 1 - 3 years.

## 26. Finance income

Finance income consists of interest income on debt instruments measured at amortised cost and the majority of finance income is the interest income from related party loans.

## 27. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Interest expenses on bills of exchange	35,251	17,601	35,251	17,601
Interest expenses on borrowings	76,262	35,545	3,509	3,591
Interest expenses on debentures	443,182	404,913	414,251	403,571
Interest expenses on lease liabilities	1,291	1,513	84	119
Front-end fee	31,306	30,564	26,024	30,768
<b>Total</b>	<b>587,292</b>	<b>490,136</b>	<b>479,119</b>	<b>455,650</b>

## 28. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Purchase of land and payment of construction during the year	467,652	2,739,734	1,789	386
Changes in real estate development cost	2,224,383	2,057,216	229,140	516,642
Salary, wages and other employee benefits	497,545	626,419	7,743	8,591
Depreciation and amortisation	122,776	134,861	6,854	8,586
Commission expenses	238,175	444,772	11,233	42,218
Advertising and promotion expenses	106,897	140,002	2,700	14,210
Specific business tax	144,650	242,070	12,481	30,249

## 29. 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
<b>Current income tax:</b>				
Current income tax charge	26,101	111,519	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	25,202	4,871	8,568	25,066
<b>Income tax expenses reported in profit or loss</b>	<b>51,303</b>	<b>116,390</b>	<b>8,568</b>	<b>25,066</b>

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 actuarial gain	(2,761)	(1,332)	-	42
Deferred tax on gain from revaluation of land	5,023	808	-	-
<b>Total</b>	<b>2,262</b>	<b>(524)</b>	<b>-</b>	<b>42</b>

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 (loss) before tax	(301,962)	315,726	(277,688)	91,546
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(60,392)	63,145	(55,538)	18,309
Previously deductible temporary differences and unrecognised tax losses that is used to reduce current tax expense	(18,378)	(9,612)	(14,645)	-
Unrecognised deferred tax assets (unused tax losses)	110,742	48,065	62,461	22,454
Reversal of previously recognised deferred tax assets	-	34,750	-	24,082
Effects of:				
- Non-deductible income and expenses	22,699	7,389	16,723	(39,779)
- Share of profit from investments in joint ventures	(1,216)	(26,518)	-	-
- Others	(2,152)	(829)	(433)	-
<b>Total</b>	<b>19,331</b>	<b>(19,958)</b>	<b>16,290</b>	<b>(39,779)</b>
<b>Income tax expenses reported in profit or loss</b>	<b>51,303</b>	<b>116,390</b>	<b>8,568</b>	<b>25,066</b>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Deferred tax assets</b>				
Accrued expenses	6,041	11,404	2,230	3,346
Provision for long-term employee benefits	9,874	10,988	-	-
Unearned income	629	4,620	57	4,199
Unused tax losses	102,460	136,058	-	-
Provision for impairment on investment properties	1,260	1,220	-	-
<b>Total</b>	<b>120,264</b>	<b>164,290</b>	<b>2,287</b>	<b>7,545</b>
<b>Deferred tax liabilities</b>				
Cost to obtain contracts with customers	13,434	44,087	-	-
Gain on change in fair value of investment properties	150,095	135,426	141,613	138,302
Surplus on revaluation of land	86,810	87,387	-	-
<b>Total</b>	<b>250,339</b>	<b>266,900</b>	<b>141,613</b>	<b>138,302</b>

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 760 million (2020: Baht 338 million), on which deferred tax assets have not been recognised as it believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. This unused tax losses will expire by 2022 - 2026.

### 30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments as follows:

- The property development business segment, which engages in the development of land and houses and residential condominium units for sale
- The hotel business segment, which engages in the provision of services relating to rooms, food and beverages and other services related to accommodation and travel
- The rental and service business segment, which engages in the rental of spaces in office buildings

No operating segments have been aggregated to form the above reportable operating segments.

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 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, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2021 and 2020, respectively.

(Unit: Million Baht)

	For the years ended 31 December									
	Development of		Hotel business		Rental business		Elimination		Consolidated	
	properties for sales								financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from external customers	4,186	7,081	98	156	65	62	-	-	4,349	7,299
Inter-segment revenue	51	66	-	1	38	35	(89)	(102)	-	-
Total revenue	4,237	7,147	98	157	103	97	(89)	(102)	4,349	7,299
Cost of sale and services	(2,802)	(4,923)	(118)	(161)	(33)	(27)	41	55	(2,912)	(5,056)
Gross profit	1,435	2,224	(20)	(4)	70	70	(48)	(47)	1,437	2,243
Gain from change in fair value of investment properties	26	112	-	-	13	(3)	-	-	39	109
Operating expenses	(1,269)	(1,731)	(51)	(64)	(15)	(30)	45	89	(1,290)	(1,736)
Segment operation profit (loss) before share of profit from investment in joint ventures	192	605	(71)	(68)	68	37	(3)	42	186	616
Share of profit from investments in joint ventures	6	132	-	-	-	-	-	-	6	132
Segment operating profit (loss)	198	737	(71)	(68)	68	37	(3)	42	192	748
Finance income	310	237	-	-	-	-	(272)	(215)	38	22
Finance cost	(729)	(648)	(39)	(38)	(90)	(18)	271	214	(587)	(490)
Other income	54	235	2	1	1	3	(2)	(203)	55	36
Income tax income (expenses)	(43)	(122)	-	-	(11)	1	3	4	(51)	(117)
Profit (loss) for the year	(210)	439	(108)	(105)	(32)	23	(3)	(158)	(353)	199
Depreciation and amortisation	(41)	(43)	(74)	(84)	(8)	(7)	-	-	(123)	(134)

(Unit: Million Baht)

	As at 31 December									
	Development of		Hotel business		Rental business		Elimination		Consolidated	
	properties for sales								financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Segment total assets</b>										
Trade and other receivables	1,626	1,343	8	6	231	174	(1,687)	(1,388)	178	135
Real estate development cost	7,056	8,465	-	-	-	-	(26)	(20)	7,030	8,445
Investment properties	1,824	1,786	-	-	2,622	2,599	(661)	(641)	3,785	3,744
Property, plant and equipment	248	264	780	1,192	994	1,038	201	191	2,223	2,685
Investments in joint ventures accounted by the equity method	104	109	-	-	-	-	-	-	104	109
Others	10,936	11,813	313	64	18	26	(8,620)	(8,257)	2,647	3,646
<b>Total</b>	<b>21,794</b>	<b>23,780</b>	<b>1,101</b>	<b>1,262</b>	<b>3,865</b>	<b>3,837</b>	<b>(10,793)</b>	<b>(10,115)</b>	<b>15,967</b>	<b>18,764</b>

## Geographic information

The Group operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

During the years 2021 and 2020, the Group has no major customer which revenue of 10% or more of an entity's revenues.

### 31. Provident fund

The subsidiaries and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiaries contribute to the fund monthly at rates of 3% to 10% of basic salary. The funds, which are managed by Thai Military Bank Public Company Limited and Tisco Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the subsidiaries contributed Baht 6 million (2020: Baht 6 million) to the fund.

### 32. Commitments and contingent liabilities

#### 32.1 Capital commitments

The subsidiaries had capital commitments as follows.

	(Unit: Million Baht)	
	As at 31 December	
	2021	2020
The purchases of land agreements	746	2,565
To sell and to purchase share agreement	1,284	1,255

#### 32.2 Servitude

As at 31 December 2021, subsidiaries had servitude over land approximately 4 rai (2020: 5 rai). Cost of servitude over land is included in real estate development cost, investment properties, and property, plant and equipment.

#### 32.3 Commitments from construction agreements related to project development, office building for rental and hotel

As at 31 December 2021, subsidiaries had commitments from construction agreements related to projects development and office building for rental of Baht 85 million (2020: Baht 259 million).

#### 32.4 Capital commitments in respect of joint ventures

As at 31 December 2021, joint ventures had commitments from construction agreements related to projects development of Baht 15 million (2020: Baht 514 million).

### 32.5 Bank guarantees

- (1) As at 31 December 2021, the Company has guaranteed bank credit facilities of related parties amounting to Baht 10,125 million (2020: Baht 13,634 million).
- (2) As at 31 December 2021 and 2020, there were outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Bank guarantees for electricity use	3	3	1	1
Bank guarantees for public utility	64	1	-	-
Bank guarantees for payments due to creditors	3	4	-	-
Total	70	8	1	1

As at 31 December 2021, the Group placed deposits at banks of Baht 5.3 million (Separate financial statements: Baht 0.8 million) (2020: Baht 6.7 million, Separate financial statements: Baht 1.9 million) and mortgaged the land and construction of condominium projects with the banks to secure the issuance of bank guarantees.

### 32.6 Long-term service commitment

In September 2013, a subsidiary has entered into management agreement with a local company whereby the latter will provide the hotel management services to the subsidiary. The term of the management agreement is 10 years, starting from the hotel renovation is completed. Under the terms of the above agreement, the subsidiary commits to pay a management fee and incentive fee, at the rates indicated in the agreement.

### 32.7 Litigations

As at 31 December 2021, the following lawsuits have been filed against the Group and joint ventures.

- a) The Group was sued by third parties on ground of seeking refunds of payments for condominiums, payment of construction and other expenses, and a joint defendant with the constructor for damaged properties in 39 cases, claiming damages of Baht 216 million. Currently, the cases are being investigated. However, the Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 86 million in its accounts.

- b) A subsidiary filed a lawsuit against a land seller for the repayment of land deposits amounting to Baht 100 million as the seller could not transferred the ownership to the subsidiary. In January 2021, the Court of First Instance ordered the seller to pay the land deposit to the subsidiary with interest at the rate of 7.5% per annum starting from 5 January 2017. Currently, the seller is in the process of filing an appeal with the Appeal Court. However, the Group's management and its legal consultant are of the opinion that the subsidiary is likely to win the case at the Appeal Court. Consequently, the Company's management assessed recoverable amount of such deposit and recorded Baht 13 million allowance for doubtful debts.
- c) A joint venture filed, a notice demanding the portion of construction service fees and claimed for the damages incurred from the termination of contract due to the unfair event with a customer, with the Thai Arbitral Tribunal for the claim amount of Baht 144 million. However, the customer countersued the joint venture on the grounds that the joint venture failed to deliver the work within the agreed deadline and demanded compensatory damages for the work delay of Baht 202 million. In June 2021, the Arbitral Tribunal rendered an award that the customer must pay the total claim of Baht 84 million to the joint venture. Subsequently, in October 2021, the customer filed a plaint with the Civil Court against the award of the Arbitral Tribunal. However, in December 2021, the joint venture filed a plaint with the Civil court, requesting the enforcement of the award that the customer must pay the total claim to the joint venture. The joint venture has not recorded the estimated losses of relevant assets or provision in its accounts.
- d) A joint venture was sued by third party on ground of seeking breach of construction contract and refunds accrued payment of construction claiming damages of Baht 218 million. However, a joint venture countersued on the ground that third party failed to deliver the work within the agreed deadline and demanded compensatory damages for the work delay of Baht 422 million. Currently, the case is considering by the Court of Appeal. The Group's management and its legal consultant are of the opinion that the joint venture has evidence and information according to the contract to defend the issue in this case and considers that the case will probably not result in the joint venture incurring losses. Therefore, the joint venture has not recorded the estimated losses of relevant assets or provision in its accounts.

### 33. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets that were measured at fair value and liabilities 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
<b>Assets measured at fair value</b>				
Land (under property, plant and equipment account)	-	890	-	890
Investment properties	-	1,600	2,185	3,785
<b>Financial liabilities measured at fair value</b>				
Debentures	-	6,414	-	6,414

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Land (under property, plant and equipment account)	-	1,123	-	1,123
Investment properties	-	3,024	720	3,744
<b>Financial liabilities measured at fair value</b>				
Debentures	-	6,157	-	6,157

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investment properties	-	819	-	819
<b>Financial liabilities measured at fair value</b>				
Debentures	-	5,394	-	5,394

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investment properties	-	803	-	803
<b>Financial liabilities measured at fair value</b>				
Debentures	-	6,007	-	6,007

### 34. Financial instruments

#### 34.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans lending, investments, bills of exchange, short-term from related parties, long-term loans from financial institutions, and debentures. The financial risks associated with these financial instruments and how they are managed are described below.

##### ***Credit risk***

The Group is exposed to credit risk primarily with respect to trade receivables, loans, deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

##### ***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 and subject to enforcement activity based on cost-benefit subjection.

##### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the financial management, and may be updated throughout the year subject to approval of the management. 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 market risks comprising interest rate risk and currency risk.

## Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans to related parties, long-term loans from financial institutions, bills of exchange, and debentures. Most of the Group's financial assets and liabilities bear fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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					
	Fixed interest rates		Floating	Non-	Total	Interest rate (% p.a.)
within 1 year	over 1 year to 5 years	interest rate	interest bearing			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	460	79	539	0.05 - 0.25
Trade and other receivables	-	-	-	178	178	-
Restricted bank deposits	4	-	37	-	41	0.05 - 0.38
Loans to related parties	-	-	791	-	791	MLR
	4	-	1,288	257	1,549	
<b>Financial liabilities</b>						
Bills of exchange	178	-	-	-	178	6.75
Trade and other payables	-	-	-	324	324	-
Debentures	2,777	3,310	-	-	6,087	6.40 - 6.80
Long-term loans from financial institutions	-	-	2,941	-	2,941	MLR
	2,955	3,310	2,941	324	9,530	

(Unit: Million Baht)

	Consolidated financial statements					
	2020					
	Fixed interest rates		Floating	Non-	Total	Interest rate (% p.a.)
within 1 year	over 1 year to 5 years	interest rate	interest bearing			
<b>Financial assets</b>						
Cash and cash equivalents	-	-	1,548	-	1,548	0.05 - 1.70
Trade and other receivables	-	-	-	135	135	-
Restricted bank deposits	7	-	26	-	33	0.10 - 0.25
Loans to related parties	-	-	446	-	446	MLR
	7	-	2,020	135	2,162	
<b>Financial liabilities</b>						
Bills of exchange	240	-	-	-	240	6.25 - 6.75
Trade and other payables	-	-	-	713	713	-
Debentures	3,291	2,804	-	-	6,095	6.70 - 7.00
Long-term loans from financial institutions	-	-	4,222	-	4,222	MLR
	3,531	2,804	4,222	713	11,270	



(Unit: Million Baht)

	Separate financial statements					
	2021					
	Fixed interest rates		Floating	Non-	Total	Interest rate
	within 1 year	over 1 year to 5 years	interest rate	interest bearing		
<b>Financial assets</b>						(% p.a.)
Cash and cash equivalents	-	-	48	4	52	0.05 - 0.13
Trade and other receivables	-	-	-	1,177	1,177	-
Restricted bank deposits	1	-	-	-	1	0.05 - 0.38
Loans to related parties	2,735	-	830	-	3,565	6.80 and MLR
	<u>2,736</u>	<u>-</u>	<u>878</u>	<u>1,181</u>	<u>4,795</u>	
<b>Financial liabilities</b>						
Bills of exchange	178	-	-	-	178	6.75
Trade and other payables	-	-	-	395	395	-
Debentures	2,182	3,162	-	-	5,344	6.40 - 6.80
	<u>2,360</u>	<u>3,162</u>	<u>-</u>	<u>395</u>	<u>5,917</u>	

(Unit: Million Baht)

	Separate financial statements					
	2020					
	Fixed interest rates		Floating	Non-	Total	Interest rate
	within 1 year	over 1 year to 5 years	interest rate	interest bearing		
<b>Financial assets</b>						(% p.a.)
Cash and cash equivalents	-	-	677	-	677	0.05 - 1.25
Trade and other receivables	-	-	-	1,069	1,069	-
Restricted bank deposits	2	-	-	-	2	0.15 - 0.25
Loans to related parties	2,769	-	801	-	3,570	6.80 and MLR
	<u>2,771</u>	<u>-</u>	<u>1,478</u>	<u>1,069</u>	<u>5,318</u>	
<b>Financial liabilities</b>						
Bills of exchange	240	-	-	-	240	6.25 - 6.75
Trade and other payables	-	-	-	307	307	-
Debentures	3,291	2,657	-	-	5,948	6.70 - 7.00
	<u>3,531</u>	<u>2,657</u>	<u>-</u>	<u>307</u>	<u>6,495</u>	

*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 loans affected as at 31 December 2021 and 2020.

2021		2020	
Increase/decrease	Effect on profit before tax	Increase/decrease	Effect on profit before tax
(%)	(Thousand Baht)	(%)	(Thousand Baht)
+0.1	(7,989)	+0.1	(5,821)
-0.1	7,989	-0.1	5,821

The above analysis has been prepared assuming that the amounts of the floating rate loans and all other variables remain constant over one year. Moreover, the floating legs of these loans 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.

### **Foreign currency risk**

As at 31 December 2021 and 2020, the Group does not consider themselves exposed to foreign currency risk because they have no significant foreign currency transactions.

### **Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bills of exchange, debentures, bank loans and lease contracts. The Group's policy is to maintain debt-to-equity ratio was 2.5:1. Approximately 45% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 55%) (the Company only: 49%, 2020: 60%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	2021			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>				
Bills of exchange	182	-	-	182
Trade and other payables	324	-	-	324
Debentures	2,777	3,310	-	6,087
Interest on debentures	375	205	-	580
Lease liabilities	12	12	7	31
Long-term loans	737	2,204	-	2,941
Interest on long-term loans	143	351	160	654
<b>Total non-derivatives</b>	<b>4,550</b>	<b>6,082</b>	<b>167</b>	<b>10,799</b>

(Unit: Million Baht)

	Consolidated financial statements			
	2020			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>				
Bills of exchange	242	-	-	242
Trade and other payables	713	-	-	713
Debentures	3,291	2,804	-	6,095
Interest on debentures	193	254	-	447
Lease liabilities	10	19	7	36
Long-term loans	1,549	1,301	1,372	4,222
Interest on long-term loans	80	69	76	225
<b>Total non-derivatives</b>	<b>6,078</b>	<b>4,447</b>	<b>1,455</b>	<b>11,980</b>

(Unit: Million Baht)

	Separate financial statements				
	2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Bills of exchange	-	182	-	-	182
Trade and other payables	-	395	-	-	395
Short-term loan	143	-	-	-	143
Interest on short-term loans	9	-	-	-	9
Debentures	-	2,182	3,162	-	5,344
Interest on debentures	-	327	200	-	527
Lease liabilities	-	1	-	-	1
<b>Total non-derivatives</b>	<b>152</b>	<b>3,087</b>	<b>3,362</b>	<b>-</b>	<b>6,601</b>

(Unit: Million Baht)

	Separate financial statements				
	2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Bills of exchange	-	242	-	-	242
Trade and other payables	-	307	-	-	307
Short-term loan	106	-	-	-	106
Interest on short-term loans	2	-	-	-	2
Debentures	-	3,291	2,657	-	5,948
Interest on debentures	-	183	240	-	423
Lease liabilities	-	1	1	-	2
<b>Total non-derivatives</b>	<b>108</b>	<b>4,024</b>	<b>2,898</b>	<b>-</b>	<b>7,030</b>

### 34.2 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 rate, their fair values are not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Debentures	6,087	6,144	6,095	6,157

(Unit: Million Baht)

	Separate financial statements			
	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Debentures	5,345	5,394	5,948	6,007

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

During the year, the Group transferred fair value hierarchy level of investment properties (building for rent) categorised as Level 2 for the year 2020 amounting to Baht 1,447 million to Level 3 for the year 2021. The valuation technique was changed due to the building being in operation.

### **35. Capital management**

The primary objective of the Group's capital management is to ensure that it has an appropriate financial 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 periods.

In managing its capital position, the Group refers to its debt-to-equity ratio, in order to ensure compliance with a condition of long-term loan agreements with financial institutions and also debentures issuance as discussed in Notes 19 and 20. As at 31 December 2021, the Group's debt-to-equity ratio was 1.74:1 (2020: 1.87:1) and the Company's was 1.28:1 (2020: 1.34:1).

### **36. Approval of financial statements**

The financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.