

Major Development Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Major Development Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Major Development Public Company Limited and its subsidiaries as at 30 September 2023, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Major Development Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 14 November 2023

Major Development Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)	30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,144,241	1,007,513	854,061	316,543
Trade and other receivables	2, 6	199,334	145,124	749,970	638,488
Short-term loans to related parties	6	85,488	-	3,472,300	3,439,200
Current portion of long-term loans					
to related parties	6	183,600	268,634	183,600	268,634
Real estate development cost	3	8,770,105	6,677,039	12,886	36,475
Advances for construction		206,948	213,316	14,198	14,187
Deposits for purchase of land		115,901	66,488	-	-
Cost to obtain contracts with customers		18,315	35,977	-	-
Other current assets		53,359	45,311	2,271	1,393
Total current assets		10,777,291	8,459,402	5,289,286	4,714,920
Non-current assets					
Restricted bank deposits	10, 14.2	14,801	19,945	71	758
Prepayment for purchase of shares	4	-	796,419	-	-
Investments in subsidiaries	4	-	-	5,080,324	5,081,324
Investments in joint ventures		292,667	225,521	69,111	68,091
Long-term loans to related parties	6	358,946	398,625	676,983	711,500
Investment properties		4,159,539	4,126,744	832,501	832,501
Property, plant and equipment	7	2,014,300	2,063,237	56,264	44,925
Intangible assets		21,085	19,303	706	781
Deposits for purchase of land		87,500	87,500	-	-
Deferred tax assets		209,631	181,171	211	747
Other non-current assets		94,012	88,751	12,851	21,789
Total non-current assets		7,252,481	8,007,216	6,729,022	6,762,416
Total assets		18,029,772	16,466,618	12,018,308	11,477,336

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 30 September 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2023	31 December 2022	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft	7	9,711	-	-	-
Current portion of long-term bill of exchange	8	42,386	-	42,386	-
Short-term loans from third parties	9	172,000	150,000	-	-
Trade and other payables		357,691	406,571	445,864	424,955
Retention payables		139,035	155,577	13,171	13,194
Deposits and advances from customers		325,653	282,622	19,772	21,431
Short-term loans from related parties	6	-	-	891,500	870,500
Current portion of long-term loans from financial institutions	10	1,005,302	619,019	-	-
Current portion of debentures	11	1,770,335	2,813,156	1,770,335	2,663,600
Current portion of lease liabilities		4,770	8,933	-	490
Income tax payable		11,255	19,155	-	-
Other current liabilities		128,164	125,439	88,453	88,625
Total current liabilities		3,966,302	4,580,472	3,271,481	4,082,795
Non-current liabilities					
Long-term bill of exchange	8	-	40,486	-	40,486
Long-term loans from financial institutions	10	4,559,713	3,511,483	-	-
Debentures	11	4,380,815	2,962,133	4,380,815	2,962,134
Lease liabilities		20,902	23,229	-	-
Provision for long-term employee benefits		57,868	51,087	-	-
Deferred tax liabilities		306,473	299,385	144,250	144,250
Other non-current liabilities		43,386	38,420	-	-
Total non-current liabilities		9,369,157	6,926,223	4,525,065	3,146,870
Total liabilities		13,335,459	11,506,695	7,796,546	7,229,665

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 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
1,050,000,000 ordinary shares of Baht 1 each	1,050,000	1,050,000	1,050,000	1,050,000
Issued and paid-up				
860,411,939 ordinary shares of Baht 1 each	860,412	860,412	860,412	860,412
Premium on ordinary shares	875,267	875,267	875,267	875,267
Retained earnings				
Appropriated - statutory reserve	105,000	105,000	105,000	105,000
Unappropriated	2,574,693	2,839,624	2,381,083	2,406,992
Other component of shareholders' equity	279,699	279,699	-	-
Equity attributable to owners of the Company	4,695,071	4,960,002	4,221,762	4,247,671
Non-controlling interests of the subsidiaries	(758)	(79)	-	-
Total shareholders' equity	4,694,313	4,959,923	4,221,762	4,247,671
Total liabilities and shareholders' equity	18,029,772	16,466,618	12,018,308	11,477,336
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 September 2023**

(Unit: Thousand Baht, except basic profit (loss) per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Sales		281,853	566,458	-	16,730
Revenues from hotel operations		50,124	43,094	-	-
Management fee income		22,265	20,510	-	-
Rental income		45,308	34,378	1,368	1,368
Dividend income	6	-	-	132,888	-
Other income		10,318	22,559	1,188	1,841
Total revenues		409,868	686,999	135,444	19,939
Expenses					
Cost of sales		190,679	395,002	-	14,452
Cost from hotel operations		41,177	34,287	-	-
Cost of management services		19,171	17,345	-	-
Cost of rental		11,612	10,473	-	-
Selling expenses		73,650	88,749	404	935
Administrative expenses		135,961	163,335	6,122	16,217
Total expenses		472,250	709,191	6,526	31,604
Operating profit (loss)		(62,382)	(22,192)	128,918	(11,665)
Share of profit (loss) from investments in joint ventures	5.1	32,321	(5,458)	-	-
Finance income		8,295	10,334	78,641	64,812
Finance cost		(96,586)	(122,172)	(123,858)	(109,677)
Profit (loss) before income tax income (expenses)		(118,352)	(139,488)	83,701	(56,530)
Income tax income (expenses)	12	5,634	2,944	(29)	(128)
Profit (loss) for the period		(112,718)	(136,544)	83,672	(56,658)
Profit (loss) attributable to:					
Equity holders of the Company		(112,162)	(136,439)	83,672	(56,658)
Non-controlling interests of the subsidiaries		(556)	(105)		
		(112,718)	(136,544)		
Profit (loss) per share					
Basic profit (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.13)	(0.16)	0.10	(0.07)

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit (loss) for the period	<u>(112,718)</u>	<u>(136,544)</u>	<u>83,672</u>	<u>(56,658)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(112,718)</u>	<u>(136,544)</u>	<u>83,672</u>	<u>(56,658)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(112,162)	(136,439)	<u>83,672</u>	<u>(56,658)</u>
Non-controlling interests of the subsidiaries	<u>(556)</u>	<u>(105)</u>		
	<u>(112,718)</u>	<u>(136,544)</u>		

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries**Income statement****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht, except basic loss per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Sales		1,268,867	1,651,436	13,124	45,924
Revenues from hotel operations		194,400	116,466	-	-
Management fee income		59,134	60,743	-	-
Rental income		126,774	95,509	4,104	3,804
Dividend income	6	-	-	132,888	-
Other income		43,106	71,979	5,412	4,690
Total revenues		1,692,281	1,996,133	155,528	54,418
Expenses					
Cost of sales		840,159	1,203,850	8,053	38,648
Cost from hotel operations		135,781	96,613	-	-
Cost of management services		50,365	51,142	-	-
Cost of rental		35,870	29,496	-	-
Selling expenses		255,925	250,783	2,572	4,470
Administrative expenses		426,466	474,261	24,424	39,409
Total expenses		1,744,566	2,106,145	35,049	82,527
Operating profit (loss)		(52,285)	(110,012)	120,479	(28,109)
Share of profit from investments in joint ventures	5.1	81,879	109,254	-	-
Finance income		32,771	31,852	242,964	186,050
Finance cost		(327,905)	(373,089)	(388,816)	(323,473)
Loss before income tax income (expenses)		(265,540)	(341,995)	(25,373)	(165,532)
Income tax income (expenses)	12	(70)	24,067	(536)	(889)
Loss for the period		(265,610)	(317,928)	(25,909)	(166,421)
Loss attributable to:					
Equity holders of the Company		(264,931)	(317,589)	(25,909)	(166,421)
Non-controlling interests of the subsidiaries		(679)	(339)		
		(265,610)	(317,928)		
Loss per share					
Basic loss per share					
Loss attributable to equity holders of the Company		(0.31)	(0.37)	(0.03)	(0.19)

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loss for the period	<u>(265,610)</u>	<u>(317,928)</u>	<u>(25,909)</u>	<u>(166,421)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(265,610)</u>	<u>(317,928)</u>	<u>(25,909)</u>	<u>(166,421)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(264,931)	(317,589)	<u>(25,909)</u>	<u>(166,421)</u>
Non-controlling interests of the subsidiaries	<u>(679)</u>	<u>(339)</u>		
	<u>(265,610)</u>	<u>(317,928)</u>		

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2023

(Unit: Thousand 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			
Balance as at 1 January 2022	860,412	875,267	105,000	3,201,250	267,549	5,309,478	409	5,309,887
Total comprehensive income for the period	-	-	-	(317,589)	-	(317,589)	(339)	(317,928)
Balance as at 30 September 2022	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,883,661</u>	<u>267,549</u>	<u>4,991,889</u>	<u>70</u>	<u>4,991,959</u>
Balance as at 1 January 2023	860,412	875,267	105,000	2,839,624	279,699	4,960,002	(79)	4,959,923
Total comprehensive income for the period	-	-	-	(264,931)	-	(264,931)	(679)	(265,610)
Balance as at 30 September 2023	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,574,693</u>	<u>279,699</u>	<u>4,695,071</u>	<u>(758)</u>	<u>4,694,313</u>
				-	-			-
	-	-	-	-	-			-

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Separate financial statements				Total
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	860,412	875,267	105,000	2,585,341	4,426,020
Total comprehensive income for the period	-	-	-	(166,421)	(166,421)
Balance as at 30 September 2022	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,418,920</u>	<u>4,259,599</u>
Balance as at 1 January 2023	860,412	875,267	105,000	2,406,992	4,247,671
Total comprehensive income for the period	-	-	-	(25,909)	(25,909)
Balance as at 30 September 2023	<u>860,412</u>	<u>875,267</u>	<u>105,000</u>	<u>2,381,083</u>	<u>4,221,762</u>
	-	-	-	-	-
	-	-	-	-	-

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries**Statement of cash flows****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Loss before tax	(265,540)	(341,995)	(25,373)	(165,532)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	75,292	81,322	3,986	4,529
Allowance for expected credit losses	99	77	-	-
Gain on disposal of investment in a subsidiary (Note 4)	(507)	-	-	-
Loss on sale and write-off of assets	2,322	8,670	361	7,852
Provision for long-term employee benefits	6,781	5,412	-	-
Share of profit from investments in joint ventures	(81,879)	(109,254)	-	-
Dividend income	-	-	(132,888)	-
Finance income	(32,771)	(31,852)	(242,964)	(186,050)
Finance cost	282,160	351,423	371,417	306,925
Loss from operating activities before changes in operating assets and liabilities	(14,043)	(36,197)	(25,461)	(32,276)
Operating assets (increase) decrease				
Trade and other receivables	327,570	22,360	12,345	16,643
Real estate development cost	116,778	691,803	8,053	38,649
Advances for construction	6,368	(107,138)	(11)	-
Deposits for purchase of land	(328,932)	(53,232)	-	-
Cost to obtain contracts with customers	17,662	27,757	-	-
Other current assets	(7,452)	4,042	(878)	4,605
Other non-current assets	(4,172)	(2,657)	68	(2)
Operating liabilities increase (decrease)				
Trade and other payables	(55,614)	(18,652)	(9,079)	(11,765)
Retention payables	(16,542)	(16,517)	(23)	(149)
Deposits and advances from customers	43,031	(57,334)	(1,659)	1,671
Other current liabilities	(1,507)	(118,699)	(172)	(119,828)
Other non-current liabilities	4,966	4,580	-	-
Cash flows from (used in) operating activities	88,113	340,116	(16,817)	(102,452)
Interest paid	(536,479)	(419,249)	(343,713)	(279,127)
Cash received from withholding tax deducted at source	10,527	17,002	10,527	-
Corporate income tax paid	(40,958)	(37,380)	(1,657)	(3,103)
Net cash used in operating activities	(478,797)	(99,511)	(351,660)	(384,682)

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

(Unaudited but reviewed)

Major Development Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	5,144	14,949	687	(3)
Acquisition of investment properties	(6,128)	(10,842)	-	-
Acquisition of equipment	(8,292)	(27,053)	(87)	-
Cash received from sales of equipment	647	2,215	12	1,800
Acquisition of intangible assets	(3,848)	(3,698)	-	-
Cash payment for acquisition of the subsidiaries (Note 4)	(518,060)	-	(1,000)	-
Prepayment for purchase of shares	-	(164,064)	-	-
Cash received (decrease) for disposal of investment in a subsidiary (Note 4)	(596)	-	980	-
Cash received from short-term loans to related parties	-	-	621,000	118,000
Cash payment for short-term loans to related parties	-	-	(654,100)	(637,015)
Cash received from long-term loans to related parties	127,201	52,905	127,201	52,905
Cash payment for long-term loans to related parties	(7,650)	-	(7,650)	-
Interest received	10,378	48,920	139,525	77,573
Net cash from (used in) investing activities	(401,204)	(86,668)	226,568	(386,740)
Cash flows from financing activities				
Increase in bank overdraft	9,711	-	-	-
Increase (decrease) in short-term loans	22,000	(32,000)	-	(182,000)
Cash received from short-term loans from related parties	-	-	372,000	648,450
Repayment of short-term loans from related parties	-	-	(238,500)	(20,500)
Cash received from long-term bill of exchange	-	44,000	-	44,000
Repayment of lease liabilities	(8,241)	(5,156)	(490)	(523)
Cash received from debentures	2,353,300	1,300,000	2,353,300	1,300,000
Repayment of debentures	(1,973,700)	(1,574,253)	(1,823,700)	(1,050,000)
Cash received from long-term loans from financial institutions	951,618	1,003,376	-	-
Repayment of long-term loans from financial institutions	(337,959)	(511,856)	-	-
Net cash from financing activities	1,016,729	224,111	662,610	739,427
Net increase (decrease) in cash and cash equivalents	136,728	37,932	537,518	(31,995)
Cash and cash equivalents at beginning of period	1,007,513	539,048	316,543	51,864
Cash and cash equivalents at end of period	1,144,241	576,980	854,061	19,869
	-	-	-	-

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 nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Supplemental cash flows information				
Non-cash items				
Interest expenses capitalised as investment properties	28,346	-	-	-
Decrease in interest receivable from related parties by offset with short-term loans from related parties	-	-	-	46,600
Increase in right-of-use assets and lease liabilities from new lease agreements	1,751	9,000	-	-
Transferred investment properties to real estate development cost	-	489,560	-	-
Transferred real estate development cost to property, plant and equipment	15,536	16,948	15,536	-
Transferred deposit for purchase of condominium unit to property, plant and equipment	-	86,162	-	-
Transferred prepayment for purchase of shares to investments in subsidiaries	796,419	-	-	-
Dividend receivable	20,388	-	20,388	-
Decrease in short-term loans from related parties by offset with dividend income	-	-	112,500	-

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

Major Development Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2023

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, statements of income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Basis of consolidation

These interim consolidated financial statements include the financial statements of Major Development Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group"), and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022, with no change in shareholding structure of subsidiaries during the current period, except for the additional and disposal investments as described in Note 4 to the financial statements.

1.3 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

(Unaudited but reviewed)

1.4 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

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 2024. 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.

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

2. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	6,655	8,069	-	-
Past due				
Up to 3 months	10,613	8,049	-	-
3 - 6 months	1,912	544	-	-
6 - 12 months	657	-	-	-
Over 12 months	1,558	2,658	-	-
Total	21,395	19,320	-	-
Less: Allowance for expected credit losses	(1,009)	(910)	-	-
Total trade receivables - unrelated parties, net	20,386	18,410	-	-
<u>Other receivables</u>				
Other receivables and advances -				
related parties	21,090	20,332	19,603	31,789
Other receivables and advances -				
unrelated parties	20,708	16,755	973	1,132
Interest receivables - related parties	116,762	89,627	709,006	605,567
Dividend receivable - related party	20,388	-	20,388	-
Total other receivables	178,948	126,714	749,970	638,488
Total trade and other receivables - net	199,334	145,124	749,970	638,488

3. Real estate development cost

- 3.1 During the nine-month period ended 30 September 2023, subsidiaries capitalised interest amounting to Baht 209 million (2022: Baht 102 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 10 to the financial statements.
- 3.2 As at 30 September 2023 and 31 December 2022, the subsidiaries have mortgaged some project land and construction thereon as collateral against credit facilities received from banks and short-term loans from third parties, and guaranteed at the Court. Their net book values are as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	30 September 2023	31 December 2022
Net book values of real estate development cost that have been pledged as collateral	8,544	6,199
Net book values of real estate development cost that have been guaranteed at the Court	3	-

4. Investments in subsidiaries

Movements of the investments in subsidiaries during the nine-month period ended 30 September 2023 are as follows:

Direct investment

MJV5 Co., Ltd.

The Company invested in MJV5 Co., Ltd., which is a newly registered company with the Ministry of Commerce on 22 May 2023. This company is principally engaged in the development of real estate for sale and has a registered share capital of Baht 1 million. The Company invested and paid Baht 1 million for ordinary shares, representing 99.99% of all shares.

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 Intelligence Development Company Limited, 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, liabilities and responsibility except when allowed by the subsidiary and the outstanding liabilities 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.

(Unaudited but reviewed)

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.

On 26 June 2023, the subsidiary has already made payment of the remaining shares and completed the transfer of the share's ownership.

The book values of assets acquired and liabilities of this company as at the acquisition date are summarised below:

	(Unit: Thousand Baht)
	<u>26 June 2023</u>
Cash and cash equivalents	3,613
Other receivables	332,113
Real estate development costs	1,827,791
Other assets	7,158
Other payables	(24,599)
Other liabilities	(4,235)
Long-term loans from financial institutions	<u>(825,000)</u>
Net assets of subsidiary	1,316,841
Prepayment for purchase of shares	(796,419)
Cash paid for acquisition of the subsidiary	<u>(521,673)</u>
Difference between cash paid for acquisition of subsidiary and the net asset value of subsidiary	<u><u>(1,251)</u></u>
 <u>Consolidated financial statements</u>	
Cash paid for acquisition of the subsidiary	521,673
Less: Cash and cash equivalents of the subsidiary	<u>(3,613)</u>
Net cash paid for acquisition of the subsidiary	<u><u>518,060</u></u>

The subsidiary had determined whether the acquisition of this company was in accordance with the requirements of Thai Financial Reporting Standard No.3 Business Combinations and concluded that this acquisition should be accounted for as an asset acquisition.

Since the Company's subsidiary is the major shareholder and has the ability to direct significant activities, such company is deemed to be a subsidiary of the Company and consequently has to be included in the consolidated financial statements from the date on which the subsidiary assumed control.

The change of investment in subsidiary to joint venture**MJV4 Co., Ltd.**

In September 2023, the Company entered into a joint venture agreement with an unrelated local company and disposed 9,800 ordinary shares of MJV4 Co., Ltd. (“subsidiary”), with a par value of Baht 100 each, which is equivalent to 49% of ordinary shares. The Company recognised gain on disposal of investment in subsidiary amounting to Baht 0.51 million under other income account in the consolidated statements of income.

As a result of the disposal of investment in subsidiary described above, the Company has only joint control over the subsidiary. Therefore, the Company has changed the status of the investment in that company to investment in joint venture.

On the date that the Company lost the control over that subsidiary, the Company recognised the investment by using fair value as the initial cost of investment in joint venture. The Company’s management has assessed that the fair value of investment in that company is equal to its net book value. Thus, net book value on the date that the Company had lost the control is used as the initial cost of investment in joint venture.

During the current period, the Company had lost control of the subsidiary. The values of assets and liabilities on the date that the Company lost the control are as follows:

	(Unit: Thousand Baht)
	<u>22 September 2023</u>
Cash and cash equivalents	1,576
Real estate development cost	12,540
Deposits for purchase of land	79,519
Trade and other payables	(7,178)
Short-term loans from related parties	(85,488)
Other current liabilities	(3)
Net assets	<u>966</u>
Cash received from disposal of investment in a subsidiary	980
<u>Less:</u> Cash and cash equivalents of a subsidiary	<u>(1,576)</u>
Decrease in cash flow from disposal of investment in a subsidiary	<u>(596)</u>

Dividend income**MJD Residences Company Limited**

On 24 August 2023, the Board of Directors’ meeting of MJD Residences Company Limited (“subsidiary”) approved the interim dividend payment from its retained earnings at the rate of Baht 15 per share, totaling Baht 112.50 million by offset with short-term loans to the parent company.

(Unaudited but reviewed)

5. Investments in joint ventures

5.1 Share of profit (loss) and dividend income

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Company recognised its share of profit (loss) from investments in joint ventures in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit (loss) from investments in joint ventures		Dividend income	
	2023	2022	2023	2022
Major Residences Company Limited	2,428	(14,386)	-	-
TMDC Construction Company Limited	(129)	(555)	-	-
MJD-JV1 Co., Ltd.	31,971	12,509	20,388	-
MJV3 Co., Ltd.	(1,842)	(2,734)	-	-
Techscape Co., Ltd.	(107)	(292)	-	-
Total	32,321	(5,458)	20,388	-

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit (loss) from investments in joint ventures		Dividend income	
	2023	2022	2023	2022
Major Residences Company Limited	10,161	(35,055)	-	-
TMDC Construction Company Limited	(126)	(534)	-	-
MJD-JV1 Co., Ltd.	77,125	151,846	20,388	-
MJV3 Co., Ltd.	(5,162)	(7,114)	-	-
Techscape Co., Ltd.	(119)	111	-	-
Total	81,879	109,254	20,388	-

(Unaudited but reviewed)

6. Related party transactions

During the periods, the Group had significant business transactions with related persons and parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current periods, except for new business transaction as follows.

<u>Transaction</u>	<u>Transfer pricing policy</u>
Dividend income	As declared

Summaries significant business transactions with related parties as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Interest income	-	-	69,482	54,625
Dividend income	-	-	112,500	-
Rental income	-	-	1,368	1,368
Interest expense	-	-	15,856	5,143
<u>Transactions with related parties</u>				
Interest income	9,130	10,149	9,130	10,149
Dividend income	-	-	20,388	-
Service fee	167	287	-	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Interest income	-	-	211,387	154,593
Dividend income	-	-	112,500	-
Rental income	-	-	4,104	3,804
Interest expense	-	-	48,047	8,018

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Transactions with related parties				
Interest income	27,592	30,846	27,592	30,846
Dividend income	-	-	20,388	-
Purchase of condominium unit	-	86,162	-	-
Purchase of intangible assets	3,638	3,424	-	-
Service fee	1,684	2,282	-	-

As at 30 September 2023 and 31 December 2022, the balances of the accounts between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
Other receivables - related parties (Note 2)				
Subsidiaries	-	-	597,026	528,441
Joint ventures	158,240	109,959	151,971	108,915
Total other receivables - related parties	158,240	109,959	748,997	637,356
Other payables - related parties				
Subsidiaries	-	-	380,914	334,361
Joint ventures	1,392	1,392	1,392	1,392
Director	14	32	-	-
Total other payables - related parties	1,406	1,424	382,306	335,753

Loans to related parties and loans from related parties

As at 30 September 2023 and 31 December 2022, the balances of loans between the Group and those related parties and the movements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December		Balance as at 30 September	
	2022	Increase	Decrease	2023
Short-term loans to				
MJV4 Co., Ltd.	-	85,488	-	85,488
Total	-	85,488	-	85,488

Short-term loan to related party carries interest at the rate of 6.90% per annum and is due at call. In October 2023, the Company received the loan repayment in full.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Short-term loans to	Separate financial statements			Balance as at 30 September 2023
	Balance as at 31 December 2022	Increase	Decrease	
Major Development Estate Company Limited	1,717,000	175,000	(439,000)	1,453,000
Major Development Commercial Company Limited	659,000	29,000	-	688,000
Major Development Hotels and Resorts Company Limited	178,500	26,000	-	204,500
MJV2 Co., Ltd.	284,000	135,000	-	419,000
MJR Development Company Limited	542,000	85,100	(150,000)	477,100
MJP Property Company Limited	22,700	168,000	-	190,700
MJC Development Company Limited	31,000	1,000	(32,000)	-
MJV4 Co., Ltd.	5,000	34,000	-	39,000
MJV5 Co., Ltd.	-	1,000	-	1,000
Total	<u>3,439,200</u>	<u>654,100</u>	<u>(621,000)</u>	<u>3,472,300</u>

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 30 September 2023
	Balance as at 31 December 2022	Increase	Decrease	
Major Residences Company Limited	270,300	-	-	270,300
MJD-JV1 Co., Ltd.	166,634	-	(127,201)	39,433
MJV3 Co., Ltd.	243,200	7,650	-	250,850
Total	<u>680,134</u>	<u>7,650</u>	<u>(127,201)</u>	<u>560,583</u>
Less: Allowance for impairment loss from Investments in joint ventures	<u>(12,875)</u>			<u>(18,037)</u>
Total	<u>667,259</u>			<u>542,546</u>
Less: Current portion	<u>(268,634)</u>			<u>(183,600)</u>
Long-term portion	<u>398,625</u>			<u>358,946</u>

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 January 2027.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Long-term loans to	Separate financial statements			
	Balance as at			Balance as at
	31 December			30 September
	2022	Increase	Decrease	2023
Major Residences Company Limited	270,300	-	-	270,300
MJD-JV1 Co., Ltd.	166,634	-	(127,201)	39,433
MJV3 Co., Ltd.	243,200	7,650	-	250,850
MJR Development Company Limited	300,000	-	-	300,000
Total	980,134	7,650	(127,201)	860,583
Less: Current portion	(268,634)			(183,600)
Long-term portion	711,500			676,983

Long-term loans to related parties carry interests at the rate of 6.80% per annum and at the rate based on MLR per annum and are due for payment within December 2023 to January 2027.

(Unit: Thousand Baht)

Short-term loans from	Separate financial statements			
	Balance as at			Balance as at
	31 December			30 September
	2022	Increase	Decrease	2023
Major Development Residences Company Limited	105,500	-	(500)	105,000
MJD Residences Company Limited	305,000	320,000	(130,500)	494,500
MJP Property Company Limited	240,000	-	-	240,000
MJR Development Company Limited	220,000	-	(220,000)	-
MJC Development Company Limited	-	52,000	-	52,000
Total	870,500	372,000	(351,000)	891,500

Short-term loans from related parties carry interests between 2.00 - 7.00% per annum and are due at call.

(Unaudited but reviewed)

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Group had employee benefit expenses to its directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2023	2022	2023	2022
Short-term employee benefits	30.0	28.5	92.7	84.8
Post-employment benefits	1.0	0.9	3.1	2.8
Total	31.0	29.4	95.8	87.6

(Unit: Million Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2023	2022	2023	2022
Short-term employee benefits	0.4	0.4	1.4	2.6
Total	0.4	0.4	1.4	2.6

Guarantee obligations with related parties

The Company has obligations in respect of guarantees of the related parties obtained from banks as described in Note 14.2 to the financial statements, for which no guarantee fee has been charged.

7. Property, plant and equipment

Movements of property, plant and equipment during the nine-month period ended 30 September 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2023	2,063,237	44,925
Addition during the period - at cost	10,043	87
Transfer from real estate development cost	15,536	15,536
Disposal/write-off	(1,290)	(373)
Depreciation for the period	(73,226)	(3,911)
Net book value as at 30 September 2023	2,014,300	56,264

(Unaudited but reviewed)

Land and building of the Group with carrying values as at 30 September 2023 amounting to Baht 1,566 million (Separate financial statements: Baht 32 million) (31 December 2022: Baht 1,619 million, Separate financial statements: Baht 34 million) have been mortgaged with local commercial banks as collateral against credit facilities received from banks and guarantee at the Court.

8. Long-term bill of exchange

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 September 2023	31 December 2022
Long-term bill of exchange	44,000	44,000
Less: Prepaid interest expenses	(1,614)	(3,514)
Bill of exchange - net	42,386	40,486
Less: Portion due within one year	(42,386)	-
Long-term portion	-	40,486

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

9. Short-term loans from third parties

Movements of short-term loans from third parties account during the nine-month period ended 30 September 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2023	150,000
Add: Additional borrowings	22,000
Balance as at 30 September 2023	172,000

Short-term loans carry interests at the rate of 6.75% per annum and are due for payment within June 2024 (31 December 2022: due for payment within September 2023).

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

(Unaudited but reviewed)

10. Long-term loans from financial institutions

Movements of long-term loans account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2023	4,130,502
Add: Additional borrowings	951,618
Increase from acquisition of subsidiary	825,000
Less: Repayment	(337,959)
Amortisation of financial fees	(4,146)
Total	5,565,015
Less: Portion due within one year	(1,005,302)
Balance as at 30 September 2023 - net	4,559,713

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 are to be made within 2024 - 2033.

The Group has pledged bank deposits and mortgaged most of the assets, i.e., real estate development cost, investment properties and land and buildings, with banks to secure 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 include shareholder's equity and loans from related parties.

As at 30 September 2023, subsidiaries had credit facilities which have not drawn down of Baht 3,261 million (31 December 2022: Baht 3,898 million).

(Unaudited but reviewed)

11. Debentures

Movements of debentures account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2023	5,775,289	5,625,734
Add: Additional borrowings	2,353,300	2,353,300
Less: Repayment	(1,973,700)	(1,823,700)
Amortisation of costs relating to the issuance of the debentures	(3,739)	(4,184)
Total	6,151,150	6,151,150
Less: Portion due within one year	(1,770,335)	(1,770,335)
Balance as at 30 September 2023 - net	4,380,815	4,380,815

Debentures carry interests between 6.25 - 7.10% per annum and are due for payment within October 2023 to March 2026.

The debentures contain term of issuer relating to the transfer or disposal of assets, no declaration and payment 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 Group 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 loans from related parties and equity is defined as shareholder's equity.

12. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses (income) for the three-month and nine-month periods ended 30 September 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	3,838	14,356	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,472)	(17,300)	29	128
Income tax expenses (income) reported in the statements of income	<u>(5,634)</u>	<u>(2,944)</u>	<u>29</u>	<u>128</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	21,442	30,613	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(21,372)	(54,680)	536	889
Income tax expenses (income) reported in the statements of income	<u>70</u>	<u>(24,067)</u>	<u>536</u>	<u>889</u>

13. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of their reportable segments from the latest annual financial statements.

Revenue and profit (loss) information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September								Consolidated financial statements	
	Development of properties for sales		Hotel business		Rental business		Elimination			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Revenue from external customers	<u>340</u>	<u>620</u>	<u>50</u>	<u>44</u>	<u>46</u>	<u>35</u>	<u>(29)</u>	<u>(18)</u>	<u>407</u>
Segment operating profit (loss)	<u>(55)</u>	<u>(53)</u>	<u>(9)</u>	<u>(9)</u>	<u>29</u>	<u>20</u>	<u>(1)</u>	<u>8</u>	<u>(36)</u>	<u>(34)</u>
Unallocated income and expenses:										
Other income									14	16
Finance cost									(97)	(122)
Income tax income									6	3
Loss for the period									<u>(113)</u>	<u>(137)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Development of properties for sales		Hotel business		Rental business		Elimination		Consolidated financial statements	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Revenue from external customers	1,448	1,815	194	117	127	100	(92)	(56)	1,677
Segment operating profit (loss)	(58)	(56)	(4)	(30)	78	57	(2)	8	14	(21)
Unallocated income and expenses:										
Other income									48	52
Finance cost									(328)	(373)
Income tax income									-	24
Loss for the period									(266)	(318)

14. Commitments and contingent liabilities

14.1 Capital commitments

The Group had capital commitments as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	30 September 2023	31 December 2022
<u>Subsidiaries</u>		
Construction agreements related to project development	1,923	1,401
Construction agreements related to office building for rental	16	16
Sell and purchase of land agreements	1,158	378
Sell and purchase of share agreement	-	1,015
<u>Joint ventures</u>		
Construction agreements related to project development	24	15
Sell and purchase of land agreement	165	-

14.2 Bank guarantees

- (1) As at 30 September 2023, the Company has guaranteed bank credit facilities of related parties amounting to Baht 12,175 million (31 December 2022: Baht 11,420 million).
- (2) As at 30 September 2023 and 31 December 2022, 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	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Bank guarantees for electricity use	2	3	-	1
Bank guarantees for public utility	197	64	-	-
Bank guarantees for purchase of goods	3	-	-	-
Total	202	67	-	1

As at 30 September 2023, the Group pledged deposits at banks of Baht 1.1 million (31 December 2022: Baht 1.8 million, Separate financial statements: Baht 0.8 million) and mortgaged the land and some items construction projects with the banks to secure the issuance of bank guarantees.

14.3 Servitude

As at 30 September 2023 and 31 December 2022, subsidiaries had servitude over land approximately 7 rai. Cost of servitude over land is included in real estate development cost, investment properties, and property, plant and equipment.

14.4 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 (January 2016). 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.

14.5 Litigations

As at 30 September 2023, the Group and joint ventures have been sued in lawsuits related to breaches of contracts, contract termination, refunds and damages with total claims of approximately Baht 240 million (31 December 2022: Baht 271 million). The cases are currently being heard by the Court of First Instance and Court of Appeal 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 91 million (31 December 2022: Baht 89 million) in its accounts.

In addition, during the current period, there have been no significant changes with respect to the lawsuit and dispute related to the return of deposits for the purchase of land and construction service fees as disclosed in Notes 33.5 b) and 33.5 e) to the consolidated financial statements for the year 2022, except for Note 33.5 c) and 33.5 d) as follow.

33.5 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. In November 2023, the Court of First Instance passed its judgement for dismissal of the customer's petition for setting aside and confirmed to enforce according to the award of the Arbitral Tribunal. The customer can appeal within the specific period.

33.5 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, the 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. In July 2023, the case is dismissed by the Court of First Instance and third party must pay compensation of Baht 175 million with interest to the joint venture. Currently, the third party is in the process of filling an appeal with the Appeal Court.

(Unaudited but reviewed)

15. Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

As at 30 September 2023 and 31 December 2022, the Group had the financial liability for which fair value are disclosed using inputs categorised as level 2 are follows:

(Unit: Million Baht)

	Consolidated financial statements			
	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	6,151	6,144	5,775	5,821

(Unit: Million Baht)

	Separate financial statements			
	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial liability</u>				
Long-term debentures	6,151	6,144	5,626	5,671

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

16. Events after the reporting period

16.1 On 2 October 2023, the Extraordinary General Meeting of Shareholders of Major Development Hotels and Resorts Co., Ltd. ("subsidiary") passed a resolution approving an increase in share capital from Baht 400 million to Baht 750 million by issuing additional 3,500,000 ordinary shares with a par value of Baht 100 each. The subsidiary initially called up its share capital of Baht 217.5 million. The Company acquired all the newly issued shares and made a payment. Subsequently, the subsidiary registered the increase in its share capital with the Ministry of Commerce on 4 October 2023.

16.2 The Company acquired ordinary shares of 39 Residence Co., Ltd., which is a newly company incorporation with the Ministry of Commerce on 6 October 2023. This company is principally engaged in the development of real estate for sale and has a registered share capital of Baht 1 million. The Company acquired and made a payment of Baht 1 million for ordinary shares, representing 99.99% of all shares.

(Unaudited but reviewed)

16.3 On 11 October 2023, the Extraordinary General Meeting of Shareholders of MJV4 Co., Ltd. (“joint venture”) passed a resolution approving an increase in share capital from Baht 2 million to Baht 317 million by issuing additional 3,150,000 ordinary shares with a par value of Baht 100 each. The joint venture initially called up its share capital of Baht 110.3 million. The Company acquired 1,606,029 shares, representing 51% of the total newly issued shares and made a payment. The joint venture registered the increase in its share capital with the Ministry of Commerce on 12 October 2023.

17. Approval of interim financial statements

The interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2023.