

Major Development Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2022

## **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 2022, 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 2022, 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 Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **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: 27 February 2023

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

**Statement of financial position**

**As at 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,007,512,875	539,047,745	316,542,753	51,864,202
Trade and other receivables	6, 8	145,123,697	178,296,079	638,488,150	1,177,006,246
Short-term loans to related parties	6	-	-	3,439,200,000	2,435,285,416
Current portion of long-term loans					
to related parties	6	268,633,886	-	268,633,886	300,000,000
Real estate development cost	9	6,677,038,744	7,030,174,030	36,474,790	138,069,657
Advances for construction		213,315,808	95,620,881	14,186,548	44,642,424
Deposits for purchase of land		66,488,060	96,105,760	-	-
Cost to obtain contracts with customers	10	35,976,938	67,170,845	-	-
Other current assets		45,309,904	165,888,302	1,393,360	6,396,993
<b>Total current assets</b>		<b>8,459,399,912</b>	<b>8,172,303,642</b>	<b>4,714,919,487</b>	<b>4,153,264,938</b>
<b>Non-current assets</b>					
Restricted bank deposits	11	19,944,574	41,025,566	758,347	761,423
Prepayment for purchase of shares	12	796,419,330	546,236,254	-	-
Investments in subsidiaries	12	-	-	5,081,323,727	4,931,323,727
Investments in joint ventures	13	225,521,573	103,929,896	68,090,538	68,090,538
Long-term loans to related parties	6	398,624,758	790,891,290	711,500,000	829,700,000
Investment properties	14	4,126,744,393	3,785,439,738	832,501,000	819,314,000
Property, plant and equipment	15	2,063,236,882	2,222,931,014	44,924,555	49,802,570
Intangible assets	16	19,302,731	16,495,400	781,217	1,664,254
Deposits for purchase of land	33.5	87,500,000	87,500,000	-	-
Deferred tax assets	30	181,171,456	120,263,854	746,807	2,287,290
Other non-current assets		88,751,101	79,688,247	21,789,552	22,983,466
<b>Total non-current assets</b>		<b>8,007,216,798</b>	<b>7,794,401,259</b>	<b>6,762,415,743</b>	<b>6,725,927,268</b>
<b>Total assets</b>		<b>16,466,616,710</b>	<b>15,966,704,901</b>	<b>11,477,335,230</b>	<b>10,879,192,206</b>

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

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

**Statement of financial position (continued)**

**As at 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans	17	150,000,000	178,306,377	-	178,306,377
Trade and other payables	18	406,571,362	324,128,967	424,955,307	394,783,522
Retention payables		155,576,615	178,009,448	13,193,843	17,989,848
Deposits and advances from customers		282,621,951	341,558,954	21,430,611	21,599,563
Short-term loans from related parties	6	-	-	870,500,000	143,000,000
Current portion of long-term loans from financial institutions	20	619,018,941	736,601,253	-	-
Current portion of lease liabilities	22	8,933,443	11,311,442	490,401	703,386
Current portion of debentures	21	2,813,155,546	2,777,053,545	2,663,600,123	2,182,153,508
Income tax payable		19,154,892	263,189	-	-
Other current liabilities		125,438,828	243,954,854	88,623,838	210,429,767
<b>Total current liabilities</b>		<b>4,580,471,578</b>	<b>4,791,188,029</b>	<b>4,082,794,123</b>	<b>3,148,965,971</b>
<b>Non-current liabilities</b>					
Long-term bill of exchange	19	40,486,122	-	40,486,122	-
Long-term loans from financial institutions	20	3,511,482,985	2,203,905,980	-	-
Debentures	21	2,962,133,927	3,310,102,387	2,962,133,927	3,162,103,412
Lease liabilities	22	23,228,529	19,240,979	-	490,401
Provision for long-term employee benefits	23	51,086,996	52,142,466	-	-
Deferred tax liabilities	30	299,384,722	250,339,323	144,249,953	141,612,553
Other non-current liabilities		38,419,081	29,898,906	-	-
<b>Total non-current liabilities</b>		<b>6,926,222,362</b>	<b>5,865,630,041</b>	<b>3,146,870,002</b>	<b>3,304,206,366</b>
<b>Total liabilities</b>		<b>11,506,693,940</b>	<b>10,656,818,070</b>	<b>7,229,664,125</b>	<b>6,453,172,337</b>

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



**Major Development Public Company Limited and its subsidiaries****Statement of financial position (continued)****As at 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Shareholders' equity</b>					
Share capital					
Registered					
1,050,000,000 ordinary shares of Baht 1 each		1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Issued and paid-up					
860,411,939 ordinary shares of Baht 1 each		860,411,939	860,411,939	860,411,939	860,411,939
Premium on ordinary shares		875,266,939	875,266,939	875,266,939	875,266,939
Retained earnings					
Appropriated - statutory reserve	24	105,000,000	105,000,000	105,000,000	105,000,000
Unappropriated		2,839,624,113	3,201,250,113	2,406,992,227	2,585,340,991
Other components of shareholders' equity	25	279,698,774	267,548,676	-	-
Equity attributable to owners of the Company		4,960,001,765	5,309,477,667	4,247,671,105	4,426,019,869
Non-controlling interests of the subsidiaries		(78,995)	409,164	-	-
<b>Total shareholders' equity</b>		<b>4,959,922,770</b>	<b>5,309,886,831</b>	<b>4,247,671,105</b>	<b>4,426,019,869</b>
<b>Total liabilities and shareholders' equity</b>		<b>16,466,616,710</b>	<b>15,966,704,901</b>	<b>11,477,335,230</b>	<b>10,879,192,206</b>
		-	-	-	-

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

Directors

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

**Income statement**

**For the year ended 31 December 2022**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Revenues</b>					
Sales	26	2,371,711,239	4,010,881,963	125,972,829	304,447,343
Revenues from hotel operations		177,079,585	97,989,943	-	-
Management fee income		78,885,938	96,392,382	-	-
Rental income		132,740,587	92,679,939	5,172,000	4,872,000
Net gain from change in fair value of investment properties	14	134,483,676	39,117,821	13,187,000	16,552,000
Dividend income	12	-	-	52,500,000	-
Other income		87,067,950	106,352,902	4,782,914	14,677,183
<b>Total revenues</b>		<b>2,981,968,975</b>	<b>4,443,414,950</b>	<b>201,614,743</b>	<b>340,548,526</b>
<b>Expenses</b>					
Cost of sales		1,714,864,561	2,692,035,069	91,942,437	230,928,818
Cost from hotel operations		136,384,129	118,343,823	-	-
Cost of services		67,306,868	70,288,579	-	-
Cost of rental		40,663,268	31,273,520	-	-
Selling expenses		365,230,359	541,607,063	17,054,692	30,384,384
Administrative expenses		692,616,247	748,460,666	76,221,631	136,710,069
<b>Total expenses</b>		<b>3,017,065,432</b>	<b>4,202,008,720</b>	<b>185,218,760</b>	<b>398,023,271</b>
<b>Operating profit (loss)</b>		<b>(35,096,457)</b>	<b>241,406,230</b>	<b>16,395,983</b>	<b>(57,474,745)</b>
Share of profit from investments in joint ventures	13.2	147,525,145	6,081,132	-	-
Finance income	27	43,270,742	37,843,207	260,129,976	258,905,639
Finance cost	28	(504,310,718)	(587,292,082)	(450,696,840)	(479,118,946)
<b>Loss before income tax expenses</b>		<b>(348,611,288)</b>	<b>(301,961,513)</b>	<b>(174,170,881)</b>	<b>(277,688,052)</b>
Income tax expenses	30	(21,790,590)	(51,303,048)	(4,177,883)	(8,568,091)
<b>Loss for the year</b>		<b>(370,401,878)</b>	<b>(353,264,561)</b>	<b>(178,348,764)</b>	<b>(286,256,143)</b>
<b>Loss attributable to:</b>					
Equity holders of the Company		(369,913,719)	(353,073,625)	(178,348,764)	(286,256,143)
Non-controlling interests of the subsidiaries		(488,159)	(190,936)		
		<b>(370,401,878)</b>	<b>(353,264,561)</b>		
<b>Loss per share</b>					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.43)	(0.41)	(0.21)	(0.33)

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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Loss for the year</b>	<u>(370,401,878)</u>	<u>(353,264,561)</u>	<u>(178,348,764)</u>	<u>(286,256,143)</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)	10,359,649	(13,805,068)	-	-
Less: Income tax effect	<u>(2,071,930)</u>	<u>2,761,014</u>	-	-
	<u>8,287,719</u>	<u>(11,044,054)</u>	-	-
Changes in revaluation of assets	15,187,623	25,116,383	-	-
Less: Income tax effect	<u>(3,037,525)</u>	<u>(5,023,277)</u>	-	-
	<u>12,150,098</u>	<u>20,093,106</u>	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>20,437,817</u>	<u>9,049,052</u>	-	-
<b>Total comprehensive income for the year</b>	<u><u>(349,964,061)</u></u>	<u><u>(344,215,509)</u></u>	<u><u>(178,348,764)</u></u>	<u><u>(286,256,143)</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(349,475,902)</u>	<u>(344,024,573)</u>	<u><u>(178,348,764)</u></u>	<u><u>(286,256,143)</u></u>
Non-controlling interests of the subsidiaries	<u>(488,159)</u>	<u>(190,936)</u>		
	<u><u>(349,964,061)</u></u>	<u><u>(344,215,509)</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

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements

	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 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
<b>Balance as at 1 January 2022</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
Loss for the year	-	-	-	(369,913,719)	-	(369,913,719)	(488,159)	(370,401,878)
Other comprehensive income for the year	-	-	-	8,287,719	12,150,098	20,437,817	-	20,437,817
Total comprehensive income for the year	-	-	-	(361,626,000)	12,150,098	(349,475,902)	(488,159)	(349,964,061)
<b>Balance as at 31 December 2022</b>	860,411,939	875,266,939	105,000,000	2,839,624,113	279,698,774	4,960,001,765	(78,995)	4,959,922,770
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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 2022

(Unit: Baht)

Separate financial statements

	Retained earnings				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated	
<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)
Total comprehensive income for the year	-	-	-	(286,256,143)	(286,256,143)
<b>Balance as at 31 December 2021</b>	860,411,939	875,266,939	105,000,000	2,585,340,991	4,426,019,869
<b>Balance as at 1 January 2022</b>	860,411,939	875,266,939	105,000,000	2,585,340,991	4,426,019,869
Loss for the year	-	-	-	(178,348,764)	(178,348,764)
Total comprehensive income for the year	-	-	-	(178,348,764)	(178,348,764)
<b>Balance as at 31 December 2022</b>	860,411,939	875,266,939	105,000,000	2,406,992,227	4,247,671,105
	-	-	-	-	-
	-	-	-	-	-

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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>				
Loss before tax	(348,611,288)	(301,961,513)	(174,170,881)	(277,688,052)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	107,550,025	122,776,443	5,761,018	6,853,686
Allowance for expected credit losses	115,034	370,155	-	-
Loss (gain) on sale and write-off assets	39,657,455	23,767,565	38,350,395	(1,460,100)
Write-off of withholding tax deducted at source and value added tax	348,693	6,890,762	-	4,786,977
Write-off of construction cost estimation	(6,976,247)	-	(6,976,247)	-
Provision for long-term employee benefits (reversal)	9,304,179	(16,601,371)	-	-
Share of profit from investments in joint ventures	(147,525,145)	(6,081,132)	-	-
Net gain from change in fair value of investment properties	(134,483,676)	(39,117,821)	(13,187,000)	(16,552,000)
Dividend income	-	-	(52,500,000)	-
Finance income	(43,270,742)	(37,843,207)	(260,129,976)	(258,905,639)
Finance cost	476,487,292	555,986,267	428,015,581	452,208,563
Profit (loss) from operating activities before changes in operating assets and liabilities	(47,404,420)	308,186,148	(34,837,110)	(90,756,565)
Operating assets (increase) decrease				
Trade and other receivables	21,013,390	(7,935,238)	648,068,335	(5,478,211)
Real estate development cost	1,025,055,943	1,722,964,870	91,942,437	229,140,140
Advances for construction	(148,150,803)	55,913,046	-	264,460
Deposits for purchase of land	(34,680,440)	124,473,439	-	37,076,903
Cost to obtain contracts with customers	31,193,907	153,261,977	-	-
Other current assets	9,040,500	(21,233,754)	5,724,949	17,367,649
Other non-current assets	(292,012)	(57,607,832)	(721,296)	(15,932,425)
Operating liabilities increase (decrease)				
Trade and other payables	73,797,963	(378,139,336)	203,486	95,591,347
Retention payables	(17,850,167)	(165,946,961)	(213,339)	(26,012,991)
Deposits and advances from customers	(58,937,003)	(551,472,781)	(168,952)	(11,557,376)
Other current liabilities	(118,516,026)	67,638,799	(121,805,929)	77,889,691
Other non-current liabilities	8,520,175	6,430,056	-	-
Cash flows from operating activities	742,791,007	1,256,532,433	588,192,581	307,592,622
Interest paid	(593,723,788)	(676,873,465)	(383,875,705)	(462,058,665)
Cash received from withholding tax deducted at source and value added tax	26,158,685	12,700,061	-	-
Corporate income tax paid	(48,441,827)	(123,092,381)	(4,091,553)	(5,555,245)
<b>Net cash flows from (used in) operating activities</b>	<b>126,784,077</b>	<b>469,266,648</b>	<b>200,225,323</b>	<b>(160,021,288)</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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted bank deposits	21,080,992	(8,499,679)	3,076	1,104,924
Acquisition of investment properties	(484,556,185)	(6,481,021)	-	-
Acquisition of property, plant and equipment	(25,750,940)	(19,284,453)	-	(60,726)
Cash received from sales of property, plant and equipment	2,274,139	394,783,341	1,801,529	1,558,313
Acquisition of intangible assets	(6,601,500)	(1,794,154)	-	(64,200)
Prepayment for purchase of shares	(250,183,076)	(148,331,254)	-	-
Cash payment for investments in subsidiaries	-	-	(150,000,000)	(1,999,700)
Cash payment for investment in joint ventures	-	(5,745,000)	-	-
Cash received from short-term loans to related parties	-	-	312,000,000	1,461,300,000
Cash payment for short-term loans to related parties	-	-	(1,315,914,584)	(1,127,785,416)
Cash payment for long-term loans to related parties	-	(328,500,000)	-	(328,500,000)
Cash received from long-term loans to related parties	149,566,114	-	149,566,114	-
Interest received	55,402,163	2,073,443	103,400,479	156,456,516
Dividend received	-	-	52,500,000	-
<b>Net cash flows from (used in) investing activities</b>	<b>(538,768,293)</b>	<b>(121,778,777)</b>	<b>(846,643,386)</b>	<b>162,009,711</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans	(32,000,000)	(60,000,000)	(182,000,000)	(60,000,000)
Cash received from short-term loans from related parties	-	-	918,450,000	102,000,000
Repayment of short-term loans from related parties	-	-	(144,350,000)	(65,000,000)
Cash received from long-term bill of exchange	44,000,000	-	44,000,000	-
Repayment of lease liabilities	(12,007,616)	(12,337,302)	(703,386)	(666,525)
Cash received from debentures	2,464,300,000	3,297,000,000	2,464,300,000	2,697,000,000
Repayment of debentures	(2,788,600,000)	(3,300,000,000)	(2,188,600,000)	(3,300,000,000)
Cash received from long-term loans from financial institutions	2,184,383,200	2,213,663,367	-	750,000,000
Repayment of long-term loans from financial institutions	(979,626,238)	(3,495,493,648)	-	(750,000,000)
Proceed in subsidiary's shares from				
non-controlling interests	-	600,100	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>880,449,346</b>	<b>(1,356,567,483)</b>	<b>911,096,614</b>	<b>(626,666,525)</b>
Net increase (decrease) in cash and cash equivalents	468,465,130	(1,009,079,612)	264,678,551	(624,678,102)
Cash and cash equivalents at beginning of year	539,047,745	1,548,127,357	51,864,202	676,542,304
<b>Cash and cash equivalents at end of year</b>	<b>1,007,512,875</b>	<b>539,047,745</b>	<b>316,542,753</b>	<b>51,864,202</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 2022**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Supplemental cash flows information				
Non-cash items				
Acquisition of assets under lease agreement	4,616,934	9,500,000	-	-
Decrease in interest receivable from related parties by offset with short-term loans from related parties	-	-	46,600,000	-
Increase in assets under lease agreement and lease liability	9,000,233	-	-	-
Transferred investment properties to real estate development cost	489,560,000	-	-	-
Transferred property, plant and equipment to investment properties	125,707,320	-	-	-
Transferred deposit for purchase of condominium unit to investment properties	86,162,122	-	-	-
Transferred real estate development cost to property, plant and equipment	16,948,370	-	-	-

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 2022**

**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.

**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	
			2022	2021
			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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			Percent	Percent
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	90
Healthscape Co., Ltd.	Accommodation of health business	Thailand	90	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**

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

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 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 providing accounting guidance for users of the standards.

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

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

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 2023. 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, 60	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. 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.

#### **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 maximizes 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		
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	218	222	6.80% to 7.50% per annum
Land rental income	-	-	5	5	Cost plus margin
Interest expense	-	-	20	3	2.00% to 7.00% per annum (2021: 2.00 to 6.90% per annum)
Commission expenses	-	-	-	4	Percentage of revenue
<u>Transactions with related parties</u>					
Interest income	41	36	41	36	Rate based on MLR per annum
Management fee income	-	17	-	-	Cost plus margin
Purchase of a condominium unit	86	-	-	-	Close to the price charged to other customers of the same project
Purchase of intangible assets	6	-	-	-	Market price
Service fee	4	-	-	-	Market price

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b><u>Other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	528,441	1,046,600
Joint ventures	109,959	139,365	108,915	124,467
Total other receivables - related parties	109,959	139,365	637,356	1,171,067
<b><u>Deposit for purchase of a condominium unit (presented in other current assets)</u></b>				
Joint venture	-	86,829	-	-
Total deposit for purchase of a condominium unit	-	86,829	-	-
<b><u>Other payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	334,361	319,443
Joint ventures	1,392	1,394	1,392	1,392
Director	32	-	-	-
Total other payable - related parties	1,424	1,394	335,753	320,835

**Loans to related parties and loans from related parties**

As at 31 December 2022 and 2021, the balances of loans between the Group and those related companies and the movements are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at			Balance as at
	31 December	Increase	Decrease	31 December
Short-term loans to	2021			2022
Major Development Estate Company Limited	1,480,000	383,000	(146,000)	1,717,000
Major Development Commercial Company Limited	679,000	113,000	(133,000)	659,000
Major Development Hotels and Resorts Company Limited	135,000	63,500	(20,000)	178,500
MJV2 Co., Ltd.	130,200	163,800	(10,000)	284,000
MJR Development Company Limited	5,400	536,600	-	542,000
MJP Property Company Limited	5,685	17,015	-	22,700
MJC Development Company Limited	-	31,000	-	31,000
MJV4 Co., Ltd.	-	5,000	-	5,000
MJ One Company Limited	-	3,000	(3,000)	-
Total	2,435,285	1,315,915	(312,000)	3,439,200

Short-term loans to related parties carry interests between 6.90 - 7.50% per annum and are due at call.



(Unit: Thousand Baht)

Long-term loans to	Consolidated financial statements			
	Balance as at			Balance as at
	31 December			31 December
	2021	Increase	Decrease	2022
Major Residences Company Limited	270,300	-	-	270,300
MJD-JV1 Co., Ltd.	316,200	-	(149,566)	166,634
MJV3 Co., Ltd.	243,200	-	-	243,200
Total	829,700	-	(149,566)	680,134
Less: Allowance for impairment loss from investment in joint venture	(38,809)			(12,875)
Total	790,891			667,259
Less: Current portion	-			(268,634)
Long-term portion	790,891			398,625

Long-term loans to related parties carry interests at the rate based on MLR per annum and are due for payment within December 2023 to November 2025.

(Unit: Thousand Baht)

Long-term loans to	Separate financial statements			
	Balance as at			Balance as at
	31 December			31 December
	2021	Increase	Decrease	2022
Major Residences Company Limited	270,300	-	-	270,300
MJD-JV1 Co., Ltd.	316,200	-	(149,566)	166,634
MJV3 Co., Ltd.	243,200	-	-	243,200
MJR Development Company Limited	300,000	-	-	300,000
Total	1,129,700	-	(149,566)	980,134
Less: Current portion	(300,000)			(268,634)
Long-term portion	829,700			711,500

As at 31 December 2022, long-term loans to related parties carry interests at the rate of 6.8% per annum and at the rate based on MLR per annum and are due for payment within December 2023 to September 2026 (2021: due for payment within September 2022 to November 2025).

(Unit: Thousand Baht)

Short-term loans from	Separate financial statements			
	Balance as at		Balance as at	
	31 December			31 December
	2021	Increase	Decrease	2022
Major Development Residences Company Limited	106,000	-	(500)	105,500
MJD Residences Company Limited	37,000	458,450	(190,450)	305,000
MJP Property Company Limited	-	240,000	-	240,000
MJR Development Company Limited	-	220,000	-	220,000
Total	143,000	918,450	(190,950)	870,500

As at 31 December 2022, short-term loans from related parties carry interests between 2.00 - 7.00 per annum (2021: 2.00 - 6.90 per annum) and are due at call.

#### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	111	124	3	10
Post-employment benefits	3	2	-	-
Total	114	126	3	10

#### Guarantee obligations with related parties

The Company has obligations in respect of guarantees of related parties obtained from banks as described in Note 33.2 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	
	2022	2021	2022	2021
Cash	2,173	7,485	58	96
Bank deposits	1,005,340	531,563	316,485	51,768
Total	1,007,513	539,048	316,543	51,864

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.10% and 0.40% per annum (2021: 0.05% and 0.25% per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	16,118	15,493	-	-
3 - 6 months	544	121	-	-
6 - 12 months	-	827	-	-
Over 12 months	2,658	3,508	-	-
Total	19,320	19,949	-	-
Less: Allowance for expected credit losses	(910)	(794)	-	-
Total trade receivables - unrelated parties, net	18,410	19,155	-	-
<u>Other receivables</u>				
Other receivables and advances - related parties	20,332	37,606	31,789	675,629
Other receivables and advances - unrelated parties	16,755	19,776	1,132	5,939
Interest receivables - related parties	89,627	101,759	605,567	495,438
Total other receivables	126,714	159,141	638,488	1,177,006
Total trade and other receivables, net	145,124	178,296	638,488	1,177,006

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2022	2021
Beginning balance	794	424
Provision for expected credit losses	116	370
Ending balance	910	794

## 9. Real estate development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Land and construction under development	4,783,789	3,418,003	-	-
Developed land and construction	1,893,250	3,612,171	36,475	138,070
Total	<u>6,677,039</u>	<u>7,030,174</u>	<u>36,475</u>	<u>138,070</u>

During the year, subsidiaries capitalised interest amounting to Baht 145 million (2021: Baht 105 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 20 to the financial statements.

As at 31 December 2022 and 2021, the Group has mortgaged some real estate development cost as collateral against credit facilities received from banks and short-term loan from third party, 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	
	2022	2021	2022	2021
Net book values of real estate development cost that have been pledged as collateral	6,199	5,508	-	-
Net book values of real estate development cost that have been guaranteed at the court	-	52	-	52

## 10. Costs to obtain contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	67,171	220,433	-	-
Additions	55,744	84,913	2,738	11,233
Amortisation	(86,938)	(238,175)	(2,738)	(11,233)
Net book value at end of year	<u>35,977</u>	<u>67,171</u>	<u>-</u>	<u>-</u>

## 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:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method-net	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)						
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	750,000	600,000	100	100	750,000	600,000	(363,623)	(363,623)	386,377	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	2,000	100	100	2,000	2,000	-	-	2,000	2,000
Total					<u>5,684,747</u>	<u>5,534,747</u>	<u>(603,423)</u>	<u>(603,423)</u>	<u>5,081,324</u>	<u>4,931,324</u>

During the year 2022, MJD Residences Company Limited (“subsidiary”) announced the interim dividend payment of Baht 7 per share. The Company received dividend amounted to Baht 52.5 million.

Movements of the investments in subsidiaries during the year ended 31 December 2022 are as follows:

Direct investment

**MJR Development Company Limited**

On 4 November 2022, the Extraordinary General Meeting of the shareholders of MJR Development Company Limited (“subsidiary”) passed a resolution to increase the registered share capital from Baht 600 million to Baht 750 million, by issuing 15 million additional ordinary shares with a par value of Baht 10. The Company fully paid the above share capital and the subsidiary registered the increase with the Ministry of Commerce on 11 November 2022.

Indirect investment by subsidiary

**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 except 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.

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 of 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 June 2022, the subsidiary entered into the addenda to extend the payment and amend share transfer date to 30 June 2023.

In 2021 and 2022, the subsidiary made additional advance payments of Baht 148 million and Baht 250 million, respectively, to the seller (cumulative advance payment of Baht 796 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	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
Major Residences Company Limited	Development of properties for sales	Thailand	51	51	12,750	12,750	15,896	54,215
TMDC Construction Company Limited	Construction service	Thailand	51	51	81,599	81,599	43,542	44,101
MJD-JV1 Co., Ltd.	Development of properties for sales	Thailand	51	51	510	510	160,409	-
MJV3 Co., Ltd.	Development of properties for sales	Thailand	51	51	5,100	5,100	-	-
Techscape Co., Ltd.	Development and design of application platform	Thailand	51	51	5,745	5,745	5,674	5,614
Total					105,704	105,704	225,521	103,930

(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	
			2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)						
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 profit or loss

During the years, the Company recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements	
	Share of profit (loss) from investments in joint ventures during the year	
	2022	2021
Major Residences Company Limited	(38,319)	(2,887)
TMDC Construction Company Limited	(559)	(2,289)
MJD-JV1 Co., Ltd.	196,285	19,337
MJV3 Co., Ltd.	(9,942)	(7,949)
Techscape Co., Ltd.	60	(131)
<b>Total</b>	<b>147,525</b>	<b>6,081</b>

### 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.	
	2022	2021	2022	2021
Cash and cash equivalents	8	2	62	107
Real estate development cost	1,072	1,282	943	2,205
Advances for construction	23	22	11	25
Other current assets	21	76	101	31
Cost to obtain contracts with customers	1	1	3	36
Other non-current assets	60	29	24	33
<b>Total assets</b>	<b>1,185</b>	<b>1,412</b>	<b>1,144</b>	<b>2,437</b>
Current portion of long-term loan	589	156	167	-
Deposits and advances from customers	4	32	344	463
Other current liabilities	298	222	105	286
Long-term loans	183	814	161	1,690
<b>Total liabilities</b>	<b>1,074</b>	<b>1,224</b>	<b>777</b>	<b>2,439</b>



(Unit: Million Baht)

	Major Residences			
	Company Limited		MJD-JV1 Co., Ltd.	
	2022	2021	2022	2021
<b>Net assets</b>	111	188	367	(2)
Shareholding percentage (%)	51	51	51	51
<b>Net assets in proportion of shareholding percentage</b>	57	96	187	(1)
Elimination entries	(41)	(42)	(27)	(35)
<b>Carrying amounts of joint ventures based on equity method</b>	16	54	160	(36)

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	Major Residences			
	Company Limited		MJD-JV1 Co., Ltd.	
	2022	2021	2022	2021
Revenue	256	266	1,792	439
Other income	24	5	29	1
Cost of sales	(211)	(189)	(1,218)	(306)
Selling and administrative expenses	(88)	(38)	(143)	(31)
Finance cost	(41)	(43)	(28)	(3)
Income tax expenses	(22)	-	(84)	(39)
<b>Profit (loss)</b>	(82)	1	348	61
Shareholding percentage (%)	51	51	51	51
<b>Profit (loss) in proportion of shareholding percentage</b>	(42)	1	177	31
Elimination entries	4	(4)	19	(12)
<b>Share of profit (loss) from investments in joint ventures</b>	(38)	(3)	196	19

## 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 2021	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
Additions	481,126	89,592	-	-	570,718
Transferred to real estate development cost	-	(489,560)	-	-	(489,560)
Transferred from property, plant and equipment	-	125,707	-	-	125,707
Adjust	-	(45)	-	-	(45)
Gain from change in fair value	-	134,484	-	-	134,484
Net book value as at 31 December 2022	935,926	3,159,715	5,520	25,583	4,126,744

(Unit: Thousand Baht)

	Separate financial statements		
	Land awaiting for sale and land for rent project	Condominium units for rent	Total
Net book value as at 1 January 2021	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
Gain from change in fair value	13,187	-	13,187
Net book value as at 31 December 2022	826,981	5,520	832,501

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		Result to fair value whereas an increase in assumption value
	financial statements		
	2022	2021	
Occupancy rate (%)	24 - 94	11 - 90	Increase in fair value
Discount rate (%)	10	10	Decrease in fair value
Rental rate (Baht/m <sup>2</sup> )	400 - 770	400 - 770	Increase in fair value

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Rental income				
Fixed rental income	106,663	76,055	5,172	4,872
Rental income relating to variable lease payments that do not depend on an index or a rate	26,078	16,625	-	-
Direct operating expenses (including repairs and maintenance) of investment property that generated rental income	4,991	1,788	-	-
Direct operating expenses (including repairs and maintenance) of investment property that did not generate rental income	806	37	-	-

The Group has mortgaged investment properties with carrying values as at 31 December 2022 amounting to Baht 3,606 million (Separate financial statements: Baht 714 million) (2021: Baht 3,637 million, Separate financial statements: Baht 814 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	
	2022	2021	2022	2021
Net book value				
Property, plant and equipment	2,012,124	2,184,051	43,697	47,805
Right-of-use assets (Note 22)	51,113	38,880	1,228	1,998
Total	<u>2,063,237</u>	<u>2,222,931</u>	<u>44,925</u>	<u>49,803</u>

Movements of property, plant and equipment for the years ended 31 December 2022 and 2021 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 2021	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	892,559	10,847	1,708,247	294,675	63,900	2,110	2,972,338
Additions	-	-	1,224	14,160	2,179	2,805	20,368
Increase in right-of-use	-	19,000	-	-	-	-	19,000
Disposals	-	-	-	(515)	(8,041)	-	(8,556)
Write-off	-	-	-	(1,850)	-	-	(1,850)
Transfers in (out)	-	-	3,496	1,437	-	(4,933)	-
Transferred to investment properties	(100,550)	-	(30,594)	(11,641)	-	(188)	(142,973)
Transferred from real estate development cost	-	-	16,494	231	-	223	16,948
Adjust	-	-	(449)	(421)	-	-	(870)
Revaluations	15,188	-	-	-	-	-	15,188
31 December 2022	807,197	29,847	1,698,418	296,076	58,038	17	2,889,593

## 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 2021	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
Depreciation for the year	-	802	75,506	19,529	8,058	-	103,895
Depreciation on disposals	-	-	-	(473)	(8,000)	-	(8,473)
Depreciation on write-off	-	-	-	(982)	-	-	(982)
Depreciation for transferred to investment properties	-	-	(8,687)	(8,579)	-	-	(17,266)
Depreciation on adjustment	-	-	(244)	19	-	-	(225)
31 December 2022	2,366	2,141	517,515	251,998	37,101	-	811,121
<b>Allowance for impairment loss:</b>							
1 January 2021	-	-	15,235	-	-	-	15,235
31 December 2021	-	-	15,235	-	-	-	15,235
31 December 2022	-	-	15,235	-	-	-	15,235
<b>Net book value:</b>							
31 December 2021	890,193	9,508	1,242,072	52,191	26,857	2,110	2,222,931
31 December 2022	804,831	27,706	1,165,668	44,078	20,937	17	2,063,237
<b>Depreciation for the year</b>							
2021 (Baht 74 million included in cost from hotel operations, and the balance in administrative expenses)							117,927
2022 (Baht 61 million included in cost from hotel operations, and the balance in administrative expenses)							103,895

(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 2021	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
Disposals	-	(36)	(6,249)	(6,285)
Write-off	-	(89)	-	(89)
31 December 2022	79,985	33,421	11,261	124,667
<b>Accumulated depreciation:</b>				
1 January 2021	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
Depreciation for the year	3,856	252	770	4,878
Depreciation on disposals	-	(36)	(6,249)	(6,285)
Depreciation on write-off	-	(89)	-	(89)
31 December 2022	35,475	33,399	10,033	78,907
<b>Allowance for impairment loss:</b>				
1 January 2021	835	-	-	835
31 December 2021	835	-	-	835
31 December 2022	835	-	-	835
<b>Net book value:</b>				
31 December 2021	47,531	274	1,998	49,803
31 December 2022	43,675	22	1,228	44,925
<b>Depreciation for the year</b>				
2021 (included in administrative expenses)				5,421
2022 (included in administrative expenses)				4,878

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 2022 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 2022 and 2021 would have been approximately Baht 466 million and Baht 509 million, respectively.

As at 31 December 2022, certain building and equipment items were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 209 million (2021: Baht 170 million).

Land, buildings and building improvements of the Group with carrying values as at 31 December 2022 amounting to Baht 1,619 million (Separate financial statements: Baht 34 million) (2021: Baht 1,778 million, Separate financial statements: Baht 36 million) have been mortgaged with local commercial banks as collateral against credit facilities received from banks and guarantee at the Court.

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Computer software	Computer software under installation	Total	Computer software	Computer software under installation	Total
As at 31 December 2022						
Cost	39,483	7,304	46,787	7,520	597	8,117
<u>Less</u> Accumulated amortisation	(27,484)	-	(27,484)	(7,336)	-	(7,336)
Net book value	<u>11,999</u>	<u>7,304</u>	<u>19,303</u>	<u>184</u>	<u>597</u>	<u>781</u>
As at 31 December 2021						
Cost	39,838	597	40,435	7,520	597	8,117
<u>Less</u> Accumulated amortisation	(23,940)	-	(23,940)	(6,453)	-	(6,453)
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>

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Net book value at beginning of year	16,495	19,636	1,664	3,033
Acquisition of computer software	6,602	1,794	-	64
Disposals	-	(86)	-	-
Amortisation	(3,655)	(4,849)	(883)	(1,433)
Adjust	(139)	-	-	-
Net book value at end of year	<u>19,303</u>	<u>16,495</u>	<u>781</u>	<u>1,664</u>

## 17. Short-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Bills of exchange	-	182,000	-	182,000
Loans from unrelated parties	150,000	-	-	-
Total	150,000	182,000	-	182,000
Less: Prepaid interest expenses	-	(3,694)	-	(3,694)
Short-term loans - net	150,000	178,306	-	178,306

Short-term loans carry interests at the rate of 6.75% per annum and are due for payment within July to September 2023.

The subsidiary has mortgaged the real estate development cost with unrelated parties to secure the loans from unrelated parties.

## 18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Trade and other payables - unrelated parties	266,985	234,297	27,697	33,429
Advances received from related parties	1,424	1,394	312,765	316,985
Advances received from unrelated parties	810	5,526	-	2,643
Accrued interest expenses - related parties	-	-	22,988	3,850
Accrued interest expenses - unrelated parties	59,703	42,844	56,140	37,095
Accrued expenses - unrelated parties	77,649	40,068	5,365	782
Total	406,571	324,129	424,955	394,784

## 19. Long-term bill of exchange

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	2022	2021
Long-term bill of exchange	44,000	-
Less: Prepaid interest expenses	(3,514)	-
Bill of exchange - net	40,486	-

This represents unsecured bill of exchange which carry interests at the rate of 6.20% per annum and are due for payment within May 2024.



## 20. Long-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Long-term loans from financial institutions	4,130,502	2,940,507	-	-
Less: current portion	(619,019)	(736,601)	-	-
Long-term portion	<u>3,511,483</u>	<u>2,203,906</u>	<u>-</u>	<u>-</u>

Movements of the long-term loans account for the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	2,927,790	4,222,337	-	-
Add: Additional borrowings	2,184,383	2,213,663	-	750,000
Less: Amortisation of financial fees	(2,045)	-	-	-
Repayment	(979,626)	(3,495,493)	-	(750,000)
Balance at end of year	<u>4,130,502</u>	<u>2,940,507</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 - 2033.

The Group has placed deposits at banks and mortgaged the real estate development cost, investment properties and the land, buildings and building improvements, 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 2022, the subsidiaries had credit facilities which have not drawn down of Baht 3,898 million (2021: Baht 5,529 million).

## 21. 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.

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 2022 and 2021 are detailed below.

Year of issuance	Interest rate (% p.a.)		Terms (years)		(Unit: Million Baht)			
					Consolidated		Separate	
	2022	2021	2022	2021	financial statements	financial statements	2022	2021
2019	-	6.8	-	2.5	-	700	-	700
2020	6.8	6.8	2 - 2.8	2 - 2.8	650	2,139	500	1,989
2021	6.4 - 6.8	6.4 - 6.8	1.5 - 2.5	1.5 - 2.5	2,697	3,297	2,697	2,697
2022	6.25 - 6.95	-	1.5 - 2.5	-	2,464	-	2,464	-
Total long-term debentures - at face value					5,811	6,136	5,661	5,386
Less: Prepaid interest expenses					-	(6)	-	(6)
Less: Unamortised costs relating to the issuance of the debentures					(36)	(43)	(36)	(36)
Long-term debentures - net					5,775	6,087	5,625	5,344
Less: Portion due within one year					(2,813)	(2,777)	(2,663)	(2,182)
Portion due over one year					2,962	3,310	2,962	3,162

As at 31 December 2022, the debentures of Baht 150 million are secured by the mortgage of the subsidiaries' investment properties.

As at 31 December 2021, the debentures of Baht 1,100 million, were secured by the mortgage of the subsidiaries' real estate development cost, land and building and investment properties.

## 22. Leases

### 22.1 The Group as a lessee

As at 31 December 2022, the Group has lease contracts used in its operations. Leases generally have lease terms between 4 - 30 years (2021: 1 - 14 years) one of the contracts provides an option to extend the lease term.

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

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land	Office equipment	Motor vehicles	Total
As at 1 January 2021	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
Additions	19,000	3,201	2,179	24,380
Depreciation for the year	(802)	(3,629)	(7,716)	(12,147)
As at 31 December 2022	27,706	3,040	20,367	51,113

(Unit: Thousand Baht)

	Separate financial statements
	Motor vehicles
As at 1 January 2021	2,768
Depreciation for the year	(770)
As at 31 December 2021	1,998
Depreciation for the year	(770)
As at 31 December 2022	1,228

**b) Lease liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payment	34,183	33,123	500	1,251
Less: Deferred interest expenses	(2,021)	(2,571)	(9)	(57)
Total	32,162	30,552	491	1,194
Less: Portion due within one year	(8,933)	(11,311)	(491)	(703)
Lease liabilities - net of current portion	<u>23,229</u>	<u>19,241</u>	<u>-</u>	<u>491</u>

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	30,552	36,714	1,194	1,861
Additions	13,617	6,175	-	-
Disposal	-	(2,150)	-	-
Accretion of interest	1,379	1,291	48	84
Repayments	(13,386)	(11,478)	(751)	(751)
Balance at end of year	<u>32,162</u>	<u>30,552</u>	<u>491</u>	<u>1,194</u>

A maturity analysis of lease payments is disclosed in Note 35 under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	12,147	10,514	770	770
Interest expense on lease liabilities	1,379	1,291	48	84

## 22.2 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 - 3 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 and 2021 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Within 1 year	158	74	5	5
Over 1 and up to 5 years	306	52	6	11
Over 5 years	-	-	-	18
<b>Total</b>	<b>464</b>	<b>126</b>	<b>11</b>	<b>34</b>

## 23. Provision for long-term employee benefits

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2022	2021
<b>Provision for long-term employee benefits at beginning of year</b>	52,142	54,939
Included in profit or loss:		
Current service cost	7,882	7,984
Interest cost	766	639
Actuarial gain arising from		
Financial assumptions changes	(43)	-
Experience adjustments	(398)	-
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	3,118	(86)
Financial assumptions changes	(11,818)	3,728
Experience adjustments	(1,660)	10,163
Adjustment	1,098	(25,225)
<b>Provision for long-term employee benefits at end of year</b>	<b>51,087</b>	<b>52,142</b>

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 8 - 21 years (2021: 14 - 27 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	Consolidated	
	financial statements	
	2022	2021
Discount rate	2.63 - 4.15	1.49 - 3.07
Salary increase rate	3 - 7	3 - 7
Staff turnover rate	1.91 - 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 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	2022		2021	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate	(3,204)	3,603	(4,216)	4,851
Salary increase rate	4,090	(3,696)	4,512	(4,023)
Staff turnover rate	(5,819)	7,246	(7,238)	9,440

#### 24. 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.

#### 25. Revaluation surplus

This represents surplus arising from revaluation of property. Movements of revaluation surplus account for the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2022	2021
Balance - beginning of year	267,548	247,455
Add: Revaluations	15,188	25,116
Less: Income tax effect	(3,038)	(5,023)
Balance - end of year	<u>279,698</u>	<u>267,548</u>

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

## 26. Revenue from contracts with customers

### 26.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Type of goods:</b>				
Revenue from land and houses sales	120,500	180,000	-	-
Revenue from residential condominium units sales	<u>2,251,211</u>	<u>3,830,882</u>	<u>125,973</u>	<u>304,447</u>
Total revenue from contracts with customers	<u>2,371,711</u>	<u>4,010,882</u>	<u>125,973</u>	<u>304,447</u>

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

As at 31 December 2022, revenue totaling Baht 1,990 million (2021: Baht 918 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.

## 27. 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 loans to related parties.

## 28. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on bills of exchange	15,061	35,251	15,061	35,251
Interest expenses on borrowings	22,229	76,262	19,632	3,509
Interest expenses on debentures	437,866	443,182	393,276	414,251
Interest expenses on lease liabilities	1,379	1,291	48	84
Front-end fee	<u>27,776</u>	<u>31,306</u>	<u>22,680</u>	<u>26,024</u>
Total	<u>504,311</u>	<u>587,292</u>	<u>450,697</u>	<u>479,119</u>

## 29. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Purchase of land and payment of construction during the year	1,202,774	467,652	-	1,789
Changes in real estate development cost	512,090	2,224,383	91,942	229,140
Salary, wages and other employee benefits	540,385	497,545	2,232	7,743
Depreciation and amortisation	107,550	122,776	5,761	6,854
Commission expenses	86,938	238,175	2,738	11,233
Advertising and promotion expenses	117,824	106,897	1,609	2,700
Specific business tax	87,900	144,650	6,282	12,481

## 30. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Current income tax charge	38,762	26,101	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(16,971)	25,202	4,177	8,568
<b>Income tax expenses reported in profit or loss</b>	<b>21,791</b>	<b>51,303</b>	<b>4,177</b>	<b>8,568</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2022	2021
Deferred tax on actuarial gain (loss)	2,071	(2,761)
Deferred tax on gain from revaluation of land	3,038	5,023
Total	5,109	2,262



The reconciliation between accounting loss and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting loss before tax	(348,611)	(301,962)	(174,171)	(277,688)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(69,722)	(60,392)	(34,834)	(55,538)
Previously deductible temporary differences and unrecognised tax losses that is used to reduce current tax expense	(13,865)	(18,378)	(13,768)	(14,645)
Unrecognised deferred tax assets (unused tax losses)	110,361	110,742	61,025	62,461
Reversal of previously recognised deferred tax assets	11,646	-	-	-
Effects of:				
- Non-deductible income and expenses	13,081	22,699	(8,322)	16,723
- Share of profit from investments in joint ventures	(29,505)	(1,216)	-	-
- Others	(205)	(2,152)	76	(433)
Total	(16,629)	19,331	(8,246)	16,290
Income tax expenses reported in profit or loss	21,791	51,303	4,177	8,568

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	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Accrued expenses	6,782	6,041	747	2,230
Provision for long-term employee benefits	9,654	9,874	-	-
Unearned income	546	629	-	57
Unused tax losses	162,891	102,460	-	-
Loss on change in fair value of investment properties	1,299	1,260	-	-
Total	181,172	120,264	747	2,287
<b>Deferred tax liabilities</b>				
Cost to obtain contracts with customers	7,195	13,434	-	-
Gain on change in fair value of investment properties	200,420	150,095	144,250	141,613
Surplus on revaluation of land	89,848	86,810	-	-
Lease	1,922	-	-	-
Total	299,385	250,339	144,250	141,613

As at 31 December 2022, the Group has deductible temporary differences and unused tax losses totaling Baht 1,592 million (2021: Baht 1,069 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 2023 - 2027.

### **31. 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 2022 and 2021.

(Unit: Million Baht)

	For the years ended 31 December								Consolidated financial statements	
	Development of properties for sales		Hotel business		Rental business		Elimination			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from external customers	2,540	4,186	177	98	104	65	-	-	2,821	4,349
Inter-segment revenue	16	14	-	-	30	30	(46)	(44)	-	-
Total revenue	2,556	4,200	177	98	134	95	(46)	(44)	2,821	4,349
Cost of sale and services	(1,827)	(2,802)	(136)	(118)	(41)	(33)	45	41	(1,959)	(2,912)
Gross profit	729	1,398	41	(20)	93	62	(1)	(3)	862	1,437
Gain from change in fair value of investment properties	27	26	-	-	107	13	-	-	134	39
Operating expenses	(1,016)	(1,269)	(71)	(51)	(19)	(15)	48	45	(1,058)	(1,290)
Segment operation profit (loss) before share of profit from investments in joint ventures	(260)	155	(30)	(71)	181	60	47	42	(62)	186
Share of profit from investments in joint ventures	148	6	-	-	-	-	-	-	148	6
Segment operating profit (loss)	(112)	161	(30)	(71)	181	60	47	42	86	192
Finance income	337	310	-	-	-	-	(294)	(272)	43	38
Finance cost	(657)	(729)	(41)	(39)	(102)	(90)	296	271	(504)	(587)
Dividend income	52	-	-	-	-	-	(52)	-	-	-
Other income	41	54	2	2	2	1	(19)	(2)	26	55
Income tax expenses	15	(43)	(2)	-	(38)	(11)	3	3	(22)	(51)
Profit (loss) for the year	(324)	(247)	(71)	(108)	43	(40)	(19)	42	(371)	(353)
Depreciation and amortisation	(39)	(41)	(61)	(74)	(8)	(8)	-	-	(108)	(123)
<b>Timing of revenue recognition</b>										
Revenue recognised at point in time									2,540	4,182
Revenue recognised over time									281	167

(Unit: Million Baht)

	As at 31 December									
	Development of		Hotel business		Rental business		Elimination		Consolidated	
	properties for sales								financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Segment total assets</b>										
Trade and other receivables	1,156	1,626	1	8	269	231	(1,281)	(1,687)	145	178
Real estate development cost	6,704	7,056	-	-	-	-	(27)	(26)	6,677	7,030
Investment properties	1,588	1,824	-	-	3,205	2,622	(666)	(661)	4,127	3,785
Property, plant and equipment	116	248	786	780	964	994	197	201	2,063	2,223
Investments in joint ventures accounted by the equity method	226	104	-	-	-	-	-	-	226	104
Others	13,564	10,936	48	313	27	18	(10,410)	(8,620)	3,229	2,647
<b>Total</b>	<b>23,354</b>	<b>21,794</b>	<b>835</b>	<b>1,101</b>	<b>4,465</b>	<b>3,865</b>	<b>(12,187)</b>	<b>(10,793)</b>	<b>16,467</b>	<b>15,967</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.

For the years 2022 and 2021, the Group has no major customer which revenue of 10% or more of an entity's revenues.

### 32. 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 2022, the subsidiaries recognised the contributions to the fund amounting to approximately Baht 10 million (2021: Baht 6 million) as expense.

### 33. Commitments and contingent liabilities

#### 33.1 Capital commitments

As at 31 December 2022 and 2021, the Group had capital commitments as follows.

	(Unit: Million Baht)	
	Consolidated	
	financial statements	
	2022	2021
<u>Subsidiaries</u>		
Construction agreements related to projects development	1,401	69
Construction agreements related to office building for rental	16	16
Sell and purchase of land agreements	378	746
Sell and purchase of share agreement	1,015	1,284
<u>Joint ventures</u>		
Construction agreements related to project development	15	15

### 33.2 Bank guarantees

- (1) As at 31 December 2022, the Company has guaranteed bank credit facilities of related parties amounting to Baht 11,420 million (2021: Baht 11,622 million).
- (2) As at 31 December 2022 and 2021, 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	
	2022	2021	2022	2021
Bank guarantees for electricity use	3	3	1	1
Bank guarantees for public utility	64	64	-	-
Bank guarantees for payments due to creditors	-	3	-	-
Total	67	70	1	1

As at 31 December 2022, the Group placed deposits at banks of Baht 1.8 million (Separate financial statements: Baht 0.8 million) (2021: Baht 5.3 million, Separate financial statements: Baht 0.8 million) and mortgaged the land and construction of condominium projects with the banks to secure the issuance of bank guarantees.

### 33.3 Servitude

As at 31 December 2022, subsidiaries had servitude over land approximately 7 rai (2021: 2 rai). Cost of servitude over land is included in real estate development cost, investment properties, and property, plant and equipment.

### 33.4 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.

### 33.5 Litigations

As at 31 December 2022, significant lawsuits of the Group and joint ventures are as follows:

- a) The Group has been sued by third parties in lawsuits related to breach of contracts, contract termination, refunds and damages in 34 cases, claiming damages of Baht 271 million. Currently, the cases are being heard by the Court of First Instance, Court of Appeal and Supreme Court and have not been finalised. The Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 89 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. Currently, the case is being investigated. 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 being investigated. The Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 25 million in its accounts.
- e) A joint venture filed a lawsuit against a third party related to breach of construction contract and claiming damage of Baht 248 million. However, the third party countersued the joint venture to pay the remaining service fee amounting to approximately Baht 79 million. In September 2022, the Court of First Instance ordered the joint venture to pay the fee amounting to Baht 72 million and interest, Currently, the joint venture is in the process of filing an appeal with the Appeal Court. The Group's management and its legal consultant have determined the possible losses from the litigations and recorded provision amounting to Baht 51 million in its accounts.

### 34. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Land (under property, plant and equipment account)	-	805	-	805
Investment properties	-	1,834	2,293	4,127
<b>Financial liability measured at fair value</b>				
Debentures	-	5,821	-	5,821



(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 liability measured at fair value</b>				
Debentures	-	6,144	-	6,144

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investment properties	-	833	-	833
<b>Financial liability measured at fair value</b>				
Debentures	-	5,671	-	5,671

(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 liability measured at fair value</b>				
Debentures	-	5,394	-	5,394

## **35. Financial instruments**

### **35.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans to related parties, investments, bills of exchange, short-term loans 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 lending, 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 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 2022 and 2021, 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						
2022						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	
within 1 year	over 1 year to 5 years				(% p.a.)	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	951	57	1,008	0.10 - 0.40
Trade and other receivables	-	-	-	145	145	-
Restricted bank deposits	-	-	19	-	19	0.10 - 0.38
Loans to related parties	-	-	667	-	667	MLR
	-	-	1,637	202	1,839	
<b>Financial liabilities</b>						
Short-term loans	150	-	-	-	150	6.75
Trade and other payables	-	-	-	407	407	-
Debentures	2,813	2,962	-	-	5,775	6.25 - 6.95
Long-term bill of exchange	-	40	-	-	40	6.20
Long-term loans from financial institutions	-	-	4,131	-	4,131	MLR
	2,963	3,002	4,131	407	10,503	

(Unit: Million Baht)

Consolidated financial statements						
2021						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	
within 1 year	over 1 year to 5 years				(% p.a.)	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	460	79	539	0.05 - 0.25
Trade and other receivables	-	-	-	178	178	-
Restricted bank deposits	-	-	41	-	41	0.05 - 0.38
Loans to related parties	-	-	791	-	791	MLR
	-	-	1,292	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)

## Separate financial statements

2022						
Fixed interest rates		Floating	Non-	Total	Interest rate	
within	over 1 year	interest	interest			
1 year	to 5 years	rate	bearing		(% p.a.)	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	293	24	317	0.10 - 0.40
Trade and other receivables	-	-	-	638	638	-
Restricted bank deposits	-	-	1	-	1	0.10 - 0.38
Loans to related parties	3,708	-	712	-	4,420	6.80 and MLR
	<u>3,708</u>	<u>-</u>	<u>1,006</u>	<u>662</u>	<u>5,376</u>	
<b>Financial liabilities</b>						
Bills of exchange	-	40	-	-	40	6.20
Trade and other payables	-	-	-	425	425	-
Debentures	2,664	2,962	-	-	5,626	6.25 - 6.95
	<u>2,664</u>	<u>3,002</u>	<u>-</u>	<u>425</u>	<u>6,091</u>	

(Unit: Million Baht)

## Separate financial statements

2021						
Fixed interest rates		Floating	Non-	Total	Interest rate	
within	over 1 year	interest	interest			
1 year	to 5 years	rate	bearing		(% p.a.)	
<b>Financial assets</b>						
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>2,735</u>	<u>-</u>	<u>879</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>	

### *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 2022 and 2021.

2022		2021	
Increase/decrease	Effect on profit before tax	Increase/decrease	Effect on profit before tax
(%)	(Thousand Baht)	(%)	(Thousand Baht)
+0.1	(4,145)	+0.1	(2,941)
-0.1	4,145	-0.1	2,941

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 2022 and 2021, 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 not exceed 2.5:1. Approximately 31% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 35%) (the Company only: 37%, 2021: 39%) 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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	2022			
	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>				
Short-term loans	150	-	-	150
Interest on short-term loans	6	-	-	6
Long-term bill of exchange	-	44	-	44
Interest on long-term bill of exchange	3	1	-	4
Trade and other payables	407	-	-	407
Debentures	2,813	2,962	-	5,775
Interest on debentures	342	172	-	514
Lease liabilities	9	18	5	32
Long-term loans	619	3,512	-	4,131
Interest on long-term loans	208	679	219	1,106
<b>Total non-derivatives</b>	<b>4,557</b>	<b>7,388</b>	<b>224</b>	<b>12,169</b>

(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)

	Separate financial statements			
	2022			
	On demand	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>				
Long-term bill of exchange	-	-	44	44
Interest on long-term bill of exchange	-	3	1	4
Trade and other payables	-	425	-	425
Short-term loans from related parties	871	-	-	871
Interest on short-term loans from related parties	55	-	-	55
Debentures	-	2,664	2,962	5,626
Interest on debentures	-	307	172	479
Lease liabilities	-	1	-	1
<b>Total non-derivatives</b>	<b>926</b>	<b>3,400</b>	<b>3,179</b>	<b>7,505</b>

(Unit: Million Baht)

	Separate financial statements			
	2021			
	On demand	Less than 1 year	1 to 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>6,601</b>

### 35.2 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			
	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liability</b>				
Debentures	5,775	5,821	6,087	6,144

(Unit: Million Baht)

	Separate financial statements			
	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liability</b>				
Debentures	5,626	5,671	5,344	5,394

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 current period, there was no transfer within the fair value hierarchy.

### 36. 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 20 and 21. As at 31 December 2022, the Group's debt-to-equity ratio was 2.04:1 (2021: 1.74:1) and the Company's was 1.33:1 (2021: 1.28:1).

### 37. Approval of financial statements

The financial statements were authorised for issue by the Company's Board of Directors on 27 February 2023.